



Mary Taylor, CPA
Auditor of State

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

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LOGAN COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Rushcreek Township
Logan County
6143 County Road 20
Rushsylvania, Ohio 43347

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rushcreek Township, Logan County (the Township), as of and for the years ended December 31, 2009 and December 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Rushcreek Township, Logan County, as of December 31, 2009 and December 31, 2008, and the respective changes in cash financial position, and the respective budgetary comparisons for the General Fund, Gasoline Tax Fund, and the Fire District Fund for the year ended December 31, 2009 and the General Fund, Gasoline Tax Fund, and Road and Bridge Fund, for the year ended December 31, 2008, in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 25, 2010

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

This discussion and analysis of Rushcreek Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

- Net assets of governmental activities decreased \$64,622, or 6.6 percent, because of an expected \$15,000 reduction of property tax revenue going to the Health District and the expected reduction of revenue from the landfill.
- There was a shortfall of \$8,842 in miscellaneous revenue into the general fund, based on the budget, from the reduced amount of tipping fees from the landfill. This was the first year of revenue after losing the Montgomery County contract and it was unknown what the revenue might be at the time the budget was approved.
- The Township's general receipts are primarily property tax, intergovernmental, and landfill fees which are listed as miscellaneous in the general fund. These receipts, combined, represent 50 percent of the total cash received for governmental activities during the year. These receipts are down 29 percent of last year's revenue from these sources.
- The interest income was 45% below expectations just because it is difficult to find a decent interest rate for our money in this economy.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township fared financially during 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and sales taxes.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary funds.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, and the Fire District Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

Fiduciary Funds – These Private Purpose Trust Funds are used to account for resources held for the benefit of parties outside the Township. The restricted money in the Private Purpose Trust Funds is not reflected on the Township-wide financial statements because the resources of these funds are not available to support the Township's programs. However, the interest from these funds is expendable and therefore reflected in the statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 on a cash basis:

**(Table 1)
Net Assets**

	Governmental Activities	
	2009	2008
Assets:		
Cash and Cash Equivalents	\$912,735	\$977,357
Total Assets	<u>912,735</u>	<u>977,357</u>
Net Assets:		
Restricted for:		
Non Expendable	22	24
Other Purposes	195,317	176,753
Unrestricted	<u>717,396</u>	<u>800,580</u>
Total Net Assets	<u>\$912,735</u>	<u>\$977,357</u>

As mentioned previously, net assets of governmental activities decreased \$64,622, or 6.6 percent during 2009. The primary reason contributing to the decreases in cash balances are as follows:

- The Township received \$197,736 less in estate tax revenue and tipping fee from the landfill. The estate taxes are shown in the grants and entitlements not restricted to specific programs of Table 2. The tipping fees are shown in the miscellaneous account of the general receipts on Table 2.

Table 2 reflects the changes in net assets on a cash basis in 2009 and 2008 for governmental activities.

**(Table 2)
Changes in Net Assets**

	Governmental Activities	
	2009	2008
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 29,550	\$ 22,208
Operating Grants and Contributions	123,806	111,609
Capital Grants and Contributions	<u>23,846</u>	<u>20,057</u>
Total Program Receipts	<u>177,202</u>	<u>153,874</u>

(Continued)

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

**(Table 2)
Changes in Net Assets
(Continued)**

	Governmental Activities	
	2009	2008
General Receipts:		
Property and Other Local Taxes	108,328	112,963
Grants and Entitlements Not Restricted to Specific Programs	43,890	174,967
Interest	8,768	18,696
Miscellaneous	42,650	105,134
Total General Receipts	<u>203,636</u>	<u>411,760</u>
Total Receipts	<u>380,838</u>	<u>565,634</u>
Disbursements:		
General Government	112,185	111,203
Public Safety	55,044	42,894
Public Works	203,812	220,104
Public Health Services	22,309	9,865
Capital Outlay	52,110	45,708
Total Disbursements	<u>445,460</u>	<u>429,774</u>
Excess (Deficiency)	(64,622)	135,860
Net Assets, January 1, 2009	<u>977,357</u>	<u>841,497</u>
Net Assets, December 31, 2009	<u>\$912,735</u>	<u>\$977,357</u>

Program receipts represent 46 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and cemetery fees.

General receipts represent 54 percent of the Township's total receipts, and of this amount, 53 percent are local taxes. Other receipts include landfill tipping fees which are a significant source of general receipts which make up 19 percent of the total.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of elected officials salaries; health, property, and liability insurance; utilities and office expenses for the Township.

