

**VILLAGE OF RUSHVILLE**

**AUDIT REPORT**

**JANUARY 1, 2014 - DECEMBER 31, 2015**

**Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd. Building G  
Zanesville, Ohio 43701**





# Dave Yost • Auditor of State

Village Council  
Village of Rushville  
P.O. Box 9  
Rushville, Ohio 43150

We have reviewed the *Independent Auditors' Report* of the Village of Rushville, Fairfield County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Rushville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 25, 2016

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**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY  
JANUARY 1, 2014 - DECEMBER 31, 2015**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Village of Rushville  
Fairfield County  
P.O. Box 9  
Rushville, Ohio 43150

To the Village Council:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type and related notes of the Village of Rushville, Fairfield County, as of and for the years ended December 31, 2015 and 2014.

**Management's Responsibility For the Financial Statements**

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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 Village'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 Village's internal control. Accordingly, we express no 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 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory basis of accounting and GAAP are not reasonably determinable, are presumed to be material.

Though the Village 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 Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted 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 Village of Rushville as of December 31, 2015 and 2014, or changes in financial position or cash flows thereof for the years then ended.

#### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Rushville, Fairfield County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2016, on our consideration of the Village of Rushville'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 Village's internal control over financial reporting and compliance.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 22, 2016

**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, 2015**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$ 7,733	\$ 578	\$ 8,311
Intergovernmental	9,382	9,933	19,315
Fines, Licenses and Permits	1,032	-	1,032
Earnings on Investments	1,665	-	1,665
Miscellaneous	13,076	-	13,076
<b>Total Cash Receipts</b>	<b>32,888</b>	<b>10,511</b>	<b>43,399</b>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	2,577	-	2,577
Public Health Services	922	-	922
Leisure Time Activities	500	-	500
Community Environment	856	-	856
Transportation	19	21,191	21,210
General Government	23,644	-	23,644
Debt Service:			
Principal	-	621	621
<b>Total Cash Disbursements</b>	<b>28,518</b>	<b>21,812</b>	<b>50,330</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>4,370</b>	<b>(11,301)</b>	<b>(6,931)</b>
<b>Other Financing Receipts (Disbursements)</b>			
Transfer In	-	-	-
Transfer Out	(1,493)	-	(1,493)
<b>Total Other Financing Receipts</b>	<b>(1,493)</b>	<b>-</b>	<b>(1,493)</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	2,877	(11,301)	(8,424)
<b>Fund Cash Balance, January 1</b>	<b>31,383</b>	<b>30,765</b>	<b>62,148</b>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	19,464	19,464
Unassigned (Deficit)	34,260	-	34,260
<b>Fund Cash Balance, December 31</b>	<b>\$ 34,260</b>	<b>\$ 19,464</b>	<b>\$ 53,724</b>

See notes to financial statements.



**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE - ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Proprietary	Totals (Memorandum Only)
	Enterprise	
<b>Operating Cash Receipts:</b>		
Charges for Services	\$ 209,555	\$ 209,555
Miscellaneous	215	215
<b>Total Operating Cash Receipts</b>	<b>209,770</b>	<b>209,770</b>
<b>Operating Cash Disbursements:</b>		
Personal Services	31,279	31,279
Fringe Benefits	4,745	4,745
Contractual Service	86,333	86,333
Supplies and Materials	21,533	21,533
Other	4,021	4,021
<b>Total Operating Cash Disbursements</b>	<b>147,911</b>	<b>147,911</b>
<b>Operating Income</b>	<b>61,859</b>	<b>61,859</b>
<b>Non-Operating Cash Receipts:</b>		
Earnings on Investments	10	10
<b>Total Non-Operating Cash Receipts</b>	<b>10</b>	<b>10</b>
<b>Non-Operating Cash Disbursements:</b>		
Principal payment	85,822	85,822
Capital Outlay	43	43
Interest and Other Fiscal Charges	18,513	18,513
<b>Total Non-Operating Cash Disbursements</b>	<b>104,378</b>	<b>104,378</b>
<b>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</b>	<b>(42,509)</b>	<b>(42,509)</b>
<b>Other Financing Receipts (Disbursements)</b>		
Transfer In	7,742	7,742
Transfer Out	(6,250)	(6,250)
<b>Total Other Financing Receipts</b>	<b>1,492</b>	<b>1,492</b>
<b>Net Change in Fund Cash Balance</b>	<b>(41,017)</b>	<b>(41,017)</b>
<b>Fund Cash Balances, January 1</b>	<b>430,089</b>	<b>430,089</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 389,072</b>	<b>\$ 389,072</b>

See notes to financial statements.

