



**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

REGULAR AUDIT

FOR YEARS ENDED DECEMBER 31, 1999 AND 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Funds Types For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary Fund Type For the Year Ended December 31, 1998	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 1999	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary Fund Type For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13

This Page Intentionally Left Blank



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 2nd Floor
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Council Members:

We have audited the accompanying financial statements of Village of Rushville, Fairfield County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998. 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 generally accepted auditing standards 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, 1999 and December 31, 1998, 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 May 25, 2000 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.

This report is intended solely for the information and use of management and the 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".

JIM PETRO
Auditor of State

May 25, 2000

**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, 1999**

	<u>Governmental Fund Types</u>		<u>(Total Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$4,026	\$3,456	\$7,482
Intergovernmental	12,871	7,329	20,200
Interest	2,785	256	3,041
Miscellaneous	2,402	0	2,402
	<u>22,084</u>	<u>11,041</u>	<u>33,125</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	57	0	57
Public Health Services	494	0	494
Community Environment	234	0	234
Basic Utility Service	660	0	
Transportation	0	7,828	7,828
General Government	12,001	0	12,001
	<u>13,446</u>	<u>7,828</u>	<u>21,274</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>8,638</u>	<u>3,213</u>	<u>11,851</u>
Other Financing Sources (Uses):			
Transfers-In	578	0	578
Transfers-Out	(1,969)	0	(1,969)
	<u>(1,391)</u>	<u>0</u>	<u>(1,391)</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	7,247	3,213	10,460
Fund Cash Balances, January 1, 1999	<u>20,338</u>	<u>23,863</u>	<u>44,201</u>
Fund Cash Balances, December 31, 1999	<u><u>\$27,585</u></u>	<u><u>\$27,076</u></u>	<u><u>\$54,661</u></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, 1999**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Interest	\$4,658
Charges for Services	90,633
Interest	116
	95,407
Total Operating Cash Receipts	95,407
Operating Cash Disbursements:	
Personal Services	21,902
Employee Fringe Benefits	3,591
Contractual Services	54,272
Supplies and Materials	15,421
	95,186
Total Operating Cash Disbursements	95,186
Operating Income/(Loss)	221
Non-Operating Cash Receipts:	
Proceeds of Loans	40,000
Non-Operating Cash Disbursements:	
Debt Service - Principal	(26,299)
Debt Service - Interest	(11,263)
	(37,562)
Total Non-Operating Cash Disbursements	(37,562)
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	2,659
Transfers-In	1,969
Transfers-Out	(578)
	4,050
Net Receipts Over/(Under) Disbursements	4,050
Fund Cash Balances, January 1, 1999	210,868
Fund Cash Balances, December 31, 1999	\$214,918

