



OHIO AUDITOR OF STATE
KEITH FABER



**RUSH TOWNSHIP
TUSCARAWAS COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Rush Township
Tuscarawas County
10306 Kennedy Hill Road SE
Uhrichsville, Ohio 44683

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of Rush Township, Tuscarawas County, Ohio (the Township).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Finding 2020-005 in the accompanying Schedule of Findings, the Fiscal Officer posted receipts and disbursements incorrectly to the wrong funds in prior periods. Due to the impact these adjustments would have on the General Fund, the Township has declined to make these adjustments.

Had the posting errors noted in the preceding paragraph been properly posted to the financial statements and the accounting system, the General Fund cash fund balance would have decreased \$42,238; the Road & Bridge Fund cash fund balance would have decreased \$1,133, the Motor Vehicle License Fund cash fund balance would have increased \$11,280; and the Gasoline Tax Fund cash fund balance would have increased \$32,091.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraphs, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 13 to the 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2022, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

March 10, 2022

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Rush Township

Tuscarawas County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2020

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$54,838	\$50,101	\$0	\$104,939
Intergovernmental	28,359	223,552	0	251,911
Earnings on Investments	34	3,541	0	3,575
Miscellaneous	8,444	0	0	8,444
<i>Total Cash Receipts</i>	<u>91,675</u>	<u>277,194</u>	<u>0</u>	<u>368,869</u>
Cash Disbursements				
Current:				
General Government	77,427	19,275	0	96,702
Public Safety	7,296	114,070	0	121,366
Public Works	0	132,165	0	132,165
Health	65,980	0	0	65,980
<i>Total Cash Disbursements</i>	<u>150,703</u>	<u>265,510</u>	<u>0</u>	<u>416,213</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(59,028)</u>	<u>11,684</u>	<u>0</u>	<u>(47,344)</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds	70,000	0	0	70,000
Sale of Capital Assets	0	10,169	0	10,169
<i>Total Other Financing Receipts (Disbursements)</i>	<u>70,000</u>	<u>10,169</u>	<u>0</u>	<u>80,169</u>
<i>Net Change in Fund Cash Balances</i>	10,972	21,853	0	32,825
<i>Fund Cash Balances, January 1</i>	<u>19,662</u>	<u>617,843</u>	<u>59</u>	<u>637,564</u>
<i>Fund Cash Balances, December 31</i>	<u>\$30,634</u>	<u>\$639,696</u>	<u>\$59</u>	<u>\$670,389</u>

See accompanying notes to the basic financial statements

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Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Rush Township, Tuscarawas County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection services. The Township contracts with the Smith Ambulance Service to provide ambulance services.

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

The Township participates in jointly governed organizations, joint ventures, and a public entity risk pool. Notes 12, 11, and 6 to the financial statements provide additional information for these entities.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Coronavirus Relief Fund This fund received coronavirus relief money for expenditures related to the COVID-19 pandemic.

Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

All available funds of the Township are in an interest-bearing checking account or invested in Star Ohio.

Capital Assets

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

Fund Balance

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

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

Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$162,382	\$161,675	(\$707)
Special Revenue	295,049	287,363	(7,686)
Total	\$457,431	\$449,038	(\$8,393)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$182,044	\$150,703	\$31,341
Special Revenue	912,894	265,510	647,384
Capital Projects	59	0	59
Total	\$1,094,997	\$416,213	\$678,784

Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit and investment accounts are as follows:

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$192,328
Total deposits	192,328
STAR Ohio	478,061
Total investments	478,061
<i>Total carrying amount of deposits and investments</i>	\$670,389

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

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

Public utilities are also taxed on personal and real property located within the Township.

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

Note 6 – Risk Management

Risk Pool Membership

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

Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

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

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$ 10,894,146

Workers' Compensation

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.


Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

Note 9 – Debt

Debt outstanding at December 31, 2020, was as follows:  **E.9.1**

	Principal	Interest Rate
Pole Barn	70,000	3.3%

During 2020, the Township obtained a loan for construction of a Pole Barn. The Township’s taxing authority collateralized the loan.