**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, 2014**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$ 8,306	\$ 578	\$ 8,884
Intergovernmental	7,401	9,660	17,061
Charges for Services	1,500	466	1,966
Fines, Licenses and Permits	12,073	-	12,073
Earnings on Investments	1,672	-	1,672
Miscellaneous	1,111	-	1,111
<b>Total Cash Receipts</b>	<b>32,063</b>	<b>10,704</b>	<b>42,767</b>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	2,545	-	2,545
Public Health Services	967	-	967
Community Environment	956	-	956
Basic Utility Services	577	-	577
Transportation	223	27,602	27,825
General Government	25,387	-	25,387
Debt Service:			
Principal	-	621	621
<b>Total Cash Disbursements</b>	<b>30,655</b>	<b>28,223</b>	<b>58,878</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>1,408</b>	<b>(17,519)</b>	<b>(16,111)</b>
<b>Other Financing Receipts (Disbursements)</b>			
Transfer Out	(1,300)	-	(1,300)
<b>Total Other Financing Receipts</b>	<b>(1,300)</b>	<b>-</b>	<b>(1,300)</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	108	(17,519)	(17,411)
<b>Fund Cash Balance, January 1</b>	<b>31,275</b>	<b>48,284</b>	<b>79,559</b>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	30,765	30,765
Unassigned (Deficit)	31,383	-	31,383
<b>Fund Cash Balance, December 31</b>	<b>\$ 31,383</b>	<b>\$ 30,765</b>	<b>\$ 62,148</b>

See notes to financial statements.

**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE - ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Proprietary	Totals
	Enterprise	(Memorandum Only)
<b>Operating Cash Receipts:</b>		
Charges for Services	\$ 209,807	\$ 209,807
Miscellaneous	82	82
<b>Total Operating Cash Receipts</b>	209,889	209,889
<b>Operating Cash Disbursements:</b>		
Personal Services	29,914	29,914
Fringe Benefits	4,541	4,541
Contractual Service	81,789	81,789
Supplies and Materials	46,006	46,006
Other	3,486	3,486
<b>Total Operating Cash Disbursements</b>	165,736	165,736
<b>Operating Income</b>	44,153	44,153
<b>Non-Operating Cash Receipts:</b>		
Earnings on Investments	60	60
<b>Total Non-Operating Cash Receipts</b>	60	60
<b>Non-Operating Cash Disbursements:</b>		
Principal payment	84,383	84,383
Capital Outlay	501	501
Interest and Other Fiscal Charges	19,951	19,951
<b>Total Non-Operating Cash Disbursements</b>	104,835	104,835
<b>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</b>	(60,622)	(60,622)
<b>Other Financing Receipts (Disbursements)</b>		
Transfer In	7,550	7,550
Transfer Out	(6,250)	(6,250)
<b>Total Other Financing Receipts</b>	1,300	1,300
<b>Net Change in Fund Cash Balance</b>	(59,322)	(59,322)
<b>Fund Cash Balances, January 1</b>	489,411	489,411
<b>Fund Cash Balances, December 31</b>	\$ 430,089	\$ 430,089

See notes to financial statements.

**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 and 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Rushville, Fairfield County, Ohio (the Village) as a body corporate and politic. A publicly-elected seven-member council directs the Village. The Village provides general government services, water and sewer utilities, and road maintenance.

The Village participates in the Ohio Municipal Joint Self Insurance Pool, a public entity risk pool. Note 7 to the financial statements provide additional information on this entity.

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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village 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 prescribed or permitted by the Auditor of State.

**C. Deposits and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values certificates of deposits at cost.

**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:

**Governmental Funds**

**General Fund**

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

**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 expenditures for specific purposes. The Village had the following significant Special Revenue Fund:

**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 and 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**Special Revenue Funds (Continued)**

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

**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:

**Water Fund** - This fund receives charges for services from residents to cover water service costs.

**Sewer Fund** - This fund receives charges for services from residents to cover sewer service costs.

**E. Budgetary Process**

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

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. 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.

**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.

**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. The Village did not encumber all commitments required by Ohio law.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 and 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Fund Balance**

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

**Nonspendable** – The Village 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.

**Committed** – Council can *commit* via formal action (resolution). The Village must adhere to these commitments unless council amends 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*. Governmental funds other than general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute.

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

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (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.