Public Safety is the costs of fire and EMS protection; Public Health Services is cemetery maintenance; and Public Works is the cost of maintaining the roads.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are General Government and Public Works, which account for 25.2 and 45.8 percent of all governmental disbursements, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities				
	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$112,185	\$112,185	\$111,203	\$111,203
Public Safety	55,044	26,661	42,894	22,434
Public Works	203,812	73,072	220,104	102,248
Public Health Services	22,309	4,230	9,865	(5,693)
Capital Outlay	52,110	52,110	45,708	45,708
Total Expenses	\$445,460	\$268,258	\$429,774	\$275,900

The dependence upon property tax, landfill tipping fees, and other general fund receipts is apparent as over 60 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$380,838 and disbursements of \$445,460. The greatest net change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$83,184 as the result of an expected decrease in estate tax revenue and landfill tipping fees and more money from the General Fund being spent on road maintenance.

This trend is expected to continue because of anticipated reduced estate tax, reduced revenue from the land fill tipping fees, reduced inside millage to cover the cost of the local Health District, and planned paving cost of approximately \$200,000 in 2010.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Final actual receipts were \$131,539 or 2.7% higher than expected because of the conservative approach used in creating the budget.

Final disbursements were budgeted at \$461,090 while actual disbursements were \$214,723. The amount appropriated for disbursements is inflated to allow the trustees the cushion to take on new projects thru the year as they see necessary. Because of no unexpected projects more than half of the appropriated funds are available for next year.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)
(Continued)**

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure other than the annual inventory valuation of assets for the County Auditor and our property insurance company.

Debt

At December 31, 2009, the Township has no outstanding debt.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Rushcreek Township Trustees, %J. Andrew Johnson, Fiscal Officer, 6143 CR 20, Rushsylvania, Ohio 43347