Amortization

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

Year Ending December 31:	Pole Barn
2021	35,000
2022	35,000
Total	\$70,000

Note 10 – Contingent Liabilities

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

Note 11 – Joint Ventures

Rush Township-Uhrichsville Joint Economic Development District (JEDD) was created on September 27, 2013 pursuant to Revised Code §715.72 to 715.83. The JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the County, the City, the Townships and the JEDD. The term of the agreement is fifty years unless terminated prior to that date.

Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

The JEDD board shall consist of 5 members, one member representing the Township to serve a term of one year, one member representing the City to serve a term of two years, one member representing the business owners located in the District to serve a term of three years, one member representing the persons working in the District to serve a term of four years and one member selected by the other members to serve a term of four years as chairperson of the District Board. The JEDD's Board pursuant to Revised Code 715.74 has implemented a 1.75% income tax (that will change to match the City's rate if it changes) to be used for purposes of the JEDD. The contract can be terminated at any time by mutual consent of the City and Township. The City serves as fiscal agent for the JEDD. Complete financial information can be obtained from the Rush Township-Uhrichsville Joint Economic Development District, Uhrichsville, Ohio.

Note 12 – Jointly Governed Organizations

The Township is associated with the Tuscarawas County Regional Planning Commission, (the Commission) as Jointly Governed Organization. The Commission is statutorily created political subdivision of the state. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member's control over the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical and governmental characteristics, functions and services of the county. The Township contributed \$220 in 2019 to the Regional Planning Commission.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Township received CARES Act funding. These amounts are reflected as public safety expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statement.

Note 14 – Fund Balances

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

Note 15 – Change in Accounting Principle

For 2020, the Township has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

The effect of this change did not include restated beginning cash balance.

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Rush Township

Tuscarawas County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2019

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$47,127	\$47,409	\$0	\$94,536
Intergovernmental	32,257	182,734	0	214,991
Earnings on Investments	3,770	794	0	4,564
Miscellaneous	502,861	300	0	503,161
<i>Total Cash Receipts</i>	<u>586,015</u>	<u>231,237</u>	<u>0</u>	<u>817,252</u>
Cash Disbursements				
Current:				
General Government	71,108	0	0	71,108
Public Safety	140	106,727	0	106,867
Public Works	0	130,994	0	130,994
Health	1,500	0	0	1,500
Debt Service:				
Principal Retirement	7,625	0	0	7,625
Interest and Fiscal Charges	271	0	0	271
<i>Total Cash Disbursements</i>	<u>80,644</u>	<u>237,721</u>	<u>0</u>	<u>318,365</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>505,371</u>	<u>(6,484)</u>	<u>0</u>	<u>498,887</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	500,000	0	500,000
Transfers Out	(500,000)	0	0	(500,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(500,000)</u>	<u>500,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	5,371	493,516	0	498,887
<i>Fund Cash Balances, January 1</i>	<u>14,291</u>	<u>124,327</u>	<u>59</u>	<u>138,677</u>
<i>Fund Cash Balances, December 31</i>				
Restricted	0	611,997	59	612,056
Committed	0	5,846	0	5,846
Assigned	19,662	0	0	19,662
<i>Fund Cash Balances, December 31</i>	<u>\$19,662</u>	<u>\$617,843</u>	<u>\$59</u>	<u>\$637,564</u>

See accompanying notes to the basic financial statements

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Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Rush Township, Tuscarawas County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection services. The Township contracts with the Smith Ambulance Service to provide ambulance services.

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

The Township participates in jointly governed organizations, joint ventures, and a public entity risk pool. Notes 12, 11, and 7 to the financial statements provide additional information for these entities.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Misc Special Revenue Fund This fund received FEMA money for the Fire Department.

Basis of Accounting

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

Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 2019 budgetary activity appears in Note 4.

Deposits and Investments

All available funds of the Township are in an interest-bearing checking account or invested in Star Ohio.