**G. Property, Plant, and Equipment**

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

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 and 2014**

**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:

	2015	2014
Demand Deposits	\$ 297,296	\$ 316,737
Certificates of Deposit	145,500	175,500
Total Deposits	\$ 442,796	\$ 492,237

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2015 and 2014 is as follows:

**2015 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 30,891	\$ 32,888	\$ 1,997
Special Revenue	10,575	10,511	(64)
Enterprise	210,850	217,522	6,672
Total	\$ 252,316	\$ 260,921	\$ 8,605

**2015 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 46,826	\$ 30,011	\$ 16,815
Special Revenue	37,035	21,812	15,223
Enterprise	354,815	258,539	96,276
Total	\$ 438,676	\$ 310,362	\$ 128,314

**2014 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 30,000	32,063	\$ 2,063
Special Revenue	11,917	10,704	(1,213)
Enterprise	215,800	217,499	1,699
Total	\$ 257,717	\$ 260,266	\$ 2,549

**2014 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 43,939	\$ 31,955	\$ 11,984
Special Revenue	49,490	28,223	21,267
Enterprise	319,260	276,821	42,439
Total	\$ 412,689	\$ 336,999	\$ 75,690

Contrary to ORC 5705.41(D), the Village had purchases made prior to commitment of funds.

**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 and 2014**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays 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 by December 31. The second half payment is due the following June 20.

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

**5. DEBT**

Debt outstanding at December 31, 2015 was as follows:

	2015 Principal	%
Ohio Public Works Commission CQ33H	\$ 5,900	0.0
Ohio Public Works Commission CT45J	8,801	0.0
Ohio Water Development Authority 2860	36,837	2.0
Ohio Water Development Authority 3670	846,403	1.5
Ohio Water Development Authority 4933	253,602	1.5
Total	\$ 1,151,543	

The Ohio Public Works Commission (OPWC) loan CQ33H relates to the Main Street resurfacing project. The loan will be repaid in semiannual installments of \$311, over 20 years. The loan is collateralized by permissive motor vehicle receipts. This will be paid through the Permissive Motor Vehicle Fund.

The Ohio Public Works Commission (OPWC) loan CT45J relates to the wastewater treatment plant improvements. The loan will be repaid in semiannual installments of \$267 over 20 years. The loan is collateralized by water/sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements. This will be paid through the Other Enterprise Service Fund.

The Ohio Water Development Authority (OWDA) loan 2860 relates to the wastewater treatment plant improvements and sewer system projects. The loan will be repaid in semiannual installments of \$18,781 over 25 years. The loan is collateralized by water/sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This will be paid through the Enterprise Debt Service Fund.

The Ohio Water Development Authority (OWDA) loan 3670 relates to water distribution system. The loan will be repaid in semiannual installments of \$26,915 over 30 years. The loan is collateralized by water/sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This will be paid through the Enterprise Debt Service Reserve Fund.

The Ohio Water Development Authority (OWDA) loan 4933 relates to the sewer extension project. The loan will be repaid in semiannual installments of \$6,204 over 30 years. The loan is collateralized by water/sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This will be paid through the Other Enterprise Service Fund.



**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 and 2014**

**5. DEBT (Continued)**

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

Year Ending December 31	OPWC CQ33H	OPWC CT45J	OWDA 2860	OWDA 3670	OWDA 4933
2016	\$ 621	\$ 533	\$ 37,563	\$ 53,831	\$ 12,408
2017	621	533	-	53,831	12,408
2018	621	533	-	53,831	12,408
2019	621	533	-	53,831	12,408
2020	621	533	-	53,831	12,408
2021-2025	2,795	2,667	-	269,155	62,040
2026-2030	-	2,667	-	269,155	62,040
2031-2035	-	802	-	53,827	62,040
2036-2040	-	-	-	-	31,013
	<u>\$ 5,900</u>	<u>\$ 8,801</u>	<u>\$ 37,563</u>	<u>\$ 861,292</u>	<u>\$ 279,173</u>

**6. RETIREMENT SYSTEMS**

Employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan benefit which includes postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OPERS members contributed 10.00% of their gross wages and the Village contributed an amount equal to 14.00% of participant's gross salaries. The Village has paid all contributions required through December 31, 2015.

**7. RISK MANAGEMENT**

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool changed its fiscal year end to March 31, effective in 2011, in order to align its financial reporting and budgeting with the renewal terms of its excess reinsurance policies.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2015, retention levels are \$50,000 and \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained surplus at March 31, 2015 and 2014.

Assets	<u>\$ 1,339,719</u>	<u>\$ 1,030,198</u>
Liabilities	<u>(1,051,927)</u>	<u>(882,203)</u>
Accumulated Surplus	<u>\$ 287,792</u>	<u>\$ 147,995</u>

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

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

Village of Rushville  
Fairfield County  
P.O. Box 9  
Rushville, Ohio 43150

To the Village Council:

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 Village of Rushville, Fairfield County as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated June 22, 2016, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village of Rushville's internal control over financial reporting (internal control) to determine the 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 Village'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 a 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 Village'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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village of Rushville's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***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 Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 22, 2016

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# Dave Yost • Auditor of State

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  
SEPTEMBER 8, 2016