

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 2013 and 2012

DIANE RADER, CLERK/TREASURER



Dave Yost • Auditor of State

Village Council
Village of Rushsylvania
P.O. Box 204
Rushsylvania, Ohio 43347

We have reviewed the *Independent Auditor's Report* of the Village of Rushsylvania, Logan County, prepared by Julian & Grube, Inc., for the audit period January 1, 2012 through December 31, 2013. 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 Rushsylvania is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

June 13, 2014

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**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Auditor's Report

Village of Rushsylvania
Logan County
P.O. Box 204
Rushsylvania, Ohio 43347

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Rushsylvania, Logan County, Ohio, as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code 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 statements misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village of Rushsylvania'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 of Rushsylvania'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 opinion.

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

As described in Note 2 of the financial statements, the Village of Rushsylvania 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 of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 Rushsylvania as of December 31, 2013 and 2012, 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 Rushsylvania, Logan County, Ohio, as of December 31, 2013 and 2012, 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 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2014, on our consideration of the Village of Rushsylvania'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 of Rushsylvania's internal control over financial reporting and compliance.



Julian & Grube, Inc.
April 29, 2014

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Property and local taxes	\$ 60,261	\$ 2,633	\$ 62,894
Intergovernmental	44,817	23,066	67,883
Fines, licenses, and permits	3,162	-	3,162
Interest	617	38	655
Miscellaneous	4,416	-	4,416
Total cash receipts	<u>113,273</u>	<u>25,737</u>	<u>139,010</u>
Cash disbursements:			
Current:			
Security of persons and property	3,768	4,687	8,455
Leisure time activities	9,105	-	9,105
Community environment	264	-	264
Transportation	60,935	30,391	91,326
General government	47,777	12,776	60,553
Total cash disbursements	<u>121,849</u>	<u>47,854</u>	<u>169,703</u>
Net change in fund cash balances	(8,576)	(22,117)	(30,693)
Fund cash balances, January 1, 2013	<u>73,136</u>	<u>35,946</u>	<u>109,082</u>
Fund cash balances, December 31, 2013			
Restricted	-	13,829	13,829
Assigned	64,560	-	64,560
Fund cash balances, December 31, 2013	<u>\$ 64,560</u>	<u>\$ 13,829</u>	<u>\$ 78,389</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
BALANCES (CASH BASIS) - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 161,354
Total operating cash receipts	161,354
Operating cash disbursements:	
Personal services	32,184
Employee fringe benefits	100
Contractual services	67,104
Total operating cash disbursements	99,388
Operating income/(loss)	61,966
Nonoperating cash receipts/(disbursements):	
Interest	10
Special assessments	2,770
Debt service:	
Principal	(40,311)
Interest	(881)
Total nonoperating cash receipts/(disbursements)	(38,412)
Income/(loss) before operating transfers	23,554
Transfers in	5,000
Transfers out	(5,000)
Net income/(loss)	23,554
Fund cash balances, January 1, 2013	178,037
Fund cash balances, December 31, 2013	\$ 201,591

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Property and local taxes	\$ 56,810	\$ 5,057	\$ 61,867
Intergovernmental	55,485	21,384	76,869
Fines, licenses, and permits	3,333	-	3,333
Interest	741	75	816
Miscellaneous	5,970	-	5,970
Total cash receipts	<u>122,339</u>	<u>26,516</u>	<u>148,855</u>
Cash disbursements:			
Current:			
Security of persons and property	2,767	7,404	10,171
Leisure time activities	11,071	-	11,071
Community environment	429	-	429
Transportation	56,298	46,277	102,575
General government	52,116	24,648	76,764
Total cash disbursements	<u>122,681</u>	<u>78,329</u>	<u>201,010</u>
Net change in fund cash balances	(342)	(51,813)	(52,155)
Fund cash balances, January 1, 2012	<u>73,478</u>	<u>87,759</u>	<u>161,237</u>
Fund cash balances, December 31, 2012			
Restricted	-	35,946	35,946
Assigned	73,136	-	73,136
Fund cash balances, December 31, 2012	<u>\$ 73,136</u>	<u>\$ 35,946</u>	<u>\$ 109,082</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
BALANCES (CASH BASIS) - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating cash receipts:	
Charges for services	\$ 167,142
Total operating cash receipts	<u>167,142</u>
Operating cash disbursements:	
Personal services	21,327
Employee fringe benefits	1,181
Contractual services	104,041
Total operating cash disbursements	<u>126,549</u>
Operating income/(loss)	<u>40,593</u>
Nonoperating cash receipts/(disbursements):	
Interest	13
Special assessments	9,051
Debt service:	
Principal	(40,080)
Interest	(1,095)
Total nonoperating cash receipts/(disbursements)	<u>(32,111)</u>
Net income/(loss)	8,482
Fund cash balances, January 1, 2012	<u>169,555</u>
Fund cash balances, December 31, 2012	<u><u>\$ 178,037</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 1 - DESCRIPTION OF THE ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Rushsylvania, Logan County, (the "Village"), as a body corporate and politic. A publicly elected six-member Council governs the Village. The Village provides water and sewer utilities; park operations; and construction, maintenance, and repair of streets. The Village contracts with the Logan County Sheriff's department to provide security of persons and property.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Village's accounting policies are described below.