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$912,735
Total Assets	<u>912,735</u>
Net Assets:	
Restricted for:	
Cemetery Maintenance	22
Other Purposes	195,317
Unrestricted	717,396
Total Net Assets	<u>\$912,735</u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>	
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
General Government	\$112,185				(\$112,185)
Public Safety	55,044	\$14,085	\$14,298		(26,661)
Public Works	203,812	1,105	105,789	\$23,846	(73,072)
Health	22,309	14,360	3,719		(4,230)
Capital Outlay	52,110				(52,110)
Total Governmental Activities	<u>\$445,460</u>	<u>\$29,550</u>	<u>\$123,806</u>	<u>\$23,846</u>	<u>(268,258)</u>
General Receipts:					
Property Taxes					108,328
Grants and Entitlements not Restricted to Specific Programs					43,890
Earnings on Investments					8,768
Miscellaneous					42,650
Total General Receipts					<u>203,636</u>
Change in Net Assets					(64,622)
Net Assets Beginning of Year					<u>977,357</u>
Net Assets End of Year					<u>\$912,735</u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES - GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>All Other Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$717,396	\$31,878	\$43,013	\$120,448	\$912,735
Total Assets	<u>717,396</u>	<u>31,878</u>	<u>43,013</u>	<u>120,448</u>	<u>912,735</u>
Net Assets:					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	717,396				717,396
Special Revenue Funds		31,878	43,013	120,426	195,317
Permanent Fund				22	22
Total Fund Balances	<u>\$717,396</u>	<u>\$31,878</u>	<u>\$43,013</u>	<u>\$120,448</u>	<u>\$912,735</u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>All Other Funds</u>	<u>Total (Memorandum Only)</u>
Receipts:					
Property and Other Local Taxes	\$37,520		\$32,044	\$38,764	\$108,328
Charges for Services				14,085	14,085
Licenses, Permits and Fees	610			10,250	10,860
Intergovernmental	43,889	\$91,741	9,916	45,996	191,542
Special Assessments				1,105	1,105
Earnings on Investments	8,362	387		19	8,768
Miscellaneous	41,158		1,432	3,560	46,150
Total Receipts	<u>131,539</u>	<u>92,128</u>	<u>43,392</u>	<u>113,779</u>	<u>380,838</u>
Disbursements:					
Current:					
General Government	112,185				112,185
Public Safety	345		48,158	6,541	55,044
Public Works	90,457	92,500		20,855	203,812
Health	10,000			12,309	22,309
Capital Outlay	1,736		10,000	40,374	52,110
Total Disbursements	<u>214,723</u>	<u>92,500</u>	<u>58,158</u>	<u>80,079</u>	<u>445,460</u>
Net Change in Fund Balances	(83,184)	(372)	(14,766)	33,700	(64,622)
Fund Cash Balance, January 1	<u>800,580</u>	<u>32,250</u>	<u>57,779</u>	<u>86,748</u>	<u>977,357</u>
Fund Cash Balance, December 31	<u><u>\$717,396</u></u>	<u><u>\$31,878</u></u>	<u><u>\$43,013</u></u>	<u><u>\$120,448</u></u>	<u><u>\$912,735</u></u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Cash Receipts:				
Property and Other Local Taxes	\$26,500	\$26,500	\$37,520	\$11,020
Licenses, Permits, and Fees	1,000	1,000	610	(390)
Intergovernmental	35,600	35,600	43,889	8,289
Earnings on Investments	15,000	15,000	8,362	(6,638)
Miscellaneous	50,000	50,000	41,158	(8,842)
Total Cash Receipts	<u>128,100</u>	<u>128,100</u>	<u>131,539</u>	<u>3,439</u>
Cash Disbursements:				
Current:				
General Government	237,690	237,690	112,185	125,505
Public Safety	2,000	2,000	345	1,655
Public Works	110,000	110,000	90,457	19,543
Health	11,400	11,400	10,000	1,400
Capital Outlay	100,000	100,000	1,736	98,264
Total Cash Disbursements	<u>461,090</u>	<u>461,090</u>	<u>214,723</u>	<u>246,367</u>
Net Change in Fund Balances	(332,990)	(332,990)	(83,184)	249,806
Fund Cash Balance, January 1	<u>800,580</u>	<u>800,580</u>	<u>800,580</u>	
Fund Cash Balance, December 31	<u>\$467,590</u>	<u>\$467,590</u>	<u>\$717,396</u>	<u>\$249,806</u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Cash Receipts:				
Intergovernmental	\$80,000	\$80,000	\$91,741	\$11,741
Earnings on Investments	600	600	387	(213)
Total Cash Receipts	<u>80,600</u>	<u>80,600</u>	<u>92,128</u>	<u>11,528</u>
Cash Disbursements:				
Current:				
Public Works	95,500	95,500	92,500	3,000
Capital Outlay	6,000	6,000		6,000
Total Cash Disbursements	<u>101,500</u>	<u>101,500</u>	<u>92,500</u>	<u>9,000</u>
Net Change in Fund Balances	(20,900)	(20,900)	(372)	20,528
Fund Cash Balance, January 1	<u>32,250</u>	<u>32,250</u>	<u>32,250</u>	
Fund Cash Balance, December 31	<u><u>\$11,350</u></u>	<u><u>\$11,350</u></u>	<u><u>\$31,878</u></u>	<u><u>\$20,528</u></u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amount</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Cash Receipts:				
Taxes	\$37,000	\$37,000	\$32,044	(\$4,956)
Intergovernmental	2,000	2,000	9,916	7,916
Miscellaneous	3,000	3,000	1,432	(1,568)
Total Cash Receipts	<u>42,000</u>	<u>42,000</u>	<u>43,392</u>	<u>1,392</u>
Cash Disbursements:				
Current:				
Public Safety	63,650	63,650	48,158	15,492
Capital Outlay	26,350	26,350	10,000	16,350
Total Cash Disbursements	<u>90,000</u>	<u>90,000</u>	<u>58,158</u>	<u>31,842</u>
Net Change in Fund Balances	(48,000)	(48,000)	(14,766)	33,234
Fund Cash Balance, January 1	<u>57,779</u>	<u>57,779</u>	<u>57,779</u>	<u> </u>
Fund Cash Balance, December 31	<u><u>\$9,779</u></u>	<u><u>\$9,779</u></u>	<u><u>\$43,013</u></u>	<u><u>\$33,234</u></u>

See accompanying notes to the basic financial statements.

RUSHCREEK TOWNSHIP
LOGAN COUNTY

STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2009

	<u>Private Purpose Trust</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$8,079</u>
Total Assets	<u>8,079</u>
Net Assets:	
Held in Trust - Restricted	<u>8,079</u>
Total Net Assets	<u><u>\$8,079</u></u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Private Purpose Trust</u>
Additions:	
Interest	\$25
Deductions:	
Health	<u>33</u>
Change in Net Assets	(8)
Net Assets Beginning of Year	<u>8,087</u>
Net Assets End of Year	<u><u>\$8,079</u></u>

See accompanying notes to the basic financial statements.

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**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. REPORTING ENTITY

Rushcreek Township, Logan County, Ohio, is a body politic and corporate established in 1827 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 also has an elected Township Fiscal Officer.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township provides fire and ambulance service via the Rushcreek Township Volunteer Fire Department. Police protection is provided by the Logan County Sheriff's Office.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, including fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible.

Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

2. Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories, governmental and fiduciary.

1. Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, and the Fire District Fund. The General Fund is used to account for all financial resources, except those required to be accounted for 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. The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose

2. Fiduciary Funds

Fiduciary funds include private purpose trust funds. Trust funds are used to account for assets held under a trust agreement for individuals who are not available to support the Township's own programs. The Township's private purpose trust fund accounts for programs that maintain the cemeteries.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations ordinance, which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

Township records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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 negative receipts, respectively.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 was \$8,362 which includes \$1,455 assigned from other Township funds.

F. Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township did not have restricted assets.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither any other financing source nor any capital outlay expenditure is reported at inception. Lease payments are reported when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. The Township did not have any fund balance reserves.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Transactions

Transfers between governmental funds are not reported on the government-wide financial statements.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Change in Fund Balance – Budget and Actual – Budgetary Basis presented for the General fund, the Gasoline Tax fund, and the Road and Bridge fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

4. DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

At year end, the Township had no un-deposited cash on hand.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$676,579 of the Township's bank balance of \$933,638 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

B. Investments

The Township did not have any investments in 2009.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

5. PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied on the assessed values as of December 31, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due March 4th; if paid semiannually, the first payment is due March 4th, with the remainder payable by July 22. Under certain circumstances, State statute permits alternate payment dates to be established.

Am. Sub. House Bill 66 (126th General Assembly) phases out the tax on the tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property (which is public utility property) is eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. At the same time, the bill replaces the revenue lost due to phasing out the tax. In the first seven years for schools and the first five years for local governments, jurisdictions are reimbursed fully for lost revenue; the reimbursements then phase out with the final payment made in October, 2018.

The full tax rate for all Township operations for the year ended December 31, 2009, was \$4.00 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	
Residential	\$24,906,390
Agricultural	10,635,150
Commercial/Industrial/Mineral	1,058,300
Tangible Personal Property	232,150
Public Utility	1,890,430
Total Assessed Value	<u><u>\$38,722,420</u></u>

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

6. RISK MANAGEMENT (Continued)

A. Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 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.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

B. 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, 2008 and 2007 (the latest information available).

	2008	2007
Assets	\$40,737,740	\$43,210,703
Liabilities	(12,981,818)	(13,357,837)
Net Assets	\$27,755,922	\$29,852,866

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$5,000.

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.

Contributions to OTARMA	
2009	\$6,269
2008	\$7,205

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary 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.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

7. DEFINED BENEFIT PENSION PLAN

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor, and death benefits and annual cost of living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attn:Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10 percent of covered payroll. The Township's contribution rate for 2009 was 14 percent of covered payroll.

The portion of the Township's contribution allocated to health care was 7 percent from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent.

The Township's required contributions for pension obligations to the traditional, combined and member directed plans for the years ended December 31, 2009, 2008, and 2007 were \$7,341, \$5,979, and \$6,953, respectively; 100 percent has been contributed for 2009, 2008, and 2007.

8. POST-EMPLOYMENT BENEFITS

OPERS administers three separate pension plans: the Traditional Pension Plan, a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan, a defined contribution plan; and the Combined Plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, and survivor benefits as well as post-employment health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

8. POST-EMPLOYMENT BENEFITS (Continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 12. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009 local government employer units contributed at 14 percent of covered payroll. For 2009 the employer contribution allocated to the health care plan was 7 percent from January 1 through March 31, 2009 and 5.5 percent from April 1 through December 31, 2009. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through their contributions to OPERS.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, Attn: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

OPEB is advanced-funded on an actuarially determined basis. The Traditional Pension and Combined Plans had 357,584 active contributing participants as of December 31, 2009. The number of active contributing participants for both plans used in the December 31, 2008, actuarial valuation was 356,388.

The Township's contributions allocated to fund post-employment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$5,202, \$5,979, and \$4,638, respectively; 100 percent has been contributed for 2009, 2008, and 2007.

The amount of \$10.7 billion represents the actuarial funding value of OPERS' net assets available for OPEB at December 31, 2008. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2008, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$29.6 billion and \$18.9 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

This discussion and analysis of Rushcreek Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2008, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(UNAUDITED)**

Highlights

Key highlights for 2008 are as follows:

- Net assets of governmental activities increased \$135,860, or 16 percent, from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund, which increased \$225,866 mostly because of \$149,460 in estate tax receipts which was \$139,460 over the budgeted amount. The Gasoline Tax fund and the Road and Bridge fund declined \$30,597 and \$62,662 respectively, to pay for road paving and culvert repairs.
- The Township's general receipts are primarily property tax, intergovernmental, and landfill fees which are listed as miscellaneous in the general fund. These receipts, combined, represent 68 percent of the total cash received from governmental activities during the year. These receipts are up approximately 13 percent of last year's revenue from these sources, again because of the increase in estate tax revenue.
- The landfill fees (listed as miscellaneous in the general fund) were down about 23 percent of estimates because a major contract was lost and this decrease and more is expected to last thru 2009.
- Interest income was down approximately 18% because of the current economic conditions.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the township-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)
(Continued)**

