



**SALISBURY TOWNSHIP  
MEIGS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998**



**JIM PETRO  
AUDITOR OF STATE**

STATE OF OHIO



**SALISBURY TOWNSHIP  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Salisbury Township  
Meigs County  
463 Hooker Street  
Middleport, Ohio 45760

To the Board of Trustees:

We have audited the accompanying financial statements of Salisbury Township, Meigs County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 described 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 Salisbury Township, Meigs County, as of December 31, 1999 and 1998, 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 June 2, 2000 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.

This report is intended solely for the information and use of the 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".

**Jim Petro**  
Auditor of State

June 2, 2000



**SALISBURY TOWNSHIP**  
**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> |                            | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|--------------------------------|----------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>                               |                                |                            |   |
| Local Taxes   | \$16,648                       | \$26,524                   | \$43,172                                |
| Intergovernmental                                   | 20,745                         | 315,752                    | 336,497                                 |
| Interest  | 1,108                          | 976                        | 2,084                                   |
| Other Revenue                                       |                                | 1,500                      | 1,500                                   |
| Licenses, Permits and Fees                          | 784                            |                            | 784                                     |
|   | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Cash Receipts                                 | 39,285                         | 344,752                    | 384,037                                 |
| <b>Cash Disbursements:</b>                          |                                |                            |   |
| Current:  |                                |                            |   |
| Public Works  |                                | 80,130                     | 80,130                                  |
| Public Safety                                       | 5,360                          | 249,549                    | 254,909                                 |
| Health  | 3,462                          | 2,081                      | 5,543                                   |
| Capital Outlay                                      |                                | 309                        | 309                                     |
| General Government                                  | 28,883                         |                            | 28,883                                  |
| Debt Service:                                       |                                |                            |   |
| Note Principal Payment                              |                                | 9,565                      | 9,565                                   |
| Interest  |                                | 1,606                      | 1,606                                   |
|   | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Cash Disbursements                            | 37,705                         | 343,240                    | 380,945                                 |
| Total Cash Receipts Over/(Under) Cash Disbursements | 1,580                          | 1,512                      | 3,092                                   |
| Fund Cash Balances, January 1                       | 15,236                         | 46,021                     | 61,257                                  |
|   | <hr/>                          | <hr/>                      | <hr/>                                   |
| <b>Fund Cash Balances, December 31</b>              | <u>\$16,816</u>                | <u>\$47,533</u>            | <u>\$64,349</u>                         |

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

**SALISBURY TOWNSHIP**  
**STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS AND CHANGES IN FUND CASH**  
**BALANCES - NONEXPENDABLE TRUST FUND -**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

|  | <b>Nonexpendable<br/>Trust</b> |
|--|--------------------------------|
| <b>Operating Cash Receipts:</b>        |                                |
| Interest                               | \$313                          |
| Total Operating Cash Receipts          | 313                            |
| <b>Operating Cash Disbursements:</b>   |                                |
| Salaries                               | 356                            |
| Total Operating Cash Disbursements     | 356                            |
| Operating Income/(Loss)                | (43)                           |
| Fund Cash Balances, January 1          | 4,647                          |
| <b>Fund Cash Balances, December 31</b> | <b>\$4,604</b>                 |

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



**SALISBURY TOWNSHIP**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND**  
**CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

|   | <u>Governmental Fund Types</u> |                            | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|--------------------------------|----------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>                               |                                |                            |   |
| Local Taxes   | \$15,325                       | \$25,654                   | \$40,979                                |
| Intergovernmental                                   | 28,750                         | 133,111                    | 161,861                                 |
| Interest  | 703                            | 845                        | 1,548                                   |
| Other Revenue                                       |                                | 2,900                      | 2,900                                   |
| Licenses, Permits and Fees                          | 788                            |                            | 788                                     |
|   | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Cash Receipts                                 | 45,566                         | 162,510                    | 208,076                                 |
| <b>Cash Disbursements:</b>                          |                                |                            |   |
| Current:  |                                |                            |   |
| Public Works  |                                | 77,867                     | 77,867                                  |
| Public Safety                                       | 2,860                          | 53,984                     | 56,844                                  |
| Health  | 4,349                          | 463                        | 4,812                                   |
| Capital Outlay                                      | 1,278                          | 2,000                      | 3,278                                   |
| General Government                                  | 30,329                         | 2,705                      | 33,034                                  |
| Debt Service:                                       |                                |                            |   |
| Note Principal Payment                              |                                | 15,542                     | 15,542                                  |
| Interest  |                                | 2,782                      | 2,782                                   |
|   | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Cash Disbursements                            | 38,816                         | 155,343                    | 194,159                                 |
| Total Cash Receipts Over/(Under) Cash Disbursements | <hr/>                          | <hr/>                      | <hr/>                                   |
|   | 6,750                          | 7,167                      | 13,917                                  |
| Fund Cash Balances, January 1                       | <hr/>                          | <hr/>                      | <hr/>                                   |
|   | 8,486                          | 38,854                     | 47,340                                  |
| <b>Fund Cash Balances, December 31</b>              | <hr/> <hr/>                    | <hr/> <hr/>                | <hr/> <hr/>                             |
|   | \$15,236                       | \$46,021                   | \$61,257                                |

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

**SALISBURY TOWNSHIP  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS AND CHANGES IN FUND CASH  
 BALANCES - NONEXPENDABLE TRUST FUND -  
 FOR THE YEAR ENDED DECEMBER 31, 1998**

|  | <b>NonExpendable<br/>Trust</b> |
|--|--------------------------------|
| <b>Operating Cash Receipts:</b>        |                                |
| Interest                               | \$208                          |
| Total Operating Cash Receipts          | 208                            |
| Operating Income/(Loss)                | 208                            |
| Fund Cash Balances, January 1          | 4,439                          |
| <b>Fund Cash Balances, December 31</b> | <b>\$4,647</b>                 |

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

**SALISBURY TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Salisbury Township, Meigs 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, and cemetery maintenance. The Township contracts with the Village of Middleport and the Village of Pomeroy to provide fire 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. Cash**

Cash and Certificates of Deposit 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 by law or contract to be restricted.

