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CERTIFIED PUBLIC ACCOUNTANTS

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RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2016 and 2015  
Fiscal Years Audited Under GAGAS: 2016 and 2015

**Rushcreek Township**  
**Fairfield County, Ohio**  
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*For the Fiscal Years Ended December 31, 2016 and 2015*

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## **Independent Auditor's Report**

Rushcreek Township  
Fairfield County  
213 Marietta Street  
Bremen, Ohio 43107

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Rushcreek Township, Fairfield County, Ohio, (the Township) as of and for the years ended December 31, 2016 and 2015

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Rushcreek Township, Fairfield County as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2017, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



BHM CPA Group, Inc.  
Piketon, Ohio  
August 31, 2017

**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	
<b>Cash Receipts:</b>				
Property and Local Taxes	\$ 35,838	\$ 743,273	\$ -	\$ 779,111
Intergovernmental	37,416	217,035	-	254,451
Charges for Services	-	73,447	-	73,447
Fines, Licenses, and Permits	-	4,125	-	4,125
Earnings on Investments	3,508	3,507	-	7,015
Miscellaneous	18	5,440	-	5,458
	<u>76,780</u>	<u>1,046,827</u>	<u>-</u>	<u>1,123,607</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	51,568	3,534	-	55,102
Public Safety	-	303,630	14,910	318,540
Public Works	-	413,943	-	413,943
Health	13,501	-	-	13,501
Capital Outlay	20,706	27,076	-	47,782
Debt Service:				
Redemption of Principal	-	4,686	-	4,686
Interest and Fiscal Charges	-	21	-	21
	<u>85,775</u>	<u>752,890</u>	<u>14,910</u>	<u>853,575</u>
<b>Total Cash Disbursements</b>				
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	(8,995)	293,937	(14,910)	270,032
<b>Other Financing Receipts / (Disbursements):</b>				
Sale of Assets	-	5,300	-	5,300
Transfers In	-	-	236,739	236,739
Transfers Out	-	(236,739)	-	(236,739)
	<u>-</u>	<u>(231,439)</u>	<u>236,739</u>	<u>5,300</u>
<b>Total Other Financing Receipts / (Disbursements)</b>				
<b>Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements</b>	(8,995)	62,498	221,829	275,332
<b>Fund Cash Balances, January 1</b>	<u>304,410</u>	<u>2,123,638</u>	<u>200,000</u>	<u>2,628,048</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	2,186,136	421,829	2,607,965
Unassigned	295,415	-	-	295,415
<b>Fund Cash Balances, December 31</b>	<u>\$ 295,415</u>	<u>\$ 2,186,136</u>	<u>\$ 421,829</u>	<u>\$ 2,903,380</u>

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

**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGE IN FUND BALANCE (CASH BASIS)  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
<b>Non-Operating Cash Disbursements</b>	
Miscellaneous	\$ 31,350
<i>Net Change in Fund Cash Balances</i>	(31,350)
Fund Cash Balances, January 1	<u>31,350</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$ -</u></u>

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

**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	
<b>Cash Receipts:</b>				
Property and Local Taxes	35,113	729,485	\$ -	\$ 764,598
Intergovernmental	42,212	204,941	-	247,153
Charges for Services	-	80,253	-	80,253
Fines, Licenses, and Permits	-	21,421	-	21,421
Earnings on Investments	3,318	3,318	-	6,636
Miscellaneous	8	14,718	-	14,726
	<u>80,651</u>	<u>1,054,136</u>	<u>-</u>	<u>1,134,787</u>
<b>Total Cash Receipts</b>				
	<u>80,651</u>	<u>1,054,136</u>	<u>-</u>	<u>1,134,787</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	56,911	3,214	-	60,125
Public Safety	-	321,343	-	321,343
Public Works	-	437,329	-	437,329
Health	13,061	-	-	13,061
Capital Outlay	-	36,074	-	36,074
Debt Service:				
Redemption of Principal	-	15,090	-	15,090
Interest and Fiscal Charges	-	430	-	430
	<u>69,972</u>	<u>813,480</u>	<u>-</u>	<u>883,452</u>
<b>Total Cash Disbursements</b>				
	<u>69,972</u>	<u>813,480</u>	<u>-</u>	<u>883,452</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	10,679	240,656	-	251,335
<b>Other Financing Receipts:</b>				
Sale of Assets	-	1,144	-	1,144
	<u>-</u>	<u>1,144</u>	<u>-</u>	<u>1,144</u>
<b>Total Other Financing Receipts</b>				
	<u>-</u>	<u>1,144</u>	<u>-</u>	<u>1,144</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements</b>	10,679	241,800	-	252,479
<b>Fund Cash Balances, January 1</b>	<u>293,731</u>	<u>1,881,838</u>	<u>200,000</u>	<u>2,375,569</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	2,123,638	200,000	2,323,638
Unassigned	<u>304,410</u>	<u>-</u>	<u>-</u>	<u>304,410</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 304,410</u>	<u>\$ 2,123,638</u>	<u>\$ 200,000</u>	<u>\$ 2,628,048</u>

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

**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGE IN FUND BALANCE (CASH BASIS)  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Fiduciary Fund Type</b>
	<b>Agency</b>
<b>Non-Operating Cash Receipts</b>	
Miscellaneous	31,350
<i>Net Change in Fund Cash Balances</i>	31,350
Fund Cash Balances, January 1	-
<b>Fund Cash Balances, December 31</b>	<b>\$ 31,350</b>

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



**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Rushcreek Township, Fairfield County, Ohio (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general governmental services, road maintenance, fire protection and emergency medical services.