A. 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:

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Funds

These funds account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The Village had the following significant Special Revenue Fund:

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

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 Fund - This fund receives charges for services from residents to cover the costs of providing the citizens of the Village with water services.

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Sewer Fund - This fund receives charges for services from residents to cover the costs of providing the citizens of the Village with sewer services.

Sewer Replacement and Improvement Fund - This fund receives charges for services from residents for sewer replacement and improvements.

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. 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. 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 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 canceled, and reappropriated in the subsequent year.

A summary of 2013 and 2012 budgetary activity appears in Note 5.

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. 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:

1. **Nonspendable**

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

2. **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 of regulations of other governments; or is imposed by law through constitutional provisions.

3. **Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the 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.

4. **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 the 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 resolution, or by State Statute.

5. **Unassigned**

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

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

E. 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.

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.

G. 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.

NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

	<u>2013</u>	<u>2012</u>
Deposits: Demand deposits	<u>\$ 279,980</u>	<u>\$ 287,119</u>

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

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 4 - INTERFUND ACTIVITY

The Village had the following transfers for the year ended December 31, 2013:

<u>Fund Type/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Enterprise Funds:</u>		
Water Operating	\$ -	\$ 5,000
Water Replacement and Improvement	5,000	-
Total Enterprise Funds	<u>5,000</u>	<u>5,000</u>
Total	<u>\$ 5,000</u>	<u>\$ 5,000</u>

The above transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 5 - BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 120,000	\$ 113,273	\$ (6,727)
Special Revenue	23,000	25,737	2,737
Enterprise	169,010	169,134	124
Total	<u>\$ 312,010</u>	<u>\$ 308,144</u>	<u>\$ (3,866)</u>

2013 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 193,134	\$ 121,849	\$ 71,285
Special Revenue	58,943	47,854	11,089
Enterprise	352,051	145,580	206,471
Total	<u>\$ 604,128</u>	<u>\$ 315,283</u>	<u>\$ 288,845</u>

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 100,705	\$ 122,339	\$ 21,634
Special Revenue	21,865	26,516	4,651
Enterprise	149,804	176,206	26,402
Total	<u>\$ 272,374</u>	<u>\$ 325,061</u>	<u>\$ 52,687</u>

2012 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 174,181	\$ 122,681	\$ 51,500
Special Revenue	109,623	78,329	31,294
Enterprise	319,361	167,724	151,637
Total	<u>\$ 603,165</u>	<u>\$ 368,734</u>	<u>\$ 234,431</u>

NOTE 6 - 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.

