



**SCIOTO TOWNSHIP  
DELAWARE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**SCIOTO TOWNSHIP  
DELAWARE COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Scioto Township  
Delaware County  
4295 Russell Road  
Ostrander, Ohio 43061

To the Board of Trustees:

We have audited the accompanying financial statements of Scioto Township, Delaware County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 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 audits.

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 audits provide 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 and reserve for encumbrances of the Township as of December 31, 2000 and December 31, 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 May 21, 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 result of our audit.

This report is intended solely for the information and use of management, the Board 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

May 21, 2001

**SCIOTO TOWNSHIP  
DELAWARE 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> |                            |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|--------------------------------|----------------------------|-----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>  |                                |                            |                             |   |
| Local Taxes  | \$67,226                       | \$270,642                  | \$0                         | \$337,868                               |
| Intergovernmental  | 57,709                         | 89,323                     | 0                           | 147,032                                 |
| Licenses, Permits, and Fees  | 6,880                          | 5,593                      | 0                           | 12,473                                  |
| Earnings on Investments  | 46,341                         | 43,585                     | 0                           | 89,926                                  |
| Other Receipts   | 4,273                          | 1,515                      | 0                           | 5,788                                   |
|  | <hr/>                          | <hr/>                      | <hr/>                       | <hr/>                                   |
| Total Cash Receipts  | 182,429                        | 410,658                    | 0                           | 593,087                                 |
| <b>Cash Disbursements:</b>   |                                |                            |                             |   |
| Current:   |                                |                            |                             |   |
| General Government   | 92,615                         | 0                          | 0                           | 92,615                                  |
| Public Safety  | 930                            | 89,612                     | 0                           | 90,542                                  |
| Public Works   | 0                              | 74,444                     | 0                           | 74,444                                  |
| Health   | 14,796                         | 8,225                      | 0                           | 23,021                                  |
| Debt Service:  |                                |                            |                             |   |
| Redemption of Principal  | 3,062                          | 0                          | 0                           | 3,062                                   |
| Interest and Fiscal Charges  | 1,777                          | 0                          | 0                           | 1,777                                   |
| Capital Outlay   | 82,296                         | 15,963                     | 0                           | 98,259                                  |
|  | <hr/>                          | <hr/>                      | <hr/>                       | <hr/>                                   |
| Total Cash Disbursements   | 195,476                        | 188,244                    | 0                           | 383,720                                 |
| Total Receipts Over/(Under) Disbursements  | <hr/>                          | <hr/>                      | <hr/>                       | <hr/>                                   |
|  | (13,047)                       | 222,414                    | 0                           | 209,367                                 |
| <b>Other Financing Receipts/(Disbursements):</b>   |                                |                            |                             |   |
| Proceeds from Sale of Public Debt:   |                                |                            |                             |   |
| Sale of Notes  | 81,000                         | 0                          | 0                           | 81,000                                  |
| Sale of Fixed Assets   | 2,950                          | 0                          | 0                           | 2,950                                   |
|  | <hr/>                          | <hr/>                      | <hr/>                       | <hr/>                                   |
| Total Other Financing Receipts/(Disbursements)   | 83,950                         | 0                          | 0                           | 83,950                                  |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Disbursements | <hr/>                          | <hr/>                      | <hr/>                       | <hr/>                                   |
|  | 70,903                         | 222,414                    | 0                           | 293,317                                 |
| Fund Cash Balances, January 1, 2000  | <hr/>                          | <hr/>                      | <hr/>                       | <hr/>                                   |
|  | 268,553                        | 936,308                    | 36,781                      | 1,241,642                               |
| <b>Fund Cash Balances, December 31, 2000</b>   | <hr/>                          | <hr/>                      | <hr/>                       | <hr/>                                   |
|  | <b>\$339,456</b>               | <b>\$1,158,722</b>         | <b>\$36,781</b>             | <b>\$1,534,959</b>                      |

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

SCIOTO TOWNSHIP  
DELAWARE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2000

|  | <u>Non-Expendable<br/>Trust</u> |
|--|---------------------------------|
| Fund Cash Balances, January 1, 2000          | <u>\$1,514</u>                  |
| <b>Fund Cash Balances, December 31, 2000</b> | <b><u><u>\$1,514</u></u></b>    |

