



**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2009-2008**



**Mary Taylor, CPA**  
Auditor of State



VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY

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Mary Taylor, CPA  
Auditor of State

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

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Village to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

August 20, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Village Council:

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, 2009 and 2008. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2009 and 2008, or its changes in financial position or cash flows, where applicable for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Village of Rushville, Fairfield County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2010, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Mary Taylor, CPA**  
Auditor of State

August 20, 2010



**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, 2009**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Local Taxes	\$ 8,345	\$ 974	\$ 9,319
Intergovernmental	9,729	11,177	20,906
Charges for Services	1,500	-	1,500
Fines, Licenses and Permits	1,268	-	1,268
Earnings on Investments	740	7	747
Miscellaneous	344	-	344
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	21,926	12,158	34,084
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	2,120	-	2,120
Public Health Services	432	-	432
Community Environment	59	-	59
Transportation	579	23,844	24,423
General Government	22,967	-	22,967
Debt Service:			
Redemption of Principal		621	621
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	26,157	24,465	50,622
Total Receipts Over/(Under) Disbursements	(4,231)	(12,307)	(16,538)
Fund Cash Balances, January 1	59,527	43,790	103,317
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 55,296</u></b>	<b><u>\$ 31,483</u></b>	<b><u>\$ 86,779</u></b>

*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 PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Proprietary Fund Types</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 219,363
Fines, Licenses and Permits	10,800
Miscellaneous	317
	230,480
<b>Operating Cash Disbursements:</b>	
Personal Services	26,011
Employee Fringe Benefits	4,257
Contractual Services	74,600
Supplies and Materials	14,657
Other	473
	119,998
Total Operating Cash Disbursements	119,998
Operating Income	110,482
<b>Non-Operating Cash Receipts:</b>	
Earnings on Investments	3,437
Other Debt Proceeds	25,940
	29,377
Total Non-Operating Cash Receipts	29,377
<b>Non-Operating Cash Disbursements:</b>	
Capital Outlay	9,649
Redemption of Principal	73,247
Interest and Other Fiscal Charges	22,146
	105,042
Total Non-Operating Cash Disbursements	105,042
Excess of Receipts Over Disbursements Before Interfund Transfers and Advances	34,817
Transfers-In	7,297
Transfers-Out	(7,297)
	34,817
Net Receipts Over/(Under) Disbursements	34,817
Fund Cash Balances, January 1	274,701
<b>Fund Cash Balances, December 31</b>	<b>\$ 309,518</b>

*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, 2008**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Local Taxes	\$ 7,636	\$ 543	\$ 8,179
Intergovernmental	10,290	12,177	22,467
Charges for Services	1,500	-	1,500
Fines, Licenses and Permits	650	-	650
Earnings on Investments	396	43	439
Miscellaneous	356	-	356
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	20,828	12,763	33,591
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	1,935	-	1,935
Public Health Services	753	-	753
Leisure Time Activities	3,049	-	3,049
Community Environment	2,203	-	2,203
Transportation	5,899	7,981	13,880
General Government	21,883	-	21,883
Capital Outlay	-	621	621
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	35,722	8,602	44,324
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(14,894)	4,161	(10,733)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	74,421	39,629	114,050
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 59,527</u></b>	<b><u>\$ 43,790</u></b>	<b><u>\$ 103,317</u></b>

*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 PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 223,870
Fines, Licenses and Permits	10,052
Miscellaneous	99
	234,021
<b>Operating Cash Disbursements:</b>	
Personal Services	28,735
Employee Fringe Benefits	4,778
Contractual Services	65,564
Supplies and Materials	21,361
Other	5,189
	125,627
Total Operating Cash Disbursements	125,627
Operating Income	108,394
<b>Non-Operating Cash Receipts:</b>	
Intergovernmental	140,134
Earnings on Investments	6,543
Other Debt Proceeds	239,410
	386,087
Total Non-Operating Cash Receipts	386,087
<b>Non-Operating Cash Disbursements:</b>	
Capital Outlay	412,953
Redemption of Principal	70,067
Interest and Other Fiscal Charges	23,326
	506,346
Total Non-Operating Cash Disbursements	506,346
Excess of Receipts (Under) Disbursements Before Interfund Transfers	(11,865)
Transfers-In	6,250
Transfers-Out	(6,250)
	(11,865)
Net Receipts (Under) Disbursements	(11,865)
Fund Cash Balances, January 1	286,566
<b>Fund Cash Balances, December 31</b>	<b>\$ 274,701</b>

*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, 2009 AND 2008**

**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, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general governmental services, street maintenance, and water/sewer utilities. Police services are provided by the Fairfield County Sheriff. Fire and emergency services are provided by Richland Township.

The Village participates in a jointly governed organization. Note 8 to the financial statements provides additional information for these entities. The organization is:

Fairfield Regional Planning Commission

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

**B. Accounting Basis**

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 the Auditor of State prescribes or permits.