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and sales taxes.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, and the Road and Bridge Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the Township-wide financial statements because the resources of these funds are not available to support the Township's programs.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)
(Continued)**

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2008 compared to 2007 on a cash basis:

**(Table 1)
Net Assets**

	Governmental Activities	
	2008	2007
Assets:		
Cash and Cash Equivalents	\$977,357	\$841,497
Total Assets	<u>977,357</u>	<u>841,497</u>
Net Assets:		
Restricted for:		
Cemetery Maintenance	24	
Other Purposes	176,753	266,783
Unrestricted	800,580	574,714
Total Net Assets	<u>\$977,357</u>	<u>\$841,497</u>

As mentioned previously, net assets of governmental activities increased \$135,860, or 16 percent during 2008. The primary reason contributing to the increases in cash balances are as follows:

- The estate tax revenue of \$149,460 was \$139,460 over projections.

Table 2 reflects the changes in net assets on the cash basis in 2007 and 2006 for governmental activities.

**(Table 2)
Changes in Net Assets**

	Governmental Activities	
	2008	2007
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 22,208	\$ 25,644
Operating Grants and Contributions	111,609	120,153
Capital Grants and Contributions	20,057	17,200
Total Program Receipts	<u>153,874</u>	<u>162,997</u>
General Receipts:		
Property and Other Local Taxes	112,963	171,427
Grants and Entitlements Not Restricted to Specific Programs	174,967	44,436
Interest	18,696	22,732
Miscellaneous	105,134	136,080
Total General Receipts	<u>411,760</u>	<u>374,675</u>
Total Receipts	<u>565,634</u>	<u>537,672</u>

(Continued)

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)
(Continued)**

**(Table 2)
Changes in Net Assets
(Continued)**

	Governmental Activities	
	2008	2007
Disbursements:		
General Government	111,203	88,619
Public Safety	42,894	46,792
Public Works	220,104	141,196
Public Health Services	9,865	17,485
Capital Outlay	45,708	142,743
Principal Retirement		58,929
Interest and Fiscal Charges		1,899
Total Disbursements	<u>429,774</u>	<u>497,663</u>
Increase (Decrease) in Net Assets	135,860	40,009
Net Assets, January 1	841,497	801,488
Net Assets, December 31	<u>\$977,357</u>	<u>\$841,497</u>

Program receipts represent 27.2 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and property tax money.

General receipts represent 72.8 percent of the Township's total receipts, and of this amount, 27.4 percent are local taxes. Intergovernmental receipts, which include estate tax revenue, make up the 42.5 percent of the Township's general receipts. This is not expected to happen in 2009. Other receipts include landfill tipping fees which make up 23.9 percent of the total.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of elected officials salaries; health, property, and liability insurance; utilities and office expenses for the Township.

Public Safety is the costs of fire and EMS protection; Public Health Services is cemetery maintenance; and Public Works is the cost of maintaining the roads.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are General Government and Public Works, which account for 25.87 and 51.2 percent of all governmental disbursements, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)
(Continued)**

**(Table 3)
Governmental Activities**

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$111,203	\$111,203	\$ 88,619	\$ 86,305
Public Safety	42,894	22,434	46,792	22,612
Public Works	220,104	102,248	141,196	18,148
Public Health Services	9,865	(5,693)	17,485	4,030
Capital Outlay	45,708	45,708	142,743	142,743
Principal Retirement			58,929	58,929
Interest and Fiscal Charges			1,899	1,899
Total Expenses	\$429,774	\$275,900	\$497,663	\$334,666

The dependence upon general receipts is apparent as over 64 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$565,634 and disbursements of \$429,775. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$225,866 as the result of a larger than expected estate tax settlement and less money from the General Fund being spent on road maintenance.

The General Fund increased, as mentioned above, but the Gasoline Tax Fund and the Road and Bridge Fund decreased a combined \$93,259 mainly because of paving and culvert project performed in 2008.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Actual receipts were 49 percent above budgeted receipts mainly due to the actual estate tax receipts collected were \$139,460 more than what was budgeted. Per budget, there were slightly more dollars collected from the local taxes also but the miscellaneous (land fill fees) was less by about 19 percent.