Capital Assets

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

Fund Balance

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

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

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

Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

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

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

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

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund by \$483,581 for the year ended December 31, 2019.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,771	\$586,015	\$503,244
Special Revenue	736,721	731,237	(5,484)
Total	\$819,492	\$1,317,252	\$497,760

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$97,063	\$580,644	(\$483,581)
Special Revenue	861,082	237,721	623,361
Capital Projects	59	0	59
Total	\$958,204	\$818,365	\$139,839

Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 5 – Deposits and Investments

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

	2019
<i>Cash Management Pool:</i>	
Demand deposits	\$133,038
Total deposits	133,038
STAR Ohio	504,526
Total investments	504,526
<i>Total carrying amount of deposits and investments</i>	\$637,564

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 6 – Property Taxes

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

Public utilities are also taxed on personal and real property located within the Township.

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

Note 7 – Risk Management

Risk Pool Membership

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

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability

Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	\$ 10,519,942

Workers' Compensation

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients.

Rush Township
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2019

The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

Note 10 – Contingent Liabilities

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

Note 11 – Joint Ventures

Rush Township-Uhrichsville Joint Economic Development District (JEDD) was created on September 27, 2013 pursuant to Revised Code §715.72 to 715.83. The JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the County, the City, the Townships and the JEDD. The term of the agreement is fifty years unless terminated prior to that date.

The JEDD board shall consist of 5 members, one member representing the Township to serve a term of one year, one member representing the City to serve a term of two years, one member representing the business owners located in the District to serve a term of three years, one member representing the persons working in the District to serve a term of four years and one member selected by the other members to serve a term of four years as chairperson of the District Board. The JEDD's Board pursuant to Revised Code 715.74 has implemented a 1.75% income tax (that will change to match the City's rate if it changes) to be used for purposes of the JEDD. The contract can be terminated at any time by mutual consent of the City and Township. The City serves as fiscal agent for the JEDD. Complete financial information can be obtained from the Rush Township-Uhrichsville Joint Economic Development District, Uhrichsville, Ohio.

Note 12 – Jointly Governed Organizations

The Township is associated with the Tuscarawas County Regional Planning Commission, (the Commission) as Jointly Governed Organization. The Commission is statutorily created political subdivision of the state. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member's control over the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical and governmental characteristics, functions and services of the county. The Township contributed \$220 in 2019 to the Regional Planning Commission.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

OHIO AUDITOR OF STATE KEITH FABER



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

Rush Township
Tuscarawas County
10306 Kennedy Hill Road SE
Uhrichsville, Ohio 44683

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of Rush Township, Tuscarawas County, Ohio (the Township), and have issued our report thereon dated March 10, 2022, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(D) permit. We also qualified our opinion on the financial statements for 2020 and 2019 due to the Township not making a \$42,238 and \$1,133 adjustment against the General Fund and Road & Bridge Fund, respectively, and in favor of the Motor Vehicle License Fund and Gasoline Tax Fund in the amounts of \$11,280 and \$32,091, respectively. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider Findings 2020-004 and 2020-005 to be material weaknesses.

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 financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2020-001 through 2020-003.

Township's Response to Findings

The Township's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not subject the Township's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 10, 2022

**RUSH TOWNSHIP
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2020-001

Noncompliance

Ohio Rev. Code Chapter 133 authorizes certain methods by which subdivisions may incur debt.

Ohio Rev. Code § 133.22 provides a subdivision may issue anticipatory-securities if it meets the requirements outlined in the statute.

Ohio Rev. Code § 133.10 permits a subdivision to issue anticipation securities in anticipation of current property tax revenues or in anticipation of current revenues in and for any fiscal year from any source or combination of sources, including distributions of any federal or state monies, other than the proceeds of property taxes levied by the subdivision.

Ohio Rev. Code § 133.15 provides a subdivision is authorized to issue securities for the purpose of paying all or any portion of the costs of any permanent improvement that the subdivision is authorized, alone or in cooperation with other persons, to acquire, improve, or construct.

Ohio Rev. Code § 133.18 provides the taxing authority of a subdivision, may by legislation submit to the electors of the subdivision the question of issuing any general obligation bonds, for one purpose, that the subdivision has power or authority to issue.

During 2019, the Township made principal payments on an outstanding promissory noted in the amount of \$7,625. During 2020, the Township issued a promissory note in the amount of \$70,000. The promissory note was used by the Township to construct a pole barn.