**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 received property tax money for constructing, maintaining and repairing Township roads and bridges.

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

Motor Vehicle License Tax Fund - This fund received motor vehicle license tax fund money to pay for constructing, maintaining and repairing Township roads.

**SALISBURY TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

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

Permissive Motor Vehicle License Tax Fund - This fund received additional motor vehicle license tax fund money to pay for constructing, maintaining and repairing Township roads.

Federal Emergency Management Agency (FEMA) Fund - This fund received monies from the Federal Emergency Management Agency to provide flood relief to the Township.

**3. Fiduciary Funds**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreements require the Township to maintain the corpus of the trust, the funds are classified as Nonexpendable Trust Funds. Other trust funds are classified as expendable. The Township had the following Fiduciary Fund:

Nonexpendable Trust Fund - This fund received donations for the general upkeep of the Cemeteries maintained by Salisbury Township.

**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 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.

**3. Encumbrances**

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

A summary of 1999 and 1998 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.

**SALISBURY TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

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

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**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 at December 31 was as follows:

|                         | <u>1999</u> | <u>1998</u> |
|-------------------------|-------------|-------------|
| Demand deposits         | \$64,349    | \$61,257    |
| Certificates of Deposit | 4,604       | 4,647       |
| Total deposits          | \$68,953    | \$65,904    |

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

| 1999 Budgeted vs. Actual Receipts |                      |                    |          |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance |
| General                           | \$33,263             | \$39,285           | \$6,022  |
| Special Revenue                   | 263,627              | 344,752            | 81,125   |
| Nonexpendable Trust               | 216                  | 313                | 97       |
| Total                             | \$297,106            | \$384,350          | \$87,244 |

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |           |
|---|----------------------------|---------------------------|-----------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
| General   | \$48,361                   | \$37,705                  | \$10,656  |
| Special Revenue                                       | 452,014                    | 343,240                   | 108,774   |
| Nonexpendable Trust                                   | 863                        | 356                       | 507       |
| Total   | \$501,238                  | \$381,301                 | \$119,937 |

**SALISBURY TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1997  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

| 1998 Budgeted vs. Actual Receipts |                      |                    |                 |
|-----------------------------------|----------------------|--------------------|-----------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance        |
| General                           | \$32,281             | \$45,566           | \$13,285        |
| Special Revenue                   | 137,325              | 162,510            | 25,185          |
| Nonexpendable Trust               | <u>208</u>           | <u>208</u>         | <u>\$0</u>      |
| Total                             | <u>\$169,814</u>     | <u>\$208,284</u>   | <u>\$38,470</u> |

| 1998 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |                 |
|---|----------------------------|---------------------------|-----------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance        |
| General   | \$40,767                   | \$38,816                  | \$1,951         |
| Special Revenue                                       | 218,670                    | 155,343                   | 63,327          |
| Nonexpendable Trust                                   | <u>648</u>                 | <u>0</u>                  | <u>\$648</u>    |
| Total   | <u>\$260,085</u>           | <u>\$194,159</u>          | <u>\$65,926</u> |

**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.

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.

Meigs 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, 1999 was as follows:

|                                   | Principal       | Interest<br>Rate |
|-----------------------------------|-----------------|------------------|
| Ohio Public Works Commission Note | \$20,000        | 0%               |
| Backhoe Loan                      | <u>26,527</u>   | 5.25%            |
| Total                             | <u>\$46,527</u> |                  |

**SALISBURY TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**5. DEBT (Continued)**

The Ohio Public Works Commission note was entered into by the Township in 1993 for a paving project. The remaining loan balance at December 31, 1999 will be repaid in bi-annual installment of \$2,500. This is a non-interest bearing note.

The Backhoe Loan was entered into by the Township in 1997. The remaining loan balance at December 31, 1999 will be repaid in annual installments, including interest of \$4,326.

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

| Year ending<br>December 31: | General<br>Obligation<br>Notes |
|-----------------------------|--------------------------------|
| 2000                        | \$11,171                       |
| 2001                        | 11,170                         |
| 2002                        | 11,171                         |
| 2003                        | 11,170                         |
| 2004                        | 6,171                          |
| Total                       | <u>\$50,853</u>                |

**6. RETIREMENT SYSTEMS**

The Township's Trustees and 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. For 1999 and 1988, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Township is insured with Ohio Township Association Risk Management Authority (OTARMA). OTARMA assumes the risk of loss up to the limits of the Township's policies. Coverage is subject to deductibles and scheduled property. The following risks are covered by OTARMA:

- General liability and casualty
- Vehicle
- Property

The Township also provides health insurance to its officials and full-time employee through a private carrier.

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OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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

Salisbury Township  
Meigs County  
463 Hooker Street  
Middleport, OH 45760

To the Board of Trustees:

We have audited the accompanying financial statements of Salisbury Township, Meigs County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 2, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 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. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 2, 2000.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 June 2, 2000.

This report is intended for the information and use of the 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", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

June 2, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**SALISBURY TOWNSHIP**

**MEIGS 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 13, 2000**