Final disbursements were budgeted at \$468,340 while actual disbursements were \$112,886. The amount appropriated for disbursements is inflated to allow the trustees the cushion to take on new projects thru the year as they see necessary. Because of no unexpected projects most of the appropriated funds are available for next year.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure other than the annual inventory valuation of assets for the County Auditor and our property insurance company.

Debt

At December 31, 2008, the Township has no outstanding debt.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)
(Continued)**

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Rushcreek Township Trustees, % J. Andrew Johnson, Fiscal Officer, 6143 CR 20, Rushsylvania, Ohio 43347.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$977,357</u>
Total Assets	<u><u>977,357</u></u>
Net Assets:	
Restricted for:	
Cemetery Maintenance	24
Other Purposes	176,753
Unrestricted	<u>800,580</u>
Total Net Assets	<u><u>\$977,357</u></u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$111,203				(\$111,203)
Public Safety	42,894	\$8,442	\$12,018		(22,434)
Public Works	220,104	1,110	96,689	\$20,057	(102,248)
Health	9,865	12,656	2,902		5,693
Capital Outlay	45,708				(45,708)
Total Governmental Activities	\$429,774	\$22,208	\$111,609	\$20,057	(275,900)
 General Receipts:					
Property Taxes					112,963
Grants and Entitlements not Restricted to Specific Programs					174,967
Earnings on Investments					18,696
Miscellaneous					105,134
Total General Receipts					411,760
Change in Net Assets					135,860
Net Assets Beginning of Year					841,497
Net Assets End of Year					\$977,357

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES - GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road & Bridge</u>	<u>All Other Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$800,580	\$32,250	\$163	\$144,364	\$977,357
Total Assets	<u>800,580</u>	<u>32,250</u>	<u>163</u>	<u>144,364</u>	<u>977,357</u>
Net Assets:					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	800,580				800,580
Special Revenue Funds		32,250	163	144,340	176,753
Permanent Fund				24	24
Total Fund Balances	<u>\$800,580</u>	<u>\$32,250</u>	<u>\$163</u>	<u>\$144,364</u>	<u>\$977,357</u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road & Bridge</u>	<u>All Other Funds</u>	<u>Total (Memorandum Only)</u>
Receipts:					
Property and Other Local Taxes	\$40,338		\$23,902	\$48,723	\$112,963
Charges for Services				8,442	8,442
Licenses, Permits and Fees	1,210			9,320	10,530
Intergovernmental	174,967	\$84,613	4,751	42,303	306,634
Special Assessments				1,110	1,110
Earnings on Investments	17,403	1,218		75	18,696
Miscellaneous	104,834			2,425	107,259
Total Receipts	<u>338,752</u>	<u>85,831</u>	<u>28,653</u>	<u>112,398</u>	<u>565,634</u>
Disbursements:					
Current:					
General Government	111,203				111,203
Public Safety	30			42,864	42,894
Public Works		116,428	91,315	12,361	220,104
Health	153			9,712	9,865
Capital Outlay	1,500			44,208	45,708
Total Disbursements	<u>112,886</u>	<u>116,428</u>	<u>91,315</u>	<u>109,145</u>	<u>429,774</u>
Net Change in Fund Balances	225,866	(30,597)	(62,662)	3,253	135,860
Fund Cash Balances, January 1	<u>574,714</u>	<u>62,847</u>	<u>62,825</u>	<u>141,111</u>	<u>841,497</u>
Fund Cash Balances, December 31	<u>\$800,580</u>	<u>\$32,250</u>	<u>\$163</u>	<u>\$144,364</u>	<u>\$977,357</u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Cash Receipts:				
Property and Other Local Taxes	\$37,000	\$37,000	\$40,338	\$3,338
Licenses, Permits, and Fees	2,300	2,300	1,210	(1,090)
Intergovernmental	38,200	38,200	174,967	136,767
Earnings on Investments	20,000	20,000	17,403	(2,597)
Miscellaneous	130,000	130,000	104,834	(25,166)
Total Cash Receipts	<u>227,500</u>	<u>227,500</u>	<u>338,752</u>	<u>111,252</u>
Cash Disbursements:				
Current:				
General Government	247,463	247,463	111,203	136,260
Public Safety	2,000	2,000	30	1,970
Public Works	110,000	110,000		110,000
Health	8,877	8,877	153	8,724
Capital Outlay	100,000	100,000	1,500	98,500
Total Cash Disbursements	<u>468,340</u>	<u>468,340</u>	<u>112,886</u>	<u>355,454</u>
Net Change in Fund Balances	(240,840)	(240,840)	225,866	466,706
Fund Cash Balance, January 1	<u>574,714</u>	<u>574,714</u>	<u>574,714</u>	
Fund Cash Balance, December 31	<u>\$333,874</u>	<u>\$333,874</u>	<u>\$800,580</u>	<u>\$466,706</u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Cash Receipts:				
Intergovernmental	\$89,000	\$89,000	\$84,613	(\$4,387)
Earnings on Investments	2,000	2,000	1,218	(782)
Total Cash Receipts	<u>91,000</u>	<u>91,000</u>	<u>85,831</u>	<u>(5,169)</u>
Cash Disbursements:				
Current:				
Public Works	147,000	147,000	116,428	30,572
Capital Outlay	6,000	6,000		6,000
Total Cash Disbursements	<u>153,000</u>	<u>153,000</u>	<u>116,428</u>	<u>36,572</u>
Net Change in Fund Balances	(62,000)	(62,000)	(30,597)	31,403
Fund Cash Balance, January 1	<u>62,847</u>	<u>62,847</u>	<u>62,847</u>	
Fund Cash Balance, December 31	<u><u>\$847</u></u>	<u><u>\$847</u></u>	<u><u>\$32,250</u></u>	<u><u>\$31,403</u></u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Cash Receipts:				
Taxes	\$26,000	\$26,000	\$23,902	(\$2,098)
Intergovernmental	10,000	10,000	4,751	(5,249)
Total Cash Receipts	<u>36,000</u>	<u>36,000</u>	<u>28,653</u>	<u>(7,347)</u>
Cash Disbursements:				
Current:				
Public Works	98,500	98,500	91,315	7,185
Total Cash Disbursements	<u>98,500</u>	<u>98,500</u>	<u>91,315</u>	<u>7,185</u>
Net Change in Fund Balances	(62,500)	(62,500)	(62,662)	(162)
Fund Cash Balance, January 1	<u>62,825</u>	<u>62,825</u>	<u>62,825</u>	
Fund Cash Balance, December 31	<u><u>\$325</u></u>	<u><u>\$325</u></u>	<u><u>\$163</u></u>	<u><u>(\$162)</u></u>

