



**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Salt Creek Township
Muskingum County
7340 Chandlersville Road
Chandlersville, Ohio 43727

To the Board of Trustees:

We have audited the accompanying financial statements of Salt Creek Township, Muskingum County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Salt Creek Township, Muskingum County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

July 11, 2001

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**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$16,089	\$16,089	\$32,178
Intergovernmental	35,817	61,906	97,723
Licenses, Permits, and Fees		3,675	3,675
Earnings on Investments	349	349	698
Other Revenue	1,312	2,200	3,512
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	53,567	84,219	137,786
Cash Disbursements:			
Current:			
General Government	28,442		28,442
Public Safety	1,206	6,979	8,185
Public Works	38,739	61,389	100,128
Health		3,025	3,025
Debt Service:			
Redemption of Principal		7,725	7,725
Interest and Fiscal Charges		1,404	1,404
Capital Outlay		135	135
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	68,387	80,657	149,044
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/> <u>(14,820)</u>	<hr/> <u>3,562</u>	<hr/> <u>(11,258)</u>
Other Financing Receipts/(Disbursements):			
Sale of Fixed Assets	<hr/> <u>100</u>	<hr/> <u></u>	<hr/> <u>100</u>
Total Other Financing Receipts/(Disbursements)	<hr/> <u>100</u>	<hr/> <u></u>	<hr/> <u>100</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(14,720)	3,562	(11,158)
Fund Cash Balances, January 1	<hr/> <u>30,543</u>	<hr/> <u>18,234</u>	<hr/> <u>48,777</u>
Fund Cash Balances, December 31	<hr/> <u>\$15,823</u>	<hr/> <u>\$21,796</u>	<hr/> <u>\$37,619</u>

The notes to the financial statements are an integral part of this statement.

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$15,320	\$15,320	\$30,640
Intergovernmental	39,424	63,422	102,846
Licenses, Permits, and Fees		3,725	3,725
Earnings on Investments	226	260	486
Other Revenue	601	900	1,501
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	55,571	83,627	139,198
Cash Disbursements:			
Current:			
General Government	28,626		28,626
Public Safety	3,800	6,762	10,562
Public Works	8,632	60,271	68,903
Health		2,764	2,764
Debt Service:			
Redemption of Principal		4,000	4,000
Interest and Fiscal Charges		958	958
Capital Outlay		17,807	17,807
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	41,058	92,562	133,620
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	14,513	(8,935)	5,578
Other Financing Receipts/(Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Notes		11,175	11,175
Transfers-In		4,958	4,958
Transfers-Out	(4,958)		(4,958)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(4,958)	16,133	11,175
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	9,555	7,198	16,753
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	20,988	11,036	32,024
Fund Cash Balances, December 31	<hr/> \$30,543	<hr/> \$18,234	<hr/> \$48,777

The notes to the financial statements are an integral part of this statement.

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Salt Creek Township, Muskingum County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including maintenance of roads, bridges, swimming pool, and park, fire protection, and emergency management services. The Township contracts with Wayne Township Fire Department for fire protection services and with Harrison Township to provide ambulance services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Motor Vehicle License Tax Fund - This fund receives motor vehicle money for maintaining and repairing Township roads.

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire District Fund - This fund receives property tax money for maintaining and equipping a volunteer Fire Department.

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$37,619</u>	<u>\$48,777</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$60,717	\$53,667	(\$7,050)
Special Revenue	86,227	84,219	(2,008)
Total	\$146,944	\$137,886	(\$9,058)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$85,866	\$68,387	\$17,479
Special Revenue	97,652	80,657	16,995
Total	\$183,518	\$149,044	\$34,474

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$59,702	\$55,571	(\$4,131)
Special Revenue	94,357	99,760	5,403
Total	\$154,059	\$155,331	\$1,272

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$61,705	\$46,016	\$15,689
Special Revenue	87,453	92,562	(5,109)
Total	\$149,158	\$138,578	\$10,580

Contrary to Ohio law, Gasoline Tax Fund expenditures exceeded appropriations by \$12,531 during 1999. Also contrary to Ohio law and during 1999, the Township failed to obtain an increased amended certificate reflecting additional revenues received and spent in the Gasoline Tax Fund.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX (Continued)

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
1999 - General Obligation Notes	\$7,450	5.75%
1997 - General Obligation Notes	8,000	5.87%
Total	\$15,450	

The general obligation notes were issued to finance the purchase of a dump truck and grader. The notes are collateralized solely by the Township's taxing authority.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Notes
2001	8,623
2002	8,174
Total	\$16,797

6. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% and 13.55% for 2000 and 1999, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

7. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA). OTARMA assumes the risk of loss up to the limits of the Township's policies. OTARMA may make supplemental assessments if the experience of the overall pool is unfavorable. The following risks are covered by OTARMA:

- Comprehensive property and general liability
- Public officials' liability
- Vehicles
- Wrongful Acts

The Township also provides dental coverage to the full-time employee through a private carrier.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Salt Creek Township
Muskingum County
7340 Chandlersville Road
Chandlersville, Ohio 43727

To the Board of Trustees:

We have audited the accompanying financial statements of Salt Creek Township, Muskingum County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated July 11, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2000-41060-001 through 2000-41060-004. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated July 11, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 2000-41060-002, 2000-41060-005, and 2000-41060-006.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are not material weaknesses. We also noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated July 11, 2001.

Salt Creek Township
Muskingum County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

July 11, 2001

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2000-41060-001
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Finding for Adjustment

Ohio Rev. Code § 5705.10 requires that all revenue derived from a specific source to be credited to a special fund for the purpose for which the monies were received.