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

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 6 - PROPERTY TAX - (Continued)

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

NOTE 7 - DEBT

At December 31, 2013 and December 31, 2012, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/2013</u>	<u>Balance at 12/31/2012</u>
2008 Ohio Water Department Authority (OWDA) WWTP/Pump Station Improvements, not yet fully disbursed, due in semi-annual installments of \$18,512, bearing an interest rate of 0%.	\$ 476,726	\$ 513,751
1992 OWDA WWTP/Pump Station Improvements, due in semi-annual installments of \$2,117, bearing an interest rate of 7.54%.	<u>9,301</u>	<u>12,587</u>
Total	<u>\$ 486,027</u>	<u>\$ 526,338</u>

Transactions for the years ended December 31, 2013 and December 31, 2012 are summarized as follows:

<u>2013</u>	<u>Balance at 12/31/2012</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at 12/31/2013</u>
2008 OWDA WWTP/Pump Station Improvements - #4646	\$513,751	\$ -	\$(37,025)	\$476,726
1992 OWDA WWTP/Pump Station Improvements - #1852	<u>12,587</u>	<u>-</u>	<u>(3,286)</u>	<u>9,301</u>
Total	<u>\$526,338</u>	<u>\$ -</u>	<u>\$(40,311)</u>	<u>\$486,027</u>

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 7 - DEBT - (Continued)

<u>2012</u>	<u>Balance at</u> <u>12/31/2011</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at</u> <u>12/31/2012</u>
2008 OWDA WWTP/Pump Station Improvements - #4646	\$550,776	\$ -	\$(37,025)	\$513,751
1992 OWDA WWTP/Pump Station Improvements - #1852	<u>15,642</u>	<u>-</u>	<u>(3,055)</u>	<u>12,587</u>
Total	<u>\$566,418</u>	<u>\$ -</u>	<u>\$(40,080)</u>	<u>\$526,338</u>

The 2008 OWDA WWTP Pump Station Improvements loan is not yet finalized, thus, no amortization exists; however, the Village is required to make semi-annual installments of \$18,512.

Further, in the years ended December 31, 2013 and December 31, 2012, the Village received \$77 and \$92 in credit enhancement interest payments, respectively.

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

<u>Year Ending</u> <u>December 31,</u>	<u>#1852</u> <u>OWDA Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 1,703	\$ 415
2015	3,662	572
2016	<u>3,936</u>	<u>298</u>
Total	<u>\$ 9,301</u>	<u>\$ 1,285</u>

NOTE 8 - RETIREMENT SYSTEM

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

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 8 - RETIREMENT SYSTEM - (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For the years ended December 31, 2013 and 2012, OPERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries for 2013 and 2012, respectively. At December 31, 2013, all amounts for the years ended 2013 and 2012 have been paid.

NOTE 9 - RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and,
- Errors and Omissions.

NOTE 10 - CONTINGENT LIABILITY

LITIGATION

The Village is not currently involved in litigation.



Julian & Grube, Inc.

Serving Ohio Local Governments

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Village of Rushsylvania
Logan County
P.O. Box 204
Rushsylvania, Ohio 43347

To the Members of Council and Mayor:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Rushsylvania, Logan County, Ohio, as of and for the years ended December 31, 2013 and 2012 and the related notes to the financial statements and have issued our report thereon dated April 29, 2014 wherein we noted the Village of Rushsylvania 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 statements audit, we considered the Village of Rushsylvania's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village of Rushsylvania's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Members of Council and Mayor
Village of Rushsylvania

Compliance and Other Matters

As part of reasonably assuring whether the Village of Rushsylvania'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 statements amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed 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 of Rushsylvania's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Rushsylvania's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
April 29, 2014

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u>; <i>Explain</i>:
2011-VOR-001	Ohio Revised Code Section 5705.36 requires fiscal officers to certify to the County Auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. The Village certified balances that did not agree to the audited financial reports at January 1, 2010.	Yes	N/A
2011-VOR-002	Ohio Revised Code Section 5705.36(A)(4) states that upon determination by the Fiscal Officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the Fiscal Officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency. The Village had appropriations greater than actual resources in certain funds in 2010.	Yes	N/A
2011-VOR-003	Ohio Revised Code Section 5705.39 requires that total appropriations from each fund should not exceed total estimated resources. The Village had appropriations greater than estimated resources at December 31, 2010.	Yes	N/A

**VILLAGE OF RUSHSYLVANIA
LOGAN COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer</u> <u>Valid; Explain:</u>
2011-VOR-004	Ohio Revised Code Section 5705.36 requires fiscal officers to certify to the County Auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. The Village did not request enough amended certificates in 2010 upon notice of increased or decreased resources.	Yes	N/A

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Dave Yost • Auditor of State

VILLAGE OF RUSHSYLVANIA

LOGAN 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 26, 2014**