See accompanying notes to the basic financial statements.

RUSHCREEK TOWNSHIP
LOGAN COUNTY

STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2008

	<u>Private Purpose Trust</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$8,087</u>
Total Assets	<u>8,087</u>
Net Assets:	
Held in Trust - Restricted	<u>8,087</u>
Total Net Assets	<u><u>\$8,087</u></u>

See accompanying notes to the basic financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Private Purpose Trust</u>
Additions:	
Interest	\$346
Deductions:	
Health	<u>7</u>
Change in Net Assets	339
Net Assets Beginning of Year	<u>7,748</u>
Net Assets End of Year	<u><u>\$8,087</u></u>

See accompanying notes to the basic financial statements.

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**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

1. REPORTING ENTITY

Rushcreek Township, Logan County, is a body politic and corporate established in the mid 1800's 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 also has an elected Fiscal Officer.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township provides fire and ambulance service via the Rushcreek Township Volunteer Fire Department. Police protection is provided by the Logan County Sheriff's Office.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible.

Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

2. Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories, governmental and fiduciary.

1. Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, and the Road and Bridge Fund. The General Fund is used to account for all financial resources, except those required to be accounted for 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. The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

2. Fiduciary Funds

Fiduciary funds include private purpose trust funds. Trust funds are used to account for assets held under a trust agreement for individuals who are not available to support the Township's own programs. The Township's private purpose trust fund accounts for programs that maintain the cemeteries.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations ordinance, which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, function, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

Township records identify the purchase of specific investments by specific funds. To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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 negative receipts, respectively.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2008 was \$17,403 which includes \$3,614 assigned from other Township funds.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township did not have restricted assets.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. The Township did not have any advances during 2008.

J. Accumulated Leave

Unused sick leave balances up to 14 days can be carried over to the following year. Unused leave is not reflected as a liability under the Township's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available. The Township did not have any net assets restricted by enabling legislation.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. The Township did not have any fund balance reserves.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Change in Fund Balance – Budget and Actual – Budget Basis, presented for the General Fund, the Gasoline Tax Fund, and the Road and Bridge Fund, are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget

4. DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

At year end, the Township had no un-deposited cash on hand.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$738,459 of the Township's bank balance of \$995,518 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

B. Investments

The Township did not have any investments in 2008.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

5. PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied on the assessed values as of December 31, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due February 14; if paid semiannually, the first payment is due February 14, with the remainder payable by July 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2008 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2008 became a lien on December 31, 2007, were levied after December 31, 2007, and are collected with real property taxes. Public utility real property is assessed at

35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after December 31, 2007 on the true value as of December 31, 2007. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2007, was \$5.20 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Property:	
Residential	\$24,686,780
Agricultural	10,648,100
Commercial/Industrial/Mineral	749,350
Tangible Personal Property	568,590
Public Utility	<u>2,057,630</u>
Total Assessed Value	<u>\$38,710,450</u>

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.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

6. RISK MANAGEMENT (Continued)

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

A. Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 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.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

B. 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, 2008 and 2007.

	2008	2007
Assets	\$40,737,740	\$43,210,703
Liabilities	(12,981,818)	(13,357,837)
Net Assets	\$27,755,922	\$29,852,866

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$6,000.