The Township participates in the Ohio Township Risk Management Authority (OTARMA) which is an insurance risk-sharing pool available to Ohio Townships. Note 7 provides additional information regarding this entity.

The Township also participates in the Fairfield County Regional Planning Commission which is a jointly governed organization. Note 10 provides additional information regarding this entity.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**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 reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for the proceeds from specific sources (other than from private-purpose 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.

**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

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

**D. Fund Accounting (Continued)**

Fire Operating Fund – This fund receives property tax money to pay for the general operation of the Township’s fire department

Road Improvement Fund – This fund receives property tax money for constructing, maintaining, and repairing Township roads.

**3. Capital Projects Fund**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township had the following agency fund:

Ohio Public Works Fund - The Township received a grant from the State of Ohio to replace various township culverts.

**4. Agency Fund**

Fire Insurance Fund - The fund is used to accumulate insurance proceeds to be held for removal, repairing or securing structures damaged by fire pursuant to the provisions of Ohio Rev. Code 3929.86

**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 2016 and 2015 budgetary activity appears in Note 3.

**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

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

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant and Equipment**

The Township records disbursements for acquisition of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

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

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED CASH**

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

	2016	2015
Demand Deposits	\$ 2,178,380	\$ 1,934,398
Certificates of Deposit	725,000	725,000
Total Deposits	\$ 2,903,380	\$ 2,659,398

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 67,085	\$ 76,780	\$ 9,695
Special Revenue	962,925	1,052,127	89,202
Capital Projects	-	236,739	236,739
Fiduciary	-	-	-
Total	\$ 1,030,010	\$ 1,365,646	\$ 335,636

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 94,993	\$ 85,775	\$ 9,218
Special Revenue	1,328,211	989,627	338,584
Capital Projects	200,000	14,910	185,090
Fiduciary	-	31,350	(31,350)
Total	\$ 1,623,204	\$ 1,121,662	\$ 501,542

**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**3. BUDGETARY ACTIVITY (Continued)**

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 69,794	\$ 80,651	\$ 10,857
Special Revenue	934,800	1,055,280	120,480
Capital Projects	-	-	-
Fiduciary	-	31,350	31,350
Total	\$ 1,004,594	\$ 1,167,281	\$ 162,687

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 81,050	\$ 69,972	\$ 11,078
Special Revenue	971,785	813,480	158,305
Capital Projects	-	-	-
Fiduciary	-	-	-
Total	\$ 1,052,835	\$ 883,452	\$ 169,383

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If property owner elects to pay semiannually, the first half is due December 31. The second half payment is due to the following June 20.

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

**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**5. RETIREMENT SYSTEM**

The Township's fire personnel contribute to Social Security (FICA). Members contributed 6.2 percent of their gross wages to FICA and the Township matches that contribution in an amount equal to 6.2 percent. The Township has paid all contributions required through December 31, 2016.

The Township's elected officials and other employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, which include postretirement healthcare and survivor and disability benefits as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2016 and 2015, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2016.

**6. RISK MANAGEMENT**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2015, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**6. RISK MANAGEMENT (Continued)**

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Assets	\$38,473,283	\$37,313,311
Liabilities	8,244,140	8,418,518
Net Position	\$30,229,143	\$28,894,793

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township's share of these unpaid claims collectible in future years is approximately \$11,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
<u>2016</u>	<u>2015</u>
\$23,687	\$23,671

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**7. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**RUSHCREEK TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**8. JOINTLY GOVERNED ORGANIZATION**

Fairfield County Planning Commission: The Board of Trustees appoints a representative of the Trustees to represent the Township on the 47 member board of the Fairfield Regional Planning Commission. The Township pays a small membership fee annually based on the per capita of the Township. There is no ongoing financial responsibility by the Township.

**9. INTERFUND TRANSFERS**

During 2016, the Fire Fund transferred \$236,739 to the Capital Projects Fund for renovation of the Township's firehouse. The transfer was approved by the Township and made in accordance with the Ohio Revised Code.

**10. POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.





**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

Rushcreek Township  
Fairfield County  
213 Marietta Street  
Bremen, Ohio 43107

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Rushcreek Township, Fairfield County, Ohio, (the Township) as of and for the years ended December 31, 2016 and 2015 and the related notes to the financial statements, and have issued our report thereon dated August 31, 2017, wherein we noted the Township followed financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), described in Note 1.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BHM CPA Group, Inc.  
Piketon, Ohio  
August 31, 2017