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



**SCIOTO TOWNSHIP  
DELAWARE 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> |                            |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|--------------------------------|----------------------------|-----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>                            |                                |                            |                             |   |
| Local Taxes                                      | \$54,295                       | \$244,998                  | \$0                         | \$299,293                               |
| Intergovernmental                                | 84,350                         | 84,316                     | 0                           | 168,666                                 |
| Licenses, Permits, and Fees                      | 9,280                          | 11,202                     | 0                           | 20,482                                  |
| Earnings on Investments                          | 21,476                         | 21,989                     | 841                         | 44,306                                  |
| Other Receipts                                   | 425                            | 6,663                      | 24,925                      | 32,013                                  |
|  | <u>169,826</u>                 | <u>369,168</u>             | <u>25,766</u>               | <u>564,760</u>                          |
| <b>Total Cash Receipts</b>                       |                                |                            |                             |   |
|  | <u>169,826</u>                 | <u>369,168</u>             | <u>25,766</u>               | <u>564,760</u>                          |
| <b>Cash Disbursements:</b>                       |                                |                            |                             |   |
| Current:   |                                |                            |                             |   |
| General Government                               | 88,982                         | 0                          | 0                           | 88,982                                  |
| Public Safety                                    | 5,715                          | 95,679                     | 0                           | 101,394                                 |
| Public Works                                     | 0                              | 133,564                    | 0                           | 133,564                                 |
| Health   | 8,963                          | 1,923                      | 0                           | 10,886                                  |
| Capital Outlay                                   | 0                              | 33,630                     | 0                           | 33,630                                  |
|  | <u>103,660</u>                 | <u>264,796</u>             | <u>0</u>                    | <u>368,456</u>                          |
| <b>Total Cash Disbursements</b>                  |                                |                            |                             |   |
|  | <u>103,660</u>                 | <u>264,796</u>             | <u>0</u>                    | <u>368,456</u>                          |
| <b>Total Receipts Over/(Under) Disbursements</b> | 66,166                         | 104,372                    | 25,766                      | 196,304                                 |
| Fund Cash Balances, January 1, 1999              | <u>202,387</u>                 | <u>831,936</u>             | <u>11,015</u>               | <u>1,045,338</u>                        |
| <b>Fund Cash Balances, December 31, 1999</b>     | <u><b>\$268,553</b></u>        | <u><b>\$936,308</b></u>    | <u><b>\$36,781</b></u>      | <u><b>\$1,241,642</b></u>               |
| Reserve for Encumbrances, December 31, 1999      | <u>\$27,766</u>                | <u>\$135,196</u>           | <u>\$0</u>                  | <u>\$162,962</u>                        |

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

SCIOTO TOWNSHIP  
DELAWARE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999

|  | <u>Non-Expendable<br/>Trust</u> |
|--|---------------------------------|
| Fund Cash Balances, January 1, 1999          | <u>\$1,514</u>                  |
| <b>Fund Cash Balances, December 31, 1999</b> | <b><u><u>\$1,514</u></u></b>    |

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

**SCIOTO TOWNSHIP  
DELAWARE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Scioto Township, Delaware 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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments**

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. 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:

**SCIOTO TOWNSHIP  
DELAWARE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

Special Levy (Fire) Fund - This fund receives tax money from a specific fire levy to help cover the cost of fire protection.

Special Levy (Road Improvements) Fund - This fund receives tax money from a specific levy to help cover cost road improvements.

**3. Capital Project Funds**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Capital Equipment - This fund receives tax money for the purchasing of capital equipment.

**4. Fiduciary Funds (Trust and Agency Funds)**

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Non-Expendable Cemetery Bequest Funds - These funds receive interest from bequests for maintaining a Township cemetery.

**E. 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 and 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. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**SCIOTO TOWNSHIP  
DELAWARE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**3. Encumbrances (Continued)**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated 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.

**F. 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 AND INVESTMENTS**

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

|                                | <u>2000</u>               | <u>1999</u>               |
|--------------------------------|---------------------------|---------------------------|
| Demand deposits                | \$422,185                 | \$189,956                 |
| Certificates of deposit        | <u>100,000</u>            | <u>100,000</u>            |
| Total deposits                 | <u>522,185</u>            | <u>289,956</u>            |
| <br>STAR Ohio                  | <br><u>1,014,288</u>      | <br><u>953,200</u>        |
| Total investments              | <u>1,014,288</u>          | <u>953,200</u>            |
| Total deposits and investments | <u><u>\$1,536,473</u></u> | <u><u>\$1,243,156</u></u> |

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio and are not evidenced by securities that exist in physical or book-entry form.