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.

Contributions to OTARMA	
2008	\$7,205
2007	\$7,153

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

6. RISK MANAGEMENT (Continued)

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary 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. DEFINED BENEFIT PENSION PLAN

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, the members of all three plans were required to contribute 10 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2008 was 14 percent, 7% was to fund pension obligations.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$5,979, \$6,953, and \$7,505, respectively; 100 percent has been contributed for 2008, 2007, and 2006.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

8. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for postretirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2008, local government employer units contributed at 14% of covered payroll. The portion of employer contributions for all employers allocated to health care was 7 percent. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

Benefits are advance-funded using the entry age normal actuarial cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.5 percent to 4 percent for the next 7 years. In subsequent years (8 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

Benefits are advance-funded using the entry age normal actuarial cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.5 percent to 4 percent for the next 7 years. In subsequent years (8 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

8. POST-EMPLOYMENT BENEFITS (Continued)

The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007 actuarial valuation was 364,076. Actual employer contributions for 2008 which were used to fund other post-employment benefits were \$5,979.

The amount of \$12.8 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2007 (the latest information available). The Actuarial Valuation as of December 31, 2007, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB, based on actuarial cost method used, at \$29.8 billion and \$17.0 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2008, which will allow additional funds to be allocated to the health care plan.

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Rushcreek Township
Logan County
6143 County Road 20
Rushsylvania, Ohio 43347

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rushcreek Township, Logan County, (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 25, 2010, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

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, providing an opinion 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*.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 25, 2010.

We intend this report solely for the information and use of the management and Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 25, 2010

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-001

Material Weakness

Recording of Financial Activity

The Township should have procedures and controls in place to provide that all financial transactions are correctly recorded in the accounting records and financial statements to assist in the effective management and reporting of financial resources.

In 2008, the Township had the following receipt reporting errors in its financial records:

- 1) Homestead and rollback receipts were recorded as taxes instead of as intergovernmental revenue in the Road & Bridge Fund (\$3,109), Cemetery Fund (\$2,080), and Fire Fund (\$4,237)
- 2) Tangible personal property replacement receipts were recorded as taxes instead of as intergovernmental revenue in the Road & Bridge Fund (\$659), Cemetery Fund (\$429), and Fire Fund (\$1,469)
- 3) The per capita ambulance receipt (\$4,382) from the Logan County Commissioners was recorded in the Ambulance Fund as miscellaneous revenue instead of as intergovernmental.

In 2009, the Township had the following receipt reporting errors in its financial records:

- 1) Homestead and rollback receipts were recorded as taxes instead of as intergovernmental revenue in the Road & Bridge Fund (\$2,144), Cemetery Fund (\$1,034), and Fire Fund (\$1,605);
- 2) Tangible personal property replacement receipts were recorded as taxes instead of as intergovernmental revenue in the Road & Bridge Fund (\$1,669), Cemetery Fund (\$706), and Fire Fund (\$2,567);
- 3) The per capita ambulance receipt (\$4,382) from the Logan County Commissioners was recorded in the Ambulance Fund as miscellaneous revenue instead of as intergovernmental

The failure to correctly classify financial activity in the accounting records and financial statements may impact a user's understanding of the financial operations, and may result in the material misstatement of the financial statements. In addition, such undetected errors may result in irregularities not being detected in a timely manner by the Trustees. The accompanying financial statements have been adjusted to correctly reflect this financial activity.

The Township Fiscal Officer should review the Ohio Township Manual, UAN Manual, Auditor of State Bulletins, and other resources for guidance in correctly recording financial activity. As part of the monitoring procedures, the Trustees should also perform a periodic review of the financial records to help identify financial activity recording errors.

Officials' Response:

We did not receive a response from Officials to this finding.

**RUSHCREEK TOWNSHIP
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Classification of the private purpose trust funds	Yes	
2007-002	Ohio Rev. Code Section 5705.10(D) – Recording monies into the wrong fund	Partially	Repeated in a separate letter to management.



Mary Taylor, CPA
Auditor of State

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
JUNE 22, 2010**