



**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Rushcreek Township
Logan County
P.O. Box 97
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To the Board of Trustees:

We have audited the accompanying financial statements of Rushcreek Township, Logan County, Ohio, (the Township) as of and for the years ended December 31, 1999, and December 31, 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 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 reserves for encumbrances of Rushcreek Township, Logan County, as of December 31, 1999 and December 31, 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 March 31, 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 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.

Jim Petro
Auditor of State

March 31, 2000

Rushcreek Township

**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>	<u>Capital Projects</u>	
Cash Receipts:				
Taxes	\$24,380	\$113,070	\$0	\$137,450
Intergovernmental	31,681	69,885	5,000	106,566
Special Assessments	0	1,247	0	1,247
Licenses, Permits, and Fees	3,472	7,922	0	11,394
Interest	9,191	1,357	0	10,548
Other Revenue	85,716	10,538	0	96,254
	<u>154,440</u>	<u>204,019</u>	<u>5,000</u>	<u>363,459</u>
Total Cash Receipts				
	<u>154,440</u>	<u>204,019</u>	<u>5,000</u>	<u>363,459</u>
Cash Disbursements:				
Current:				
General Government	36,344	0	0	36,344
Public Safety	0	24,688	0	24,688
Public Works	130,000	61,715	0	191,715
Health	0	15,676	0	15,676
Capital Outlay	260	70,418	5,000	75,678
	<u>166,604</u>	<u>172,497</u>	<u>5,000</u>	<u>344,101</u>
Total Cash Disbursements				
	<u>166,604</u>	<u>172,497</u>	<u>5,000</u>	<u>344,101</u>
Total Receipts Over/(Under) Disbursements	(12,164)	31,522	0	19,358
Fund Cash Balances, January 1	<u>67,928</u>	<u>160,702</u>	<u>0</u>	<u>\$228,630</u>
Fund Cash Balances, December 31	<u>\$55,764</u>	<u>\$192,224</u>	<u>\$0</u>	<u>\$247,988</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$11,400</u>	<u>\$0</u>	<u>\$11,400</u>

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

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

	Non-Expendable Trust
Operating Cash Receipts:	
Interest	\$ 289
Total Operating Cash Receipts	289
Operating Cash Disbursements:	
Materials and Supplies	41
Total Operating Cash Disbursements	41
Operating Income (Loss)	248
Fund Cash Balance, January 1	9,465
Fund Cash Balance, December 31	\$ 9,713
Reserve for Encumbrances, December 31	\$ 0

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

**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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Taxes	\$21,461	\$108,604	\$0	\$130,065
Intergovernmental	35,593	67,809	39,472	142,874
Special Assessments	0	1,227	0	1,227
Licenses, Permits, and Fees	3,074	5,202	0	8,276
Interest	9,711	1,873	0	11,584
Other Revenue	102,228	13,975	0	116,203
	<u>172,067</u>	<u>198,690</u>	<u>39,472</u>	<u>410,229</u>
Cash Disbursements:				
Current:				
General Government	63,740	0	0	63,740
Public Safety	0	18,923	0	18,923
Public Works	119,663	82,180	0	201,843
Health	0	17,242	0	17,242
Capital Outlay	285	14,833	39,472	54,590
	<u>183,688</u>	<u>133,178</u>	<u>39,472</u>	<u>356,338</u>
Total Cash Disbursements	<u>183,688</u>	<u>133,178</u>	<u>39,472</u>	<u>356,338</u>
Total Receipts Over/(Under) Disbursements	<u>(11,621)</u>	<u>65,512</u>	<u>0</u>	<u>53,891</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	0	123	0	123
Transfers-Out	(123)	0	0	(123)
	<u>(123)</u>	<u>123</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)	<u>(123)</u>	<u>123</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(11,744)	65,635	0	53,891
Fund Cash Balances, January 1	<u>79,672</u>	<u>95,067</u>	<u>0</u>	<u>174,739</u>
Fund Cash Balances, December 31	<u>\$67,928</u>	<u>\$160,702</u>	<u>\$0</u>	<u>\$228,630</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$6,900</u>	<u>\$0</u>	<u>\$6,900</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
NON EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Non-Expendable Trust
Operating Cash Receipts:	
Interest	\$406
Total Operating Cash Receipts	406
Operating Cash Disbursements:	
Materials and Supplies	832
Total Operating Cash Disbursements	832
Operating Income (Loss)	(426)
Fund Cash Balance, January 1	9,891
Fund Cash Balance, December 31	\$ 9,465
Reserve for Encumbrances, December 31, 1998	\$ 0

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Rushcreek Township, Logan 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'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

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. 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 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:

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

Fire District - This fund receives tax levy money to pay for repairing and maintaining the fire equipment.

Special Fire Levy Fund - This fund received property taxes from an operating levy in order to provide fire related functions plus ambulance and other emergency services to Township residents.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Funds

These funds are 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 funds

Issue II Fund - This fund receives State Issue II funds for Township road construction projects.

Fire Apparatus Grant - This fund received State grant funds to purchase fire equipment.

4. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund - This is a nonexpendable trust fund. Amounts donated are maintained in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

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 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. 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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated in the subsequent year. 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.

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 and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$250,642	\$231,036
Certificates of deposit	<u>7,059</u>	<u>7,059</u>
Total deposits	<u>\$ 257,701</u>	<u>\$238,095</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$141,970	\$154,440	\$12,470
Special Revenue	187,200	204,019	16,819
Capital Projects	5,000	5,000	0
Fiduciary	<u>361</u>	<u>289</u>	<u>(72)</u>
Total	<u>\$334,531</u>	<u>\$363,748</u>	<u>\$29,217</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$209,898	\$166,604	\$43,294
Special Revenue	347,901	183,897	164,004
Capital Projects	5,000	5,000	0
Fiduciary	<u>2,767</u>	<u>41</u>	<u>2,726</u>
Total	<u>\$565,566</u>	<u>\$355,542</u>	<u>\$210,024</u>

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

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$136,362	\$172,067	\$35,705
Special Revenue	179,136	198,813	19,677
Capital Projects	39,472	39,472	0
Fiduciary	440	406	(34)
Total	\$355,410	\$410,758	\$55,348

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$215,187	\$183,811	\$31,376
Special Revenue	268,333	140,078	128,255
Capital Projects	39,472	39,472	0
Fiduciary	10,331	832	9,499
Total	\$533,323	\$364,193	\$169,130

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. RETIREMENT SYSTEMS

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 1998, 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.

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

6. RISK MANAGEMENT

The Township is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

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

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

Rushcreek Township
Logan County
P.O. Box 97
Rushsylvania, Ohio 43347

To the Board of Trustees:

We have audited the financial statements of Rushcreek Township, Logan County, Ohio (the Township), as of and for the years ended December 31, 1999, and December 31, 1998, and have issued our report thereon dated March 31, 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*.

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.

This report is intended 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.

Jim Petro
Auditor of State

March 31, 2000

Rushcreek Township



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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RUSHCREEK TOWNSHIP

LOGAN 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 4, 2000**