**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 deposit 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:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting**

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose 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.

**3. Enterprise Funds**

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

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

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

Sewer Expansion Construction Fund - This fund received loan proceeds from the Ohio Water Development Authority (OWDA) for the sewer expansion project.

**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 or object level of control and appropriations may not exceed estimated resources. The Village 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.

**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

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

**2. Equity in Pooled Deposits and Investments**

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

	2009	2008
Demand deposits	\$215,796	\$287,516
Total deposits	215,796	287,516
 Certificates of deposit		
Total investments	180,501	90,501
Total deposits and investments	\$396,297	\$378,018

**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 years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$18,587	\$21,926	\$3,339
Special Revenue	12,460	12,158	(302)
Enterprise	283,000	267,154	(15,846)
Total	\$314,047	\$301,238	(\$12,809)

**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**3. Budgetary Activity (Continued)**

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$62,667	\$26,157	\$36,510
Special Revenue	41,845	24,465	17,380
Enterprise	346,392	232,337	114,055
Total	\$450,904	\$282,959	\$167,945

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$19,700	\$20,828	\$1,128
Special Revenue	13,700	12,763	(937)
Enterprise	625,361	626,358	997
Total	\$658,761	\$659,949	\$1,188

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$73,322	\$35,722	\$37,600
Special Revenue	38,970	8,602	30,368
Enterprise	726,849	638,223	88,626
Total	\$839,141	\$682,547	\$156,594

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax 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 pay semiannually, 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, 2009 AND 2008  
(Continued)**

**5. Debt**

Debt outstanding at December 31, 2009 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan (#2860)	\$243,114	2.00%
Ohio Water Development Authority Loan (#3670)	\$1,081,589	1.50%
Ohio Water Development Authority Loan (#4790)	\$67,456	5.11%
Ohio Water Development Authority Loan (#4933)	\$235,977	1.50%
Ohio Public Works Commission Loan (#CQ33H)	9,316	0.00%
Total	<u><u>\$1,637,451</u></u>	

The Ohio Water Development Authority (OWDA) loan #2860 relates to a sewer plant expansion project the Ohio Environmental Protection Agency mandated. OWDA approved \$733,357 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$18,781, including interest, over 15 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover future OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #3670 relates to the development and construction of a water system for the Village. OWDA approved \$1,296,605 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$26,915, including interest, over 30 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover future OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #4790 relates to the planning and designing of a sewer plant upgrade and expansion project the Ohio Environmental Protection Agency mandated. OWDA approved up to \$80,000 in a loan to the Village for this project. The principal amount above represents the total amount owed to date, including capitalized interest of \$3,272. OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Since the loan has not been completely drawn, an amortization schedule for the loan is not available. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover future OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #4933 relates to the planning and designing of a sewer plant upgrade and expansion project the Ohio Environmental Protection Agency mandated. OWDA approved up to \$293,111 in a loan to the Village for this project. The principal amount above represents the total amount owed to date, including capitalized interest of \$633. OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Since the loan has not been completely drawn, an amortization schedule for the loan is not available. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover future OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) relates to the Main Street Resurfacing project. OPWC approved \$12,421 in a loan for this project. The Village repays the loan in semi-annual installments of \$621, over 20 years.

**VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**5 Debt (Continued)**

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

Year ending December 31:	OWDA	OWDA Loan	OPWC Loan
	Loan #2860	#3670	
2010	\$37,563	\$53,831	\$621
2011	37,563	53,831	621
2012	37,563	53,831	621
2013	37,563	53,831	621
2014	37,563	53,831	621
2015-2019	75,125	269,155	3,105
2020-2024	-	269,155	3,105
2025-2029	-	269,155	-
2030-2033	-	269,155	-
Total	<u>\$262,938</u>	<u>\$1,345,775</u>	<u>\$9,315</u>

**6. Retirement System**

The Village's officials and employees belong to the Ohio Public Employees Retirement System (OPERS). The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2009.

**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 Regional Planning Commission:* The Village appoints a member of Council to represent the Village on the 47 member board of the Fairfield Regional Planning Commission. The Village pays a small membership fee annually based on the per capita of the Village. In 2009 and 2008, the Village's membership amount was \$54 each year. There is no ongoing financial responsibility by the Village.



# Mary Taylor, CPA

## Auditor of State

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

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

To the Village Council:

We have audited the financial statements of Village of Rushville, Fairfield County, Ohio (the Village) as of and for the years ended December 31, 2009 and 2008 and have issued our report thereon dated August 20, 2010., wherein we noted that the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

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

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 more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

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

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated August 20, 2010.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

August 20, 2010

VILLAGE OF RUSHVILLE  
FAIRFIELD COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Ohio Rev. Code Section 5705.41(D) - Certification of Funds.	No.	Partially Corrected. Comment issued in management letter.





**Mary Taylor, CPA**  
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 14, 2010**