



**FLUSHING TOWNSHIP
BELMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

FLUSHING TOWNSHIP
BELMONT COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Flushing Township
Belmont County
P.O. Box 438
Flushing, Ohio 43977

To the Board of Trustees:

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

We conducted our audit in accordance with 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 of Flushing Township, Belmont County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of 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

May 30, 2001

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**FLUSHING TOWNSHIP
BELMONT COUNTY**

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

	<u>Governmental</u>		<u>Fiduciary</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Special</u> <u>Revenue</u>		
Cash Receipts:				
Taxes	\$9,308	\$28,897	\$	\$38,205
Intergovernmental	69,883	64,407		134,290
Licenses, Permits, and Fees		6,725		6,725
Earnings on Investments	3,907		535	4,442
Other Revenue	11	41		52
	<u>83,109</u>	<u>100,070</u>	<u>535</u>	<u>183,714</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	54,647			54,647
Public Safety		16,190		16,190
Public Works	18,239	63,395		81,634
Health	2,975	5,422		8,397
Capital Outlay	42,790	13,202		55,992
	<u>118,651</u>	<u>98,209</u>	<u>0</u>	<u>216,860</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(35,542)</u>	<u>1,861</u>	<u>535</u>	<u>(33,146)</u>
Other Financing Receipts:				
Other Financing Sources	<u>6</u>	<u>3,000</u>		<u>3,006</u>
Total Other Financing Receipts	<u>6</u>	<u>3,000</u>	<u>0</u>	<u>3,006</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(35,536)	4,861	535	(30,140)
Fund Cash Balances, January 1	<u>47,310</u>	<u>26,694</u>	<u>11,198</u>	<u>85,202</u>
Fund Cash Balances, December 31	<u>\$11,774</u>	<u>\$31,555</u>	<u>\$11,733</u>	<u>\$55,062</u>

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

**FLUSHING TOWNSHIP
BELMONT COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>		
Cash Receipts:				
Taxes	\$9,285	\$15,742	\$	\$25,027
Intergovernmental	92,840	61,516		154,356
Licenses, Permits, and Fees		5,625		5,625
Earnings on Investments	2,674		542	3,216
Other Revenue	334			334
Total Cash Receipts	<u>105,133</u>	<u>82,883</u>	<u>542</u>	<u>188,558</u>
Cash Disbursements:				
Current:				
General Government	51,240			51,240
Public Safety	2,500			2,500
Public Works	13,848	55,418		69,266
Health	3,008	8,628		11,636
Capital Outlay		22,293		22,293
Total Cash Disbursements	<u>70,596</u>	<u>86,339</u>	<u>0</u>	<u>156,935</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>34,537</u>	<u>(3,456)</u>	<u>542</u>	<u>31,623</u>
Other Financing Receipts:				
Other Financing Sources		2,250		2,250
Total Other Financing Receipts	<u>0</u>	<u>2,250</u>	<u>0</u>	<u>2,250</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	34,537	(1,206)	542	33,873
Fund Cash Balances, January 1	<u>12,773</u>	<u>27,900</u>	<u>10,656</u>	<u>51,329</u>
Fund Cash Balances, December 31	<u>\$47,310</u>	<u>\$26,694</u>	<u>\$11,198</u>	<u>\$85,202</u>

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

**FLUSHING TOWNSHIP
BELMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Flushing Township, Belmont 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 (public safety). The Township contracts with the Village of Barnesville, Piedmont, the Village of Flushing, and the Village of Holloway Volunteer Fire Departments' to provide fire 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.

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

C. Cash and Investments

U.S. Savings Bonds and the Certificate 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:

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

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

**FLUSHING TOWNSHIP
BELMONT 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)

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

Fire Levy Fund - This fund receives property tax money to provide fire services to residents of the Township.

3. Fiduciary Funds

These funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a Nonexpendable Trust Fund. The Township had the following significant Fiduciary Funds:

Cemetery Trust Funds - These funds receive interest from principal that is invested in a Certificate of deposit, U. S. Savings Bonds, and a passbook savings account.

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. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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.

**FLUSHING TOWNSHIP
BELMONT COUNTY**

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

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>2000</u>	<u>1999</u>
Demand deposits	\$45,244	\$75,393
Passbook savings account	318	309
Certificates of deposit	<u>7,500</u>	<u>7,500</u>
Total deposits	<u>53,062</u>	<u>83,202</u>
U.S. Savings Bonds	<u>2,000</u>	<u>2,000</u>
Total investments	<u>2,000</u>	<u>2,000</u>
Total deposits and investments	<u><u>\$55,062</u></u>	<u><u>\$85,202</u></u>

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$75,747	\$83,115	\$7,368
Special Revenue	91,100	103,070	11,970
Fiduciary	<u>600</u>	<u>535</u>	<u>(65)</u>
Total	<u><u>\$167,447</u></u>	<u><u>\$186,720</u></u>	<u><u>\$19,273</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$122,642	\$118,651	\$3,991
Special Revenue	118,209	98,209	20,000
Fiduciary	<u>1,990</u>	<u>0</u>	<u>1,990</u>
Total	<u><u>\$242,841</u></u>	<u><u>\$216,860</u></u>	<u><u>\$25,981</u></u>

**FLUSHING TOWNSHIP
BELMONT COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$62,227	\$105,133	\$42,906
Special Revenue	75,900	85,133	9,233
Fiduciary	580	542	(38)
Total	\$138,707	\$190,808	\$52,101

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$75,000	\$70,596	\$4,404
Special Revenue	102,500	86,339	16,161
Fiduciary	857	0	857
Total	\$178,357	\$156,935	\$21,422

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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.

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

5. LEASE OBLIGATION

Lease outstanding at December 31, 2000, was as follows:

	Principal and Interest
1999 - Lease Purchase Agreement	\$26,404

**FLUSHING TOWNSHIP
BELMONT COUNTY**

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

5. LEASE OBLIGATION (Continued)

On January 28, 1999, the Township entered into an agreement to lease a tractor and boom mower to be used for Township road maintenance. This municipal lease contains a provision for the option to buy the equipment at the end of the lease for \$1.00. The lease is collateralized by the tractor and boom mower. The lease is being paid in annual installments of \$13,202, including interest.

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

<u>Year ending December 31:</u>	<u>Lease Purchase Agreement</u>
2001	\$13,202
2002	<u>13,202</u>
Total	<u><u>\$26,404</u></u>

6. RETIREMENT SYSTEMS

Township employees, as well as the Trustees and Clerk, 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

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

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

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

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

Flushing Township
Belmont County
P.O. Box 438
Flushing, Ohio 43977

To the Board of Trustees:

We have audited the accompanying financial statements of Flushing Township, Belmont County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 30, 2001. 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 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 30, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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.

Flushing Township
Belmont County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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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

May 30, 2001



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FLUSHING TOWNSHIP

BELMONT 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 24, 2001**