During the audit period, the following actions occurred:

- Fiscal Year 2000, the first half-year manufactured homes settlement had been posted to Road and Bridge Fund, instead of being allocated between the General, Road and Bridge, and Fire Levy Funds.
- Fiscal Year 2000, the second half-year manufactured homes settlement was posted entirely to the General Fund, instead of being allocated between the General, Road and Bridge, and Fire Levy Funds.
- Fiscal Year 2000, the Personal Property Tax Exemption settlement was posted entirely to the General Fund, instead of allocated between the General, Road and Bridge, and Fire Levy Funds.
- Fiscal Years 1999 and 2000, the Homestead and Rollback settlements had been posted entirely to the General Fund, instead of being allocated between the General, Road and Bridge, and Fire Levy Funds.

In accordance with the foregoing facts, a finding for adjustment is hereby issued against, and in favor of, the following funds:

2000:		
Fund:	Against:	In Favor Of:
General	\$1,871	
Road and Bridge		\$800
Fire Levy		\$1,071
Total	\$1,871	\$1,871

1999:		
Fund	Against	In Favor Of
General	\$1,758	
Road and Bridge		\$879
Fire Levy		\$879
Total	\$1,758	\$1,758

As of the date of this report, the Clerk was in agreement with the aforementioned adjustments and these adjustments were posted to the Township's records.

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number	2000-41060-002
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Noncompliance Citation and Reportable Condition

Ohio Rev. Code § 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon. This section also provides two "exceptions" to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of any previous encumbrances, the Board of Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.

- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Board of Trustees.

The Township included certification language as part of its purchase order. However, 81% of expenditures tested were made without obtaining the Clerk's certification. These commitments were not subsequently approved using a Then and Now Certificate by the Clerk or by the Board of Trustees, as applicable, within the aforementioned 30 day time period.

We recommend Township personnel obtain proper certification for every contract or order involving an expenditure of money.

Finding Number	2000-41060-003
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Noncompliance Citation

Ohio Rev. Code § 5705.36 allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. An increased amended certificate must be obtained from the Budget Commission if the legislative authority intends to appropriate and expend the excess revenue.

During 1999, the Township did not obtain an increased amended certificate reflecting the proceeds from the issuance of \$11,175 in notes. This resulted in actual revenues in the Gasoline Tax Fund exceeding budgeted revenues by \$7,438. The Township did not obtain an increased amended certificate, but did expend the note proceeds.

We recommend the Township monitor budgeted versus actual receipts more carefully. When the Township anticipates appropriating or expending additional revenue, an amended certificate of estimated resources should be obtained.

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number	2000-41060-004
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Noncompliance Citation

Ohio Rev. Code § 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated.

During 1999, the Gasoline Tax Fund expenditures exceeded appropriations by \$12,531. This occurred as a result of the Township not obtaining an amended certificate for the debt proceeds and not appropriating the purchase of a dump truck.

We recommend the Township expend monies only if unencumbered appropriations are available. The proceeds of debt and the expenditure of debt proceeds should be properly budgeted.

Finding Number	2000-41060-005
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Reportable Condition

In 1999, the Township did not properly post the budgeted receipts to the accounting system. Variances existed between the certificates of estimated resources and the amounts posted to the accounting system throughout the year.

Fund	Budgeted Receipts per the UAN system	Budgeted Receipts per the Certificate of Estimated Resources	Variance
General Fund	\$47,871	\$35,778	\$12,093
Gasoline Tax Fund	\$55,700	\$60,658	(\$4,958)
Total	\$103,571	\$96,436	\$7,135

Additionally, the Township posted changes in estimated receipts prior to obtaining approval by the Budget Commission in both 1999 and 2000. During 2000, the Township did not post the original estimated receipts from the Certificate until June 11.

Because the information entered into the accounting system was inaccurate and not entered in a timely manner, the Township management was unable to effectively monitor budget versus actual activity during the year. Material audit adjustments were made to the budgetary notes in 1999 in order to present the certified amount of estimated receipts.

We recommend the Clerk record only estimated receipts from the certificate of estimated resources and any amendments thereto. We also recommend that amendments be posted in a timely manner. This would enable useful comparisons of estimated to actual receipts to be made throughout the year.

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Finding Number	2000-41060-006
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Reportable Condition

The Township issued \$11,175 in general obligation notes during 1999 for the purpose of purchasing a dump truck for use in road maintenance. The bank which purchased the notes made the check payable directly to the vendor. The Township did not record the proceeds from this note issuance in the financial statements. The Township also did not record the purchase of the equipment in the financial statements. This resulted in receipts and disbursements being materially understated in 1999. The financial statements include an adjustment, with which the Township officials agree, to reflect the actual note proceeds and capital outlay expense.

We recommend the Township properly recognize the revenue and expense associated with debt issuance and equipment purchases.

**SALT CREEK TOWNSHIP
MUSKINGUM COUNTY**

SCHEDULE OF PRIOR AUDIT FINDINGS

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid
1998-41060-001	The Township did not comply with Ohio Rev. Code Section 5705.41(D) concerning obtaining the Clerk's certification of the availability of unencumbered appropriations prior to ordering any expenditure of Township funds.	No.	Not Corrected - The Township Clerk's certification was not obtained prior to incurring Township obligations in 81% of the transactions tested.



STATE OF OHIO
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SALT CREEK TOWNSHIP

MUSKINGUM COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 28, 2001**