This type of debt is not authorized in Ohio Rev. Code Chapter 133. The Township had no statutory authority to incur debt through either installment loans or promissory notes with any banking institutions. Inadequate policies and procedures related to debt issuance can result in illegal expenditures by the Township.

The Township should consult with legal counsel before incurring debt to determine if the debt is authorized by statute.

Officials' Response: I had no idea that I couldn't simply go to the bank. The bank did not raise the issue. I will pay it off this year and consult with my legal counsel on future debt.

FINDING NUMBER 2020-002

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the General Fund had expenditures in excess of appropriations of \$483,581 as of December 31, 2019.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

**RUSH TOWNSHIP
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2020-002 (Continued)

Noncompliance (Continued)

The Board of Trustees should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response: Not sure how this happened but will consult more with Board of Trustees. I use UAN accounting and it should have flagged something.

FINDING NUMBER 2020-003

Noncompliance

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.

1. "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Board can authorize the drawing of a warrant for the payment of the amount due. The Board has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate – The auditor or fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**RUSH TOWNSHIP
TUSCARAWAS COUNTY**
**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2020-003 (Continued)

Noncompliance (Continued)

3. Super Blanket Certificate – The Board may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, 100 percent of the transactions tested at year-end were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Township followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

Officials' Response: Will watch closer. Not sure what the problem was. Have all BC's and PO's on file for whole year.

FINDING NUMBER 2020-004

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

**RUSH TOWNSHIP
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2020-004 (Continued)

Material Weakness (Continued)

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

At December 31, 2020 estimated receipts as approved by the Budget Commission did not agree to UAN for the following fund:

Fund	Approved Amount	UAN Amount	Variance
General	\$162,382	\$163,434	\$1,052
Gasoline Tax	144,683	134,260	(10,423)
Fire Levy	44,969	46,769	1,800

At December 31, 2020, approved appropriations did not agree to UAN as follows:

Fund	Approved Amount	UAN Amount	Variance
General	\$182,044	\$183,096	\$1,052
Gasoline Tax	157,921	158,921	(1,000)
Fire Levy	139,646	141,446	(1,800)

At December 31, 2019 estimated receipts as approved by the Budget Commission did not agree to UAN for the following fund:

Fund	Approved Amount	UAN Amount	Variance
General	\$82,771	\$580,203	\$497,432

At December 31, 2019, approved appropriations did not agree to UAN as follows:

Fund	Approved Amount	UAN Amount	Variance
General	\$97,064	\$594,495	\$497,431

Additionally, estimated receipts reported in the Notes to the Financial Statements for 2020 were overstated by \$1,052 for the General Fund and understated by \$8,623 for the Special Revenue Fund Type and for 2019 understated by \$2,568 for the General Fund and understated by \$12,680 for the Special Revenue Fund Type.

**RUSH TOWNSHIP
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2020-004 (Continued)

Material Weakness (Continued)

Additionally the appropriations reported in the Notes to the Financial Statements for 2020 were overstated by \$1,052 for the General Fund, overstated by \$2,858 for the Special Revenue Fund Type, and understated by \$59 for the Capital Projects Fund Type and for 2019 were understated by \$2,568 for the General Fund, understated by \$12,716 for the Special Revenue Fund Type and understated by \$59 for the Capital Projects Fund Type.

The Township did not have procedures in place to ensure accurate posting of authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by the Board were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not properly posted to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this did lead to inaccurate reporting of the budgetary information in the notes to the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Fiscal Officer should post estimated resources as certified by the budget commission and appropriations approved by the Board to the ledgers, on a timely basis. The Trustees should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response: I will have to change some accounting practices. I use UAN accounting program and it normally won't allow.

FINDING NUMBER 2020-005

Material Weakness and Finding for Adjustment

In our audit engagement letter, as required by AU-C § 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C § 210 paragraphs .A14 & .A16.

As a result of the audit procedures performed, the financial statements had the following errors that required reclassification:

For the year ended December 31, 2020:

- The Fiscal Officer did not properly post debt proceeds. This resulted in the General Fund other financing sources being overstated by \$70,000 and other debt proceeds being understated \$70,000.