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, 1998**

	<u>Governmental Fund Types</u>		<u>(Total Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local taxes	\$3,839	\$3,142	\$6,981
Intergovernmental	12,294	7,385	19,679
Interest	1,944	406	2,350
Miscellaneous	3,033	0	3,033
	<u>21,110</u>	<u>10,933</u>	<u>32,043</u>
Total Cash Receipts			
	<u>21,110</u>	<u>10,933</u>	<u>32,043</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	58	0	58
Public Health Services	430	0	430
Basic Utility Service	6,600		6,600
Community Environment	270	0	270
Transportation	0	3,542	3,542
General government	11,401	0	11,401
	<u>18,759</u>	<u>3,542</u>	<u>22,301</u>
Total Cash Disbursements			
	<u>18,759</u>	<u>3,542</u>	<u>22,301</u>
Total Receipts Over/(Under) Cash Disbursements	<u>2,351</u>	<u>7,391</u>	<u>9,742</u>
Other Financing Sources (Uses)			
Transfers Out	(1,321)	0	(1,321)
Other Financing Sources	6,600	0	6,600
	<u>5,279</u>	<u>0</u>	<u>5,279</u>
Total Other Financing Sources (Uses)			
	<u>5,279</u>	<u>0</u>	<u>5,279</u>
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	<u>7,630</u>	<u>7,391</u>	<u>15,021</u>
Fund Cash Balances, January 1, 1998	<u>12,708</u>	<u>16,472</u>	<u>29,180</u>
Fund Cash Balances, December 31, 1998	<u><u>\$20,338</u></u>	<u><u>\$23,863</u></u>	<u><u>\$44,201</u></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, 1998**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Interest	\$6,067
Charges for Services	96,381
Other Miscellaneous	660
Total Operating Cash Receipts	103,108
Operating Cash Disbursements:	
Personal Service	15,523
Employee Fringe Benefits	2,344
Contractual Services	13,644
Supplies and Materials	6,532
Total Operating Cash Disbursements	38,043
Operating Income (Loss)	65,065
Non-Operating Cash Disbursements:	
Debt Service - Principal	(25,784)
Debt Service - Interest	(11,779)
Total Non-Operating Cash Disbursements	(37,563)
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	27,502
Transfers-In	1,321
Net Receipts Over/(Under) Disbursements	28,823
Fund Cash Balances, January 1, 1998	182,045
Fund Cash Balances, December 31, 1998	\$210,868

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, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Village of Rushville, Fairfield County, Ohio, (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 and Investments

The Certificate of Deposit are valued at cost.

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 disbursements, respectively.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are 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 Funds

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 Funds:

Street Construction Maintenance Fund- This fund receives tax money and various other grant money to repair Village roads

Permissive Motor Vehicle License Fund- This fund receives tax money to repair Village roads.

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Proprietary Funds

Enterprise Fund

Sewer Operations Fund- This funds receives monies from user fees charged. The monies are used to operate the sewer system.

Sewer Debt Service Fund- This funds received 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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated. The Village had no significant encumbrances as of December 31, 1999.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Village.

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand Deposits	\$209,579	\$205,069
Certificate of Deposit	60,000	50,000
Total deposits and investments	\$269,579	\$255,069

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Village.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$19,252	\$22,084	\$2,832
Special Revenue	9,728	11,041	1,313
Enterprise Fund	93,255	137,376	44,121
Total	\$122,235	\$170,501	\$48,266

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$30,310	\$15,416	\$14,894
Special Revenue	26,165	7,828	18,337
Enterprise	169,974	133,326	36,648
Total	\$226,449	\$156,570	\$69,879

**VILLAGE OF RUSHVILLE
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$17,496	\$27,710	\$10,214
Special Revenue	9,678	10,933	1,255
Enterprise	92,704	104,429	11,725
Total	\$119,878	\$143,072	\$23,194

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$30,099	\$20,080	\$10,019
Special Revenue	25,304	3,542	21,762
Enterprise Fund	120,929	75,606	45,323
Total	\$176,332	\$99,228	\$77,104

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. 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 payment, 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, 1999 AND 1998
(Continued)**

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

<i>Ohio Water Development Authority (OWDA)</i>	<u>Principal</u>	<u>Interest Rate</u>
Sewer Project	\$526,933	2%
Sewer Plant Project Water Study and Design	<u>49,940</u>	<u>0.00%</u>
Total	<u>\$576,873</u>	

The OWDA sewer project loan was provided to the Village 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 installment 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 monies loaned for the water study and design is a part of the commitment from OWDA..

6. RETIREMENT SYSTEMS

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

PERS members contributed 8.50 % of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risk:

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

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

This Page Intentionally Left Blank



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 2nd Floor
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

**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, Ohio 43150

To the Council Members:

We have audited the accompanying financial statements of Village of Rushville, Fairfield County, Ohio (the Village), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated May 25, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance which we have reported to management of the Village in separate letter dated May 25, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated May 25, 2000.

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 for the information and use of management and the 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", written in a cursive style.

JIM PETRO
Auditor of State

May 25, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
AUGUST 1, 2000**