

**VILLAGE OF RISINGSUN
WOOD COUNTY
Regular Audit
For the Years Ended December 31, 2010 and 2009**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Members of Council
Village of Risingsun
420 Main Street
Risingsun, Ohio 43457

We have reviewed the *Independent Accountants' Report* of the Village of Risingsun, Wood County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Risingsun is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

November 18, 2011

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VILLAGE OF RISINGSUN
WOOD COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

August 25, 2011

Village of Risingsun
Wood County
420 Main St.
Risingsun, OH 43457

To the Village Council:

We have audited the accompanying financial statements of the **Village of Risingsun**, Wood County, Ohio, (the Village) as of and for the years ended December 31, 2010 and 2009. 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. 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 the 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, 2010 and 2009 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, 2010 and 2009 or their changes in financial position or cash flows 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 and reserves for encumbrances of Village of Risingsun, Wood County, Ohio, as of December 31, 2010 and 2009, 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 25, 2011, 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.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 55,989	\$ 32,175	\$ -	\$ 88,164
Intergovernmental	21,484	34,220	-	55,704
Charges for Services	-	93,518	-	93,518
Fines, Licenses, and Permits	24,980	-	-	24,980
Earnings on Investments	1,583	56	-	1,639
Miscellaneous	1,822	3,160	-	4,982
Total Cash Receipts	<u>105,858</u>	<u>163,129</u>	<u>-</u>	<u>268,987</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	30,351	40,076	-	70,427
Leisure Time	-	5,225	-	5,225
Basic Utility Services	1,623	716	-	2,339
Transportation	216	29,078	-	29,294
General Government	48,114	1,050	-	49,164
Debt Service:				
Redemption of Principal	7,898	-	-	7,898
Interest and Fiscal Charges	332	-	-	332
Capital Outlay	9,431	11,774	30,000	51,205
Total Cash Disbursements	<u>97,965</u>	<u>87,919</u>	<u>30,000</u>	<u>215,884</u>
Total Cash Receipts Over/(Under) Disbursements	<u>7,893</u>	<u>75,210</u>	<u>(30,000)</u>	<u>53,103</u>
Other Financing Receipts and (Disbursements):				
Note Proceeds	-	-	30,000	30,000
Sale of Fixed Assets	-	-	400	400
Transfers-In	-	-	3,348	3,348
Advances-In	-	5,375	-	5,375
Transfers-Out	(3,348)	-	-	(3,348)
Advances-Out	(5,375)	-	-	(5,375)
Other Uses	(285)	(57)	-	(342)
Total Other Financing Receipts/(Disbursements)	<u>(9,008)</u>	<u>5,318</u>	<u>33,748</u>	<u>30,058</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,115)	80,528	3,748	83,161
Fund Cash Balances, January 1	9,552	129,045	62	138,659
Fund Cash Balances, December 31	<u>\$ 8,437</u>	<u>\$ 209,573</u>	<u>\$ 3,810</u>	<u>\$ 221,820</u>
Reserve for Encumbrances, December 31	<u>\$ 1,703</u>	<u>\$ 1,322</u>	<u>\$ -</u>	<u>\$ 3,025</u>

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

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Fiduciary Fund Type
	Agency
Non-Operating Cash Receipts:	
Other Non-Operating Cash Receipts	\$ 19,006
Total Non-Operating Cash Receipts	19,006
Non-Operating Cash Disbursements:	
Other Non-operating Disbursements	19,006
Total Non-operating Disbursements	19,006
Net Receipts Over/(Under) Cash Disbursements	-
Fund Cash Balances, January 1	-
Fund Cash Balances, December 31	\$ -