**RUSH TOWNSHIP
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2020-005 (Continued)

Material Weakness and Finding for Adjustment (Continued)

For the year ended December 31, 2019:

- The Fiscal Officer did not properly post debt payments. This resulted in the General Fund general government disbursements being overstated by \$7,896, principal retirement disbursements being understated by \$7,625, and interest and fiscal charges disbursements being understated by \$271.
- The Fiscal Officer did not properly post intergovernmental receipts. This resulted in the General Fund taxes receipts being overstated by \$4,752 and intergovernmental receipts being understated by \$4,752.
- The Fiscal Officer did not properly classify fund balances according to GASB 54 in the general fund. Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.176 require reporting amounts as assigned when subsequent appropriations exceed estimated receipts. The Township incorrectly reported the assigned portion of the General Fund cash balance as unassigned, in the amount of \$19,662.

These misstatements were caused by confusion over proper classifications. As a result, these reclassifications with which the Township's management agrees are reflected in the accompanying financial statements.

As a result of the audit procedures performed in prior audits that were not previously adjusted, the financial statements had the following errors that required adjustment or reclassification:

For the years ended December 31, 2018 and 2017:

- Fiscal Officer and Trustees' salaries were paid from the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund and Road & Bridge Fund, however certifications did not match what was actually paid. Salaries of \$839, \$2,939, and \$1,841 should have been paid from the General Fund, Gasoline Tax Fund and Road & Bridge Fund, respectively. Therefore, \$5,619 of salaries paid from the Motor Vehicle License Tax Fund should not have been paid from that fund based on certifications.

For the years ended December 31, 2012 and 2011:

- Trustees' salaries were paid from the Motor Vehicle License Tax Fund, Gasoline Tax Fund and Road & Bridge Fund with no certifications to support the kinds of services performed. Salaries of \$14,473 should have been paid from the General Fund but were actually paid in the amounts of \$5,661, \$8,104 and \$708 from the Motor Vehicle License Tax Fund, Gasoline Tax Fund and Road & Bridge Fund, respectively.

**RUSH TOWNSHIP
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2020-005 (Continued)

Material Weakness and Finding for Adjustment (Continued)

For the years ended December 31, 2010 and 2009:

- The Township incorrectly paid \$26,926 of debt payments and liability premium payments from the Special Revenue Gasoline Tax Fund. The payments were not allowable per Ohio Constitution Article XII, Section 5a and Ohio Revised Code Section 5735.27(A)(5)(d). The Township should have paid these payments from the General Fund.

The Fiscal Officer has not posted these prior audit adjustments to the Township records, and, therefore, they are not reflected in the accompanying financial statements.

In accordance with foregoing facts, a Finding for Adjustment is hereby issued against the Township's General Fund in the amount of \$42,238 and against the Road and Bridge Fund in the amount of \$1,133 in favor of the Gasoline Fund in the amount of \$32,091 and in favor of the Motor Vehicle License Fund in the amount of \$11,280.

The Fiscal Officer should review the Township Handbook for proper classification of receipts and disbursements and take additional care in posting transactions to the Township's ledgers in order to ensure the financial statements reflect the appropriate classifications.

Officials' Response: The Trustees are aware of this issue but we can't take the money from the General Fund. It would run in the negative. I suggested a levy and they are considering it.

Rush Township Tuscarawas County

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Ohio Rev. Code § 5705.41(D) for not properly encumbering.	Not Corrected	Fiscal Officer is working on correcting along with the Trustees and County Auditor
2018-002	Material audit adjustments and Finding for Adjustments not posted.	Not Corrected	Fiscal Officer is working on correcting along with the Trustees and County Auditor
2018-003	Material audit reclassifications.	Not Corrected	Fiscal Officer is working on correcting along with the Trustees and County Auditor
2018-004	Ohio Rev. Code § 505.24(D) for Fiscal Officer and Trustee certifications not matching funds paid from.	Partially Corrected	Fiscal Officer is working on correcting along with the Trustees and County Auditor
2018-005	Ohio Rev. Code § 117.38 for notes to financial statements filed in the Hinkle System not including certain disclosures.	Corrected	

OHIO AUDITOR OF STATE KEITH FABER



RUSH TOWNSHIP

TUSCARAWAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 4/19/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov