



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY

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STATE OF OHIO
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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Rushville
Fairfield County
8620 Main Street
Rushville, OH 43150

To the Village Council:

We have audited the accompanying financial statements of the Village of Rushville, Fairfield County, Ohio, (the Village) as of and for the years ended December 31, 2001 and December 31, 2000. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Rushville, Fairfield County, Ohio, as of December 31, 2001 and December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2002 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

April 17, 2002

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$4,421	\$4,001	\$0	\$8,422
Intergovernmental Receipts	13,162	7,272	97,852	118,286
Earnings on Investments	3,092	349	0	3,441
Miscellaneous	3,029	0	0	3,029
Total Cash Receipts	<u>23,704</u>	<u>11,622</u>	<u>97,852</u>	<u>133,178</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	58	0	0	58
Public Health Services	549	0	0	549
Leisure Time Activities	16	0	0	16
Community Environment	313	0	0	313
Basic Utility Services	10,614	0	0	10,614
Transportation	0	5,238	0	5,238
General Government	11,560	0	0	11,560
Capital Outlay	0	0	97,852	97,852
Total Cash Disbursements	<u>23,110</u>	<u>5,238</u>	<u>97,852</u>	<u>126,200</u>
Total Receipts Over/(Under) Disbursements	<u>594</u>	<u>6,384</u>	<u>0</u>	<u>6,978</u>
Other Financing (Disbursements):				
Transfers-Out	(2,076)	0	0	(2,076)
Total Other Financing Disbursements)	<u>(2,076)</u>	<u>0</u>	<u>0</u>	<u>(2,076)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(1,482)</u>	<u>6,384</u>	<u>0</u>	<u>4,902</u>
Fund Cash Balances, January 1	<u>34,516</u>	<u>33,121</u>	<u>0</u>	<u>67,637</u>
Fund Cash Balances, December 31	<u>\$33,034</u>	<u>\$39,505</u>	<u>\$0</u>	<u>\$72,539</u>

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

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$87,748
Interest	6,664
	94,412
Operating Cash Disbursements:	
Personal Services	22,799
Fringe Benefits	3,454
Contractual Services	13,493
Supplies and Materials	15,464
	55,210
Operating Income	39,202
Non-Operating Cash Disbursements:	
Debt Service	37,563
	37,563
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	1,639
Transfers-In	2,076
	3,715
Net Receipts Over/(Under) Disbursements	3,715
Fund Cash Balances, January 1	228,396
Fund Cash Balances, December 31	\$232,111

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

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$3,901	\$4,342	\$0	\$8,243
Intergovernmental Receipts	13,018	6,865	45,463	65,346
Earnings on Investments	6,778	227	0	7,005
Miscellaneous	3,074	0	0	3,074
	<u>26,771</u>	<u>11,434</u>	<u>45,463</u>	<u>83,668</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	55	0	0	55
Public Health Services	538	0	0	538
Leisure Time Activities	480	0	0	480
Community Environment	116	0	0	116
Basic Utility Services	660	0	0	660
Transportation	0	5,389	0	5,389
General Government	12,065	0	0	12,065
Capital Outlay	0	0	45,463	45,463
	<u>13,914</u>	<u>5,389</u>	<u>45,463</u>	<u>64,766</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>12,857</u>	<u>6,045</u>	<u>0</u>	<u>18,902</u>
Other Financing (Disbursements):				
Transfers-Out	<u>(5,926)</u>	<u>0</u>	<u>0</u>	<u>(5,926)</u>
Total Other Financing Receipts/(Disbursements)	<u>(5,926)</u>	<u>0</u>	<u>0</u>	<u>(5,926)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	6,931	6,045	0	12,976
Fund Cash Balances, January 1	<u>27,585</u>	<u>27,076</u>	<u>0</u>	<u>54,661</u>
Fund Cash Balances, December 31	<u>\$34,516</u>	<u>\$33,121</u>	<u>\$0</u>	<u>\$67,637</u>

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

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$90,703
Interest	2,111
	92,814
Total Operating Cash Receipts	92,814
Operating Cash Disbursements:	
Personal Services	20,081
Fringe Benefits	2,420
Contractual Services	21,025
Supplies and Materials	14,174
	57,700
Total Operating Cash Disbursements	57,700
Operating Income	35,114
Non-Operating Cash Receipts:	
Proceeds from Notes	10,000
	10,000
Total Non-Operating Cash Receipts	10,000
Non-Operating Cash Disbursements:	
Debt Service	37,562
	37,562
Total Non-Operating Cash Disbursements	37,562
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	7,552
Transfers-In	5,926
Net Receipts Over/(Under) Disbursements	13,478
Fund Cash Balances, January 1	214,918
Fund Cash Balances, December 31	\$228,396

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

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Rushville, Fairfield County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general government services and sewer utilities.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. 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 prescribed or permitted by the Auditor of State.

C. Cash

Certificates of deposit are valued at cost.

D. Fund Accounting

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Fund (Continued)

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village receives Issue II grants from the State of Ohio for various road projects.

4. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Sewer Operating Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Enterprise Debt Service Fund - This fund receives monies from fees assessed sewer users. The monies are used to retire debt incurred to operate the sewer system.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment (Continued)

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

2. EQUITY IN POOLED CASH

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

	2001	2000
Demand deposits	\$259,650	\$215,434
Certificates of deposit	45,000	80,599
Total deposits	\$304,650	\$296,033

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$18,000	\$23,704	\$5,704
Special Revenue	10,072	11,622	1,550
Capital Projects	100,000	97,852	(2,148)
Enterprise	82,350	96,488	14,138
Total	\$210,422	\$229,666	\$19,244

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$50,000	\$25,186	\$24,814
Special Revenue	40,700	5,238	35,462
Capital Projects	100,000	97,852	2,148
Enterprise	150,710	92,733	57,977
Total	\$341,410	\$221,009	\$120,401

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$18,000	\$26,771	\$8,771
Special Revenue	9,980	11,434	1,454
Capital Projects	75,000	45,463	(29,537)
Enterprise	144,800	108,740	(36,060)
Total	\$247,780	\$192,408	(\$55,372)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$45,255	\$19,840	\$25,415
Special Revenue	32,790	5,388	27,402
Capital Projects	0	45,463	(45,463)
Enterprise	135,960	95,262	40,698
Total	\$214,005	\$165,953	\$48,052

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Sewer Project Loan – OWDA	\$482,659	2%
Sewer Plant Project System Design - OWDA	45,000	0%
Water Supply System Feasibility Study – Ohio EPA	4,620	0%
Total	<u>\$532,189</u>	

The sewer project loan was provided to the Village by the Ohio Water Development Authority (OWDA) to perform sewer plant expansion which was mandated by the Ohio Environment Protection Agency. The Village has been approved for lending up to \$733,357 for this project. The loan will be repaid in semi-annual installments of \$18,781, including interest, over the next 19 years. As the Village draws additional monies, the semi-annual installments payable will be adjusted accordingly.

The sewer plant design loan for \$50,000 from OWDA was for the design of the sewer system and is a part of the sewer project. The Village received \$40,000 of this loan in 1999 and \$10,000 in 2000.

The Water Supply System Feasibility Study loan from the Ohio EPA for \$6,600 was to conduct a study for a new water supply system.

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

	Sewer Project	Water Design	Water Study
Year ending December 31:			
2002	\$37,563	\$5,000	\$660
2003	37,563	5,000	660
2004	37,563	5,000	660
2005	37,563	5,000	660
2006	37,563	5,000	660
2007 – 2016	375,630	20,000	1,320
Total	<u>\$563,445</u>	<u>\$45,000</u>	<u>\$4,620</u>

6. RETIREMENT SYSTEMS

The Village's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Village has paid all contributions required through December 31, 2001.

VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

8. JOINTLY GOVERNED ORGANIZATION

Fairfield County Regional Planning Commission- The Village appoints a person to represent the Village on the 56 member board of the Fairfield County Regional Planning Commission. The Village pays a small membership fee annually. The fee is based on the per capita of the Village. There is no ongoing financial interest of responsibility by the Village.



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

Village of Rushville
Fairfield County
8620 Main Street, Northeast
Rushville, OH 43150

To the Village Council:

We have audited the accompanying financial statements of the Village of Rushville, Fairfield County, Ohio (the Village) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 17, 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated April 17, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated April 17, 2002.

Village of Rushville
Fairfield County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large loop at the end of the last name.

JIM PETRO
Auditor of State

April 17, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF RUSHVILLE

FAIRFIELD 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 18, 2002**