



**RUSH TOWNSHIP
SCIOTO COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**RUSH TOWNSHIP
TABLE OF CONTENTS**

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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REPORT OF INDEPENDENT ACCOUNTANTS

Rush Township
Scioto County
P. O. Box 252
McDermott, Ohio 45652

To the Board of Trustees:

We have audited the accompanying financial statements of Rush Township, Scioto 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 Rush Township, Scioto 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 July 10, 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 management, 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

July 10, 2000

RUSH 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$35,794	\$133,376	\$169,170
Intergovernmental	24,880	77,318	102,198
Licenses, Permits, and Fees	5,307	11,517	16,824
Interest	1,267	2,534	3,801
Other Revenue	79	8,760	8,839
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	67,327	233,505	300,832
Cash Disbursements:			
Current:			
General Government	51,704		51,704
Public Safety		48,478	48,478
Public Works		125,201	125,201
Health	14,238	1,323	15,561
Debt Service:			
Redemption of Principal		24,940	24,940
Interest and Fiscal Charges		1,343	1,343
Capital Outlay		10,540	10,540
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	65,942	211,825	277,767
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	1,385	21,680	23,065
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	54,251	165,511	219,762
Fund Cash Balances, December 31	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$55,636	\$187,191	\$242,827

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

RUSH 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 (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$30,294	\$125,446	\$155,740
Intergovernmental	29,241	96,978	126,219
Licenses, Permits, and Fees	10,471	10,711	21,182
Interest	1,590	3,179	4,769
Other Revenue	5,469	6,533	12,002
	<u>77,065</u>	<u>242,847</u>	<u>319,912</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	48,581		48,581
Public Safety		38,375	38,375
Public Works	23,000	146,954	169,954
Health	9,952	922	10,874
Miscellaneous		6,048	6,048
Debt Service:			
Redemption of Principal		22,000	22,000
Interest and Fiscal Charges		1,586	1,586
Capital Outlay		16,223	16,223
	<u>81,533</u>	<u>232,108</u>	<u>313,641</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(4,468)</u>	<u>10,739</u>	<u>6,271</u>
Other Financing Sources/(Uses):			
Transfers-In		25,383	25,383
Transfers-Out		(25,383)	(25,383)
	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources/(Uses)			
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(4,468)	10,739	6,271
Fund Cash Balances, January 1	<u>58,719</u>	<u>154,772</u>	<u>213,491</u>
Fund Cash Balances, December 31	<u>\$54,251</u>	<u>\$165,511</u>	<u>\$219,762</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Rush Township, Scioto 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, and fire protection. The Township is associated with the Scioto Ambulatory District which is defined as a jointly governed organization. This organization is presented in Note 8.

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 is 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.

Special Levy Fire - This fund received money from a tax levied for the purpose of operating and maintaining fire department services for the Township.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 commitments are made. Encumbrances outstanding at year end are canceled, and 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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments of fifty percent of unused sick leave at the end of each year. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH

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

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$242,827</u>	<u>\$219,762</u>

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

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

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$70,133	\$67,327	(\$2,806)
Special Revenue	<u>238,239</u>	<u>233,505</u>	<u>(4,734)</u>
Total	<u><u>\$308,372</u></u>	<u><u>\$300,832</u></u>	<u><u>(\$7,540)</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$121,384	\$65,942	\$55,442
Special Revenue	<u>376,275</u>	<u>211,825</u>	<u>164,450</u>
Total	<u><u>\$497,659</u></u>	<u><u>\$277,767</u></u>	<u><u>\$219,892</u></u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$60,998	\$77,065	\$16,067
Special Revenue	<u>248,513</u>	<u>268,230</u>	<u>19,717</u>
Total	<u><u>\$309,511</u></u>	<u><u>\$345,295</u></u>	<u><u>\$35,784</u></u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$119,717	\$81,533	\$38,184
Special Revenue	<u>403,285</u>	<u>257,491</u>	<u>145,794</u>
Total	<u><u>\$523,002</u></u>	<u><u>\$339,024</u></u>	<u><u>\$183,978</u></u>

**RUSH TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(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.

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.

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

5. CAPITAL LEASE

Lease outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Lease purchase of Survivair Airpacks	\$8,800	14.38%

The lease was entered into by the Township on May 1, 1999 for Survivair Airpacks to be used by the Township fire department. The lease payments were assigned to Union Federal Savings Bank. After making all required payments, the Township may purchase the equipment for \$1.00.

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

Year ending December 31:	Lease Purchase
2000	\$6,730
2001	3,365
Total	\$10,095

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

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 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.

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 coverage to its officials and full-time employees through a private carrier.

8. JOINTLY GOVERNED ORGANIZATIONS

The Township is a member of the Scioto Ambulatory District. The Ambulatory District is directed by an appointed four member Board. The District provides ambulatory services in the areas of Brush Creek Township, Rush Township, Union Township, Morgan Township and the Village of Otway. A representative from each District is appointed to the Scioto Ambulatory District Board. The Ambulatory District is supported by property taxes that are collected by the Scioto County Auditor from property owners in Rush Township. These taxes are paid directly to the Ambulatory District by the County. The Township does not assist in funding the Ambulatory District.

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

Rush Township
Scioto County
P. O. Box 252
McDermott, Ohio 45652

To the Board of Trustees:

We have audited the accompanying financial statements of Rush Township, Scioto County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1999, and have issued our report thereon dated July 10, 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 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 July 10, 2000.

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 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 July 10, 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". The signature is fluid and cursive, with a large loop at the end of the last name.

Jim Petro
Auditor of State

July 10, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

RUSH TOWNSHIP

SCIOTO 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
AUGUST 24, 2000**