



**Auditor of State  
Betty Montgomery**



VILLAGE OF RISINGSUN  
WOOD COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Village of Risingsun  
Wood County  
420 Main Street, P.O. Box 37  
Risingsun, Ohio 43457-0037

To the Village Council:

We have audited the accompanying financial statements of the Village of Risingsun, Wood County, (the Village) as of and for the years ended December 31, 2002 and 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2003 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Village of Risingsun  
Wood County  
Independent Accountants' Report  
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This report is intended solely for the information and use of the audit committee, management, Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

July 17, 2003

**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, 2002**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$28,725	\$15,136		\$43,861
Special Assessments		7,632		7,632
Intergovernmental Receipts	24,904	26,751		51,655
Charges for Services		59,286		59,286
Fines, Licenses, and Permits	18,888	30		18,918
Earnings on Investments	1,250	439	\$100	1,789
Miscellaneous	6,277	1,288		7,565
Total Cash Receipts	<u>80,044</u>	<u>110,562</u>	<u>100</u>	<u>190,706</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	42,887	29,524		72,411
Public Health Services	159			159
Leisure Time Activities	4,342	9,416		13,758
Community Environment		4,219		4,219
Basic Utility Services	2,594	110		2,704
Transportation	657	39,288		39,945
General Government	65,933			65,933
Capital Outlay		8,170		8,170
Total Cash Disbursements	<u>116,572</u>	<u>90,727</u>		<u>207,299</u>
Total Receipts Over/(Under) Disbursements	(36,528)	19,835	100	(16,593)
Fund Cash Balances, January 1	<u>50,505</u>	<u>114,161</u>	<u>5,100</u>	<u>169,766</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$13,977</b></u>	<u><b>\$133,996</b></u>	<u><b>\$5,200</b></u>	<u><b>\$153,173</b></u>
Reserves for Encumbrances, December 31	<u>\$7</u>	<u>\$9</u>		<u>\$16</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 BALANCES - AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Agency</u>
<b>Operating Cash Receipts:</b>	
Fines, Licenses and Permits	<u>\$26,977</u>
Total Operating Cash Receipts	<u>26,977</u>
<b>Operating Cash Disbursements:</b>	
Contractual Services	6,763
Supplies and Materials	193
Other	<u>18,085</u>
Total Operating Cash Disbursements	<u>25,041</u>
Operating Income	1,936
Fund Cash Balances, January 1	<u>391</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$2,327</u></u></b>
Reserve for Encumbrances, December 31	<u><u>          </u></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 BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$28,969	\$15,014		\$43,983
Special Assessments		7,534		7,534
Intergovernmental Receipts	21,920	26,332		48,252
Charges for Services		86,042		86,042
Fines, Licenses, and Permits	39,542			39,542
Earnings on Investments	3,508	1,758	\$100	5,366
Miscellaneous	3,768	9,542		13,310
<b>Total Cash Receipts</b>	<u>97,707</u>	<u>146,222</u>	<u>100</u>	<u>244,029</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	46,592	30,440		77,032
Public Health Services	154			154
Leisure Time Activities	3,086	10,004		13,090
Basic Utility Services	4,885			4,885
Transportation	224	39,998		40,222
General Government	59,287			59,287
Debt Service:				
Principal Payments		39,864		39,864
Interest Payments		1,983		1,983
Capital Outlay	8,100	17,706		25,806
<b>Total Cash Disbursements</b>	<u>122,328</u>	<u>139,995</u>		<u>262,323</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(24,621)</u>	<u>6,227</u>	<u>100</u>	<u>(18,294)</u>
<b>Other Financing Receipts:</b>				
Other Financing Sources	369			369
<b>Total Other Financing Receipts</b>	<u>369</u>			<u>369</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements</b>	<u>(24,252)</u>	<u>6,227</u>	<u>100</u>	<u>(17,925)</u>
<b>Fund Cash Balances, January 1</b>	<u>74,757</u>	<u>107,934</u>	<u>5,000</u>	<u>187,691</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$50,505</u></u>	<u><u>\$114,161</u></u>	<u><u>\$5,100</u></u>	<u><u>\$169,766</u></u>
Reserves for Encumbrances, 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 - AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Agency</b>
<b>Operating Cash Receipts:</b>	
Fines, Licenses and Permits	\$29,690
Total Operating Cash Receipts	29,690
<b>Operating Cash Disbursements:</b>	
Contractual Services	8,937
Supplies and Materials	535
Distribution of Fines	33,500
Total Operating Cash Disbursements	42,972
Operating Loss	(13,282)
Fund Cash Balances, January 1	13,673
<b>Fund Cash Balances, December 31</b>	<b>\$391</b>
Reserve for Encumbrances, 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, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Risingsun, Wood County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including park operations (leisure time activities) and police services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Money market mutual funds are recorded at share values reported by the mutual fund. U.S. Savings Bonds are valued at market value.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

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

**2. Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

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

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

*Other Special Revenue Fund* -This fund receives monies from fire contracts and utilizes it for the operation of the Fire Department.

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village has a \$5,000 Savings Bond held in this fund.

**4. Fiduciary Funds (Trust and Agency Funds)**

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had an Agency Fund which collected monies received from Mayor's Court.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) 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 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 reappropriated.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2002	2001
Demand deposits	\$21,837	\$17,769
Total deposits	21,837	17,769
U.S. Savings Bond, Series H	5,000	5,000
Treasurer Obligations Fund Sweep Account	128,663	147,388
Total investments	133,663	152,388
Total deposits and investments	\$155,500	\$170,157

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

**Investments:** At the close of each day, the Village's financial institution provides for the investment of excess available checking account funds in the Treasurer Obligations Fund Sweep Account. This money market mutual fund invests exclusively in notes, bills, and bonds issued directly by the U.S. Treasury. Money is returned from the sweep account as per request of the Village by depositing such money in the Village's checking account. The U.S. Savings Bond, Series H, is held by the Village. Investments in Treasury Obligations Fund Sweep Account are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,531	\$80,044	(\$2,487)
Special Revenue	115,780	110,562	(5,218)
Capital Projects		100	100
Fiduciary	25,000	26,977	1,977
Total	\$223,311	\$217,683	(\$5,628)

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$133,870	\$116,579	\$17,291
Special Revenue	158,850	90,736	68,114
Fiduciary	25,200	25,041	159
Total	<u>\$317,920</u>	<u>\$232,356</u>	<u>\$85,564</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$81,376	\$98,076	\$16,700
Special Revenue	140,419	146,222	5,803
Capital Projects		100	100
Fiduciary	36,000	29,690	(6,310)
Total	<u>\$257,795</u>	<u>\$274,088</u>	<u>\$16,293</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$153,900	\$122,328	\$31,572
Special Revenue	184,315	140,002	44,313
Fiduciary	50,000	42,972	7,028
Total	<u>\$388,215</u>	<u>\$305,302</u>	<u>\$82,913</u>

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. 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 payments, 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 RISINGSUN  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**5. RETIREMENT SYSTEMS**

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 postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, OPERS members contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Vehicles.

**7. CONTINGENT LIABILITIES**

The Village is a defendant in a lawsuit. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition.

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Risingsun  
Wood County  
420 Main Street, P.O. Box 37  
Risingsun, Ohio 43457-0037

To the Village Council:

We have audited the accompanying financial statements of the Village of Risingsun, Wood County, (the Village) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 17, 2003. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated July 17, 2003.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated July 17, 2003.

This report is intended solely for the information and use of the audit committee, management, and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

July 17, 2003



**Auditor of State  
Betty Montgomery**

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

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800-282-0370

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**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  
AUGUST 26, 2003**