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

**VILLAGE OF RISINGSUN
WOOD 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 57,559	\$ 25,097	\$ -	\$ 82,656
Intergovernmental	22,262	32,217	-	54,479
Charges for Services	-	88,346	-	88,346
Fines, Licenses, and Permits	15,362	-	-	15,362
Earnings on Investments	1,376	21	-	1,397
Miscellaneous	350	1,865	-	2,215
Total Cash Receipts	<u>96,909</u>	<u>147,546</u>	<u>-</u>	<u>244,455</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	25,971	40,746	-	66,717
Public Health	-	-	-	-
Leisure Time	21	7,317	-	7,338
Community Environment	-	26	-	26
Basic Utility Services	1,571	555	-	2,126
Transportation	-	30,659	-	30,659
General Government	43,175	1,975	-	45,150
Debt Service:				
Redemption of Principal	2,794	29,518	-	32,312
Interest and Fiscal Charges	476	1,336	-	1,812
Capital Outlay	11,825	75,620	-	87,445
Total Cash Disbursements	<u>85,833</u>	<u>187,752</u>	<u>-</u>	<u>273,585</u>
Total Cash Receipts Over/(Under) Disbursements	<u>11,076</u>	<u>(40,206)</u>	<u>-</u>	<u>(29,130)</u>
Other Financing Receipts and (Disbursements):				
Sale of Fixed Assets	-	5,275	-	5,275
Advances-In	-	5,625	-	5,625
Advances-Out	(5,625)	-	-	(5,625)
Other Uses	(501)	(7,516)	-	(8,017)
Total Other Financing Receipts/(Disbursements)	<u>(6,126)</u>	<u>3,384</u>	<u>-</u>	<u>(2,742)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	4,950	(36,822)	-	(31,872)
Fund Cash Balances, January 1	<u>4,602</u>	<u>165,867</u>	<u>62</u>	<u>170,531</u>
Fund Cash Balances, December 31	<u>\$ 9,552</u>	<u>\$ 129,045</u>	<u>\$ 62</u>	<u>\$ 138,659</u>
Reserve for Encumbrances, December 31	<u>\$ 1,255</u>	<u>\$ 441</u>	<u>\$ -</u>	<u>\$ 1,696</u>

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

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Fiduciary Fund Type
	Agency
Non-Operating Cash Receipts:	
Other Non-Operating Cash Receipts	\$ 8,209
Total Non-Operating Cash Receipts	8,209
Non-Operating Cash Disbursements:	
Other Non-operating Disbursements	8,209
Total Non-operating Disbursements	8,209
Net Receipts Over/(Under) Cash Disbursements	-
Fund Cash Balances, January 1	-
Fund Cash Balances, December 31	\$ -

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

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Risingsun, Wood County, Ohio (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council and provides general governmental services, street construction and maintenance, water and sewer utility services, park operations (leisure time activities), and police services. The Village appropriates general fund money to support a volunteer fire department.

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

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.

2. Special Revenue Funds

These funds account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

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

Fire Fund – This fund receives fire contract and levy monies for the operation of the volunteer fire department.

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

4. Capital Projects Funds

This fund is used to account for proceeds that are restricted for the acquisition of capital assets. The Village had the following significant Capital Projects Fund:

Capital Projects Fund – This fund receives monies for the acquisition of capital assets for the Village.

5. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for Mayor's Court fines and forfeitures.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2010 and 2009 budgetary activity appears in Note 3.

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 CASH

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

	2010	2009
Demand Deposits	\$165,820	\$ 82,659
Certificates of Deposit	56,000	56,000
Total Deposits	\$ 221,820	\$138,659

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 ended December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 106,059	\$ 105,858	\$ (201)
Special Revenue	155,959	163,129	7,170
Capital Projects	6,000	33,748	27,748
Total	\$ 268,018	\$ 302,735	\$ 34,717

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 120,278	\$ 103,301	\$ 16,977
Special Revenue	222,556	89,298	133,258
Capital Projects	2,050	30,000	(27,950)
Total	\$ 344,884	\$ 222,599	\$ 122,285

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 110,912	\$ 96,909	\$ (14,003)
Special Revenue	147,952	152,821	4,869
Capital Projects	1,000	-	(1,000)
Total	\$ 259,864	\$ 249,730	\$ (10,134)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 106,137	\$ 87,589	\$ 18,548
Special Revenue	247,512	195,709	51,803
Capital Projects	1,050	-	1,050
Total	\$ 354,699	\$ 283,298	\$ 71,401

4. PROPERTY TAX

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

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

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

5. DEBT

Debt outstanding at December 31, 2010 was as follows:

	Principal	Interest Rate
Promissory Loan – Police Cruiser	\$ 30,000	4.475%

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

5. DEBT (Continued)

Promissory Loan – Fire Truck – The Village borrowed \$135,365 during 2004 to help purchase a new fire truck. This loan was paid off in July 2009.