**SCIOTO TOWNSHIP  
DELAWARE 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 1999 follows:

**2000 Budgeted vs. Actual Receipts**

| Fund Type       | Budgeted<br>Receipts | Actual<br>Receipts | Variance        |
|-----------------|----------------------|--------------------|-----------------|
| General         | \$169,478            | \$266,379          | \$96,901        |
| Special Revenue | 430,235              | 410,658            | (19,577)        |
| Total           | <u>\$599,713</u>     | <u>\$677,037</u>   | <u>\$77,324</u> |

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

| Fund Type       | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance         |
|-----------------|----------------------------|---------------------------|------------------|
| General         | \$272,850                  | \$195,476                 | \$77,374         |
| Special Revenue | 1,037,305                  | 188,244                   | 849,061          |
| Total           | <u>\$1,310,155</u>         | <u>\$383,720</u>          | <u>\$926,435</u> |

**1999 Budgeted vs. Actual Receipts**

| Fund Type        | Budgeted<br>Receipts | Actual<br>Receipts | Variance         |
|------------------|----------------------|--------------------|------------------|
| General          | \$127,568            | \$169,826          | \$42,258         |
| Special Revenue  | 329,759              | 369,168            | 39,409           |
| Capital Projects | 0                    | 25,766             | 25,766           |
| Total            | <u>\$457,327</u>     | <u>\$564,760</u>   | <u>\$107,433</u> |

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

| Fund Type       | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance           |
|-----------------|----------------------------|---------------------------|--------------------|
| General         | \$320,516                  | \$131,426                 | \$189,090          |
| Special Revenue | 1,221,696                  | 399,992                   | 821,704            |
| Total           | <u>\$1,542,212</u>         | <u>\$531,418</u>          | <u>\$1,010,794</u> |

**SCIOTO TOWNSHIP  
DELAWARE COUNTY**

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

**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 payment, the first half is due December 31. The second half payment is due the following June 20.

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<br>Rate |
|--------------------------|-----------|------------------|
| General Obligation Notes | \$77,938  | 7%               |
| Total                    | \$77,938  |                  |

The general obligation notes were issued to finance the purchase of land to be used for constructing a new Township Hall.

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

| Year ending<br>December 31: | General<br>Obligation<br>Notes |
|-----------------------------|--------------------------------|
| 2001                        | 19,356                         |
| 2002                        | 19,356                         |
| 2003                        | 19,356                         |
| 2004                        | 19,356                         |
| Subsequent                  | 4,205                          |
| Total                       | \$81,629                       |

**SCIOTO TOWNSHIP  
DELAWARE COUNTY**

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

**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 post-retirement 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. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries in 1999, and 10.84% in 2000. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

**8. SUBSEQUENT EVENTS**

The Township paid off the general obligation note of \$77,938 in 2001.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Scioto Township  
Delaware County  
4295 Russell Road  
Ostrander, Ohio 43061

To the Board of Trustees:

We have audited the financial statements of Scioto Township, Delaware County, Ohio as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated May 21, 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 Scioto 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 2000-40621-001 and 2000-40621-002. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated May 21, 2001.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Scioto 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 21, 2001.

Scioto Township  
Delaware County  
Report 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

May 21, 2001

**SCIOTO TOWNSHIP  
DELAWARE COUNTY**

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

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

**FINDING NUMBER 2000-40621-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41 (D) States in part that "no subdivision or taxing unit shall make any contract or order involving the expenditures 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 void and no warrant shall be issued in payment of any amount due thereon."

This section also provides two exceptions to the requirements above:

1. Then and Now certificate - If no prior certification of funds is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of previous encumbrances, the Board may authorize the issuance of a check 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.
2. If the amount involved is less than one thousand dollars, the fiscal officer may authorize the Then and Now certificate to be paid without affirmation of the Board.

During our testing, we noted 20% of the transactions reviewed were not certified by the Clerk at the time of incurring the obligation and were not encumbered until the time of payment.

**FINDING NUMBER 2000-40621-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5549.21 states all purchases of materials, machinery, and tools shall, where the amount involved exceeds fifteen thousand dollars, be made from the lowest responsible bidder after advertisement.

In 1999 the Township purchased a truck chassis from Ryder for \$23,000. The Township did not solicit bids before making the purchase. We recommend all future purchases of this nature should be properly bid in accordance with the preceding code section so that the Township takes advantage of the lowest and best bid.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**SCIOTO TOWNSHIP**

**DELAWARE 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  
JULY 17, 2001**