

RUSHCREEK Township
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

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

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The **Township does not** participate in any **jointly governed organizations, joint ventures, and a public entity risk pool.** The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Fire Fund: The fund collects and reports Fire and Ems Services provided

Debt Service Funds : The Township has no debt service at this time.

RUSHCREEK Township
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Capital Fund: (4901) The township maintains a capital fund for future investments in fire/ems apparatus. The life of the fund is 8 years from its inception or capped at \$200,000.00

Permanent Funds: The Township currently has no permanent funds that meet the criteria as read

Enterprise Funds: The Township currently has no enterprise funds

Internal Service Fund: The Township currently has no Internal service funds.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Township currently has one **Custodial Fund (9001)** for the purpose of clean up and demolition of fire damaged properties under the Ohio Revised Code.

Basis of Accounting

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The **Township** 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the **fund, function or object level of control**, as approved by the County Auditor and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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 approve estimated resources.

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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

RUSHCREEK Township
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

A summary of 2023 budgetary activity appears in Note 4. *[Modify footnote reference if after completion the footnote number changes.]*

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. Certificate of Deposit are valued at current balances and interest is paid to the certificate monthly. *There are no other investments in STAR Ohio or Money Market Mutual Funds*

Capital Assets

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

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.

Leases and SBITAs

The Township has no leases or is a lessor on any property or equipment

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$0.0 are reflected as miscellaneous revenue in the OneOhio Special Revenue Fund.

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:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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.

RUSHCREEK Township
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 19. (update note number as needed)

Note 3 – Compliance

No Funds exceeded budgetary requirements

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

| 2023 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|--------------------|--------------------|------------------|
| Fund Type | Budgeted | Actual | Variance |
| | Receipts | Receipts | |
| General | \$99,951 | \$147,227 | \$47,276 |
| Special Revenue | 1,574,378 | 1,725,370 | 150,992 |
| Debt Service | 0 | 0 | 0 |
| Capital Projects | 25,000 | 25,000 | 0 |
| Internal Service | 0 | 0 | 0 |
| Permanent | 0 | 0 | 0 |
| Fiduciary | 0 | 24,608 | 24,608 |
| Total | \$1,699,329 | \$1,922,205 | \$222,875 |

RUSHCREEK Township
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

| 2023 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|-------------------------|------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$110,836 | \$105,798 | \$5,038 |
| Special Revenue | 2,344,126 | 1,376,010 | 968,116 |
| Debt Service | 0 | 0 | 0 |
| Capital Projects | 25,000 | 0 | 25,000 |
| Internal Service | 0 | 0 | 0 |
| Permanent | 0 | 0 | 0 |
| Fiduciary | 0 | 0 | 0 |
| Total | \$2,479,963 | \$1,481,808 | \$998,154 |

Note 5 – Deposits and Investments

A summary of the Township’s deposit and investment accounts are as follows:

| | |
|--|--------------------|
| U.S. Treasury Notes | |
| STAR Ohio | |
| Repurchase agreement | |
| Common stock (at cost, fair value was \$0.0 at December 31, 2023) | 0 |
| Total investments | 0 |
| <i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i> | <u>\$4,769,637</u> |
| <i>Segregated Accounts - Not held in the Pool:</i> | |
| Payroll Clearing Account (Not held in the Pool) ** | \$0 |
| Retainage Accounts (Not held in the Pool) ** | 0 |
| Debt Accounts (Related to Bond Indenture and Note held in the Pool) ** | 0 |
| Other Paying Agent Outside Account (Not held in the Pool) ** | 0 |
| <i>Total Outside Accounts ** (ties to worksheet tab outside accounts receivable)</i> | <u>\$0</u> |

RUSHCREEK Township
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 20CY, the Township is holding \$XXX,XXX in unremitted employee payroll withholdings.

Deposits

Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions have the option of participating in OPCS or collateralizing utilizing the specific pledge method. The following note will need to be customized to fit the Township's specific situation: 1) Participating in OPCS or 2) Financial institution utilizing specific securities to collateralize deposits.

Deposits are insured by the Federal Deposit Insurance Corporation; [or] collateralized by securities specifically pledged by the financial institution to the Township; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

The Township has no investments other than Certificates of Deposit at this time.

Note 6 – Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due 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.

Note 7 – Interfund Balances

Outstanding advances at December 31, 2034, consisted of \$3,650.00 advanced to OHIO ARPA EMA (2273 funds to provide working capital for Wellness and Mental Health services).

Note 8 – Risk Management

Workers' Compensation

RUSHCREEK Township
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

Risk Pool Membership

Risk Pool Membership

The (local entity) is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

| | <u>2022</u> |
|-----------------------|--------------|
| Cash and investments | \$32,288,098 |
| Actuarial liabilities | \$9,146,434 |

The Pool reported the following summary of actuarially-measured liabilities and the assets available to pay those liabilities as of December 31, 2022

| | <u>2022</u> |
|-----------------------|--------------|
| Cash and investments | \$32,288,098 |
| Actuarial liabilities | \$9,146,434 |

Self-Insurance

NONE

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

RUSHCREEK Township
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System

Township certified Full Time Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal and 24.00 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2023.

Social Security:

Some part-time Firefighters and one Trustee of the Township contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Note 10 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 12 – Construction and Contractual Commitments

NONE

Note 11 – N/A

RUSHCREEK Township
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 13 – Contingent Liabilities

NONE

Note 14 – Joint Ventures

NONE

Note 15 – Jointly Governed Organizations

NONE

Note 16 – Public Entity Risk Pool

NONE

Note 17 – Related Organizations

NONE

Note 18 – Related Party Transactions

NONE

Note 19 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

| Fund Balances | General | Special | Debt | Capital | Permanent | Total |
|--------------------------|------------|------------|------------|------------|------------|------------|
| | | Revenue | Service | Projects | | |
| Nonspendable: | 0 | 0 | 0 | 0 | 0 | |
| Unclaimed Monies | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Corpus | 0 | 0 | 0 | 0 | 0 | 0 |
| Outstanding Encumbrances | | | | | | 0 |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

RUSHCREEK Township
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 20 – Subsequent Events

NONE

Note 21 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2021, the Township received COVID-19 funding. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines. (Specific material impacts from the pandemic may be addressed such as decreases in revenues, personnel impacts, and the Township's specific responses to mitigating the negative impacts of the pandemic as well as awards of federal and state COVID relief programs may be addressed at the discretion of the fiscal officer.

Remaining COVID-19 funds at CY 2023 were \$17,091.88 of the original funds received in 2021.