New Roof Loan – The Village entered into a loan agreement in 2007 for \$14,400 at 5.00% for the repairs needed on the Village Hall roof. This loan was paid off in December 2010.

Promissory Loan – Police Cruiser – The Village borrowed \$30,000 during 2010 to help purchase a new police cruiser. The loan will be repaid in annual payments of \$5,098.63 over a seven-year period. The cruiser is collateral for the loan.

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

Year ending December 31:	Promissory Loan – Police Cruiser
2011	\$ 5,099
2012	5,098
2013	5,099
2014	5,098
2015	5,099
2016-2017	10,197
Total	\$ 35,690

6. RETIREMENT SYSTEMS

The Village’s elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes this plans’ benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, 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, 2010.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

The Village also provides health insurance to their full-time employees.

8. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require funding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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

August 25, 2011

Village of Risingsun
Wood County
420 Main St.
Risingsun, OH 43457

To the Village Council:

We have audited the financial statements of **Village of Risingsun**, Wood County, Ohio (the Village) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated August 25, 2011, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of audit findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness and another deficiency we consider to be a significant deficiency.

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 deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-001 as described in the accompanying schedule of audit findings to be a material weakness.

Internal Control over Financial Reporting (Continued)

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. We consider finding 2010-002 as described in the accompanying schedule of audit findings to be a significant deficiency.

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 that 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 25, 2011.

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2010-001

Material Weakness

Posting of Receipts and Expenditures

During 2010 and 2009, several receipts and expenditures were not posted into accurate classifications based on the source of the receipt and expenditure. The following mispostings were noted during the audit:

- Principal and interest payments were not classified correctly to reflect the actual paydown of outstanding debt.
- The receipt of loan proceeds for a police cruiser and the subsequent capital outlay expenditure were not posted due to the loan proceeds going straight to the vendor.
- A Mayor's Court Agency Fund was not maintained; instead, entire receipts were booked to the General fund and the disbursements to the state were made out of the General fund.
- Receipts were posted as Taxes, Special Assessments and Other Financing Sources that should have been Intergovernmental.

These mispostings resulted in several audit reclassifications and adjustments.

We recommend the Fiscal Officer refer to the Village Handbook for guidance to determine the proper establishment of revenue and expenditure accounts and posting of receipts and expenditures. We also recommend adjustments and reclasses be made during the proper reporting period.

Management's Response – We did not receive a response from officials to this finding.

FINDING NUMBER 2010-002

Significant Deficiency

Advances

In order to advance cash from one fund to another, Auditor of State Bulletin 97-003 suggests there must be statutory authority to use the money in the fund advancing the cash (the "creditor" fund) for the same purpose for which the fund receiving the cash (the "debtor" fund) was established. In addition, advances must be approved by a formal resolution of the taxing authority of the subdivision which must include: (1) a specific statement that the transaction is an advance of cash, and, (2) an indication of the money (fund) from which it is expected that repayment will be made.

To alleviate short-term cash flow problems, the Village advanced cash between the funds. Some advances performed were not paid back as of the end of the audit period.

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2010-002 (CONTINUED)

Significant Deficiency (Continued)

Advances (Continued)

We recommend that the Village follow the guidance outlined in Auditor of State Bulletin 97-003 to initiate an advance. The Council should approve all advances. In addition, if the Village intent is to not repay the advance, the taxing authority should by Resolution turn the unpaid advance into a transfer.

Management's Response – We did not receive a response from officials to this finding.

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Posting of Receipts and Expenditures	No	Not Corrected, Repeated as Finding 2010-001.
2008-002	Advances	No	Not Corrected, Repeated as Finding 2010-002.
2008-003	ORC Section 5705.36	Yes	N/A



Dave Yost • Auditor of State

VILLAGE OF RISINGSUN

WOOD 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
DECEMBER 6, 2011