



**SCIOTO TOWNSHIP
ROSS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SCIOTO TOWNSHIP
ROSS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Scioto Township
Ross County
164 South Watt Street
Chillicothe, Ohio 45601

To the Board of Trustees:

We have audited the accompanying financial statements of Scioto Township, Ross County, Ohio (the Township) as of and for the years ended December 31, 2001 and December 31, 2000. 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Scioto Township, Ross County, Ohio as of December 31, 2001 and December 31, 2000, 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 April 24, 2002 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 the audit committee, 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.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

April 24, 2002

**SCIOTO TOWNSHIP
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Non Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>		
Cash Receipts:					
Local Taxes	\$93,706	\$388,225	\$23,761	\$0	\$505,692
Intergovernmental	124,394	175,021	0	0	299,415
Licenses, Permits, and Fees	0	70,311	0	0	70,311
Earnings on Investments	22,291	3,197	0	632	26,120
Other Revenue	49,414	88,036	0	0	137,450
	<u>289,805</u>	<u>724,790</u>	<u>23,761</u>	<u>632</u>	<u>1,038,988</u>
Total Cash Receipts					
	<u>289,805</u>	<u>724,790</u>	<u>23,761</u>	<u>632</u>	<u>1,038,988</u>
Cash Disbursements:					
Current:					
General Government	231,319	0	0	0	231,319
Public Safety	0	69,452	0	0	69,452
Public Works	0	186,747	0	0	186,747
Health	0	266,362	0	0	266,362
Debt Service:					
Redemption of Principal	0	0	119,875	0	119,875
Interest and Fiscal Charges	0	0	8,818	0	8,818
Capital Outlay	4,814	118,191	0	0	123,005
	<u>236,133</u>	<u>640,752</u>	<u>128,693</u>	<u>0</u>	<u>1,005,578</u>
Total Cash Disbursements					
	<u>236,133</u>	<u>640,752</u>	<u>128,693</u>	<u>0</u>	<u>1,005,578</u>
Total Receipts Over/(Under) Disbursements	<u>53,672</u>	<u>84,038</u>	<u>(104,932)</u>	<u>632</u>	<u>33,410</u>
Other Financing Receipts and (Disbursements):					
Transfers-In			104,932	0	104,932
Transfers-Out	(50,000)	(54,932)	0	0	(104,932)
	<u>(50,000)</u>	<u>(54,932)</u>	<u>104,932</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)					
	<u>(50,000)</u>	<u>(54,932)</u>	<u>104,932</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	3,672	29,106	0	632	33,410
Fund Cash Balances, January 1	269,621	478,592	0	19,674	767,887
Fund Cash Balances, December 31	<u>\$273,293</u>	<u>\$507,698</u>	<u>\$0</u>	<u>\$20,306</u>	<u>\$801,297</u>

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

**SCIOTO TOWNSHIP
ROSS COUNTY**

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

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Fund</u>	
Cash Receipts:					
Local Taxes	\$92,434	\$384,442	\$24,171	\$0	\$501,047
Intergovernmental	96,183	174,890	0	0	271,073
Licenses, Permits, and Fees	0	56,220	0	0	56,220
Earnings on Investments	32,947	5,451	0	998	39,396
Other Revenue	21,526	88,010	0	0	109,536
	<u>243,090</u>	<u>709,013</u>	<u>24,171</u>	<u>998</u>	<u>977,272</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	220,770	0	0	0	220,770
Public Safety	0	85,408	0	0	85,408
Public Works	0	230,919	0	0	230,919
Health	0	250,779	0	0	250,779
Redemption of Principal	0	0	17,125	0	17,125
Interest and Fiscal Charges	0	0	7,210	0	7,210
Capital Outlay	4,766	80,824	0	0	85,590
	<u>225,536</u>	<u>647,930</u>	<u>24,335</u>	<u>0</u>	<u>897,801</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>17,554</u>	<u>61,083</u>	<u>(164)</u>	<u>998</u>	<u>79,471</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	17,554	61,083	(164)	998	79,471
Fund Cash Balances, January 1	<u>252,067</u>	<u>417,509</u>	<u>164</u>	<u>18,676</u>	<u>688,416</u>
Fund Cash Balances, December 31	<u>\$269,621</u>	<u>\$478,592</u>	<u>\$0</u>	<u>\$19,674</u>	<u>\$767,887</u>

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

**SCIOTO TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Scioto Township, Ross 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 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

Repurchase agreements are valued at cost.

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:

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

Cemetery Fund – This fund receives tangible personal property tax and real estate tax money for the operation and maintenance of the cemeteries. The fund also receives monies from the sale of lots and fees for opening and closing grave sites.

**SCIOTO TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

Fire District Fund - This fund receives personal property tax and real estate tax for operating fire and emergency services within the Township.

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of note indebtedness.

4. Fiduciary Funds (Non-expendable Trust Fund)

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 fund:

Cemetery Bequest Fund - This fund receives interest and donation monies for maintaining cemetery plots specified by the trust benefactor. The Township may expend the interest for the maintenance of the cemeteries. The Township may not expend the principal.

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 function 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.

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.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**SCIOTO TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2001	2000
Demand deposits	\$40,000	\$30,300
Repurchase agreement	761,297	737,587
Total deposits and investments	\$801,297	\$767,887

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: Repurchase Agreements are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$251,902	\$289,805	\$37,903
Special Revenue	657,029	724,790	67,761
Debt Service	128,693	128,693	0
Fiduciary	765	632	(133)
Total	\$1,038,389	\$1,143,920	\$105,531

**SCIOTO TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$520,463	\$286,133	\$234,330
Special Revenue	1,188,702	695,684	493,018
Debt Service	128,693	128,693	0
Fiduciary	1,000	0	1,000
Total	\$1,838,858	\$1,110,510	\$728,348

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$239,974	\$243,090	\$3,116
Special Revenue	637,440	709,013	71,573
Debt Service	24,171	24,171	0
Fiduciary	743	998	255
Total	\$902,328	\$977,272	\$74,944

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$491,319	\$225,536	\$265,783
Special Revenue	1,049,079	647,930	401,149
Debt Service	24,335	24,335	0
Fiduciary	500	0	500
Total	\$1,565,233	\$897,801	\$667,432

4. DEBT

The Township issued a Note for \$137,000 at 5.46% annual interest rate to purchase a fire truck in previous years. The Township was to pay annually \$17,125 plus interest from May 1, 2000 through May 1, 2007. At December 31, 2001, the Note was paid early and retired.

5. 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

**SCIOTO TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. PROPERTY TAX (Continued)

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.

Public utilities are also taxed on personal and real property located within the Township.

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.

6 RETIREMENT SYSTEMS

All of the Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS are cost-sharing, multiple-employer plans. These plans provide 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 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Errors and omissions
- Crime
- Blanket Bond

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

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

Scioto Township
Ross County
164 South Watt Street
Chillicothe, Ohio 45601

To the Board of Trustees:

We have audited the accompanying financial statements of Scioto Township, Ross County, Ohio (the Township) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 24, 2002. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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. 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 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 April 24, 2002.

Scioto Township
Ross County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

April 24, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SCIOTO TOWNSHIP

ROSS 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
MAY 28, 2002**