

**VILLAGE OF RISINGSUN
WOOD COUNTY
Regular Audit
For The Years Ended December 31, 2008 and 2007**

Perry & Associates
Certified Public Accountants, A.C



Mary Taylor, CPA

Auditor of State

Village Council
Village of Risingsun
420 Main Street
P. O. Box 37
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, 2007 through December 31, 2008. 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 28, 2009

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VILLAGE OF RISINGSUN
WOOD COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

August 28, 2009

Village of Risingsun
Wood County
420 Main Street
PO Box 37
Rising Sun, Ohio 43457

To the Village Council:

We have audited the accompanying financial statements of the **Village of Risingsun, Wood, Ohio**, (the Village) as of and for the years ended December 31, 2008 and 2007. 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, 2008 and 2007 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, 2008 and 2007 or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Village of Risingsun, Wood County, as of December 31, 2008 and 2007, 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 28, 2009, 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, 2008**

	<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	\$ 49,906	\$ 29,298	\$ -	\$ 79,204
Intergovernmental	107,221	33,002	-	140,223
Charges for Services	-	87,930	-	87,930
Fines, Licenses, and Permits	4,827	-	-	4,827
Earnings on Investments	575	53	-	628
Miscellaneous	4,426	881	-	5,307
	<u>166,955</u>	<u>151,164</u>	<u>-</u>	<u>318,119</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	27,116	40,319	-	67,435
Leisure Time	709	5,180	-	5,889
Basic Utility Services	1,394	291	-	1,685
Transportation	-	39,751	-	39,751
General Government	45,661	-	-	45,661
Debt Service:				
Redemption of Principal	2,654	28,251	-	30,905
Interest and Fiscal Charges	615	2,640	-	3,255
Capital Outlay	80,800	3,315	-	84,115
	<u>158,949</u>	<u>119,747</u>	<u>-</u>	<u>278,696</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Disbursements	<u>8,006</u>	<u>31,417</u>	<u>-</u>	<u>39,423</u>
Other Financing Receipts and (Disbursements):				
Advances-In	-	5,000	-	5,000
Advances-Out	(5,000)	-	-	(5,000)
	<u>(5,000)</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>3,006</u>	<u>36,417</u>	<u>-</u>	<u>39,423</u>
Fund Cash Balances, January 1	<u>1,596</u>	<u>129,450</u>	<u>62</u>	<u>131,108</u>
Fund Cash Balances, December 31	<u>\$ 4,602</u>	<u>\$ 165,867</u>	<u>\$ 62</u>	<u>\$ 170,531</u>
Reserve for Encumbrances, December 31	<u>\$ 2,083</u>	<u>\$ 2,592</u>	<u>\$ -</u>	<u>\$ 4,675</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, 2008**

	Fiduciary Fund Type
	Agency
Non-Operating Cash Receipts:	
Other Non-Operating Cash Receipts	\$ 2,921
Total Non-Operating Cash Receipts	2,921
Non-Operating Cash Disbursements:	
Other Non-operating Disbursements	3,222
Total Non-operating Disbursements	3,222
Net Receipts Over/(Under) Cash Disbursements	(301)
Fund Cash Balances, January 1	301
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, 2007**

	<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	\$ 31,553	\$ 30,987	\$ -	\$ 62,540
Intergovernmental	33,065	32,494	9,967	75,526
Charges for Services	75	88,366	-	88,441
Fines, Licenses, and Permits	8,623	-	-	8,623
Earnings on Investments	6,020	178	1,000	7,198
Miscellaneous	3,957	193	-	4,150
	<u>83,293</u>	<u>152,218</u>	<u>10,967</u>	<u>246,478</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	26,906	57,283	-	84,189
Public Health	254	-	-	254
Leisure Time	519	4,539	-	5,058
Basic Utility Services	1,076	240	-	1,316
Transportation	-	40,894	-	40,894
General Government	51,811	-	-	51,811
Debt Service:				
Redemption of Principal	1,053	30,057	-	31,110
Interest and Fiscal Charges	309	3,805	-	4,114
Capital Outlay	1,001	42,199	49,367	92,567
	<u>82,929</u>	<u>179,017</u>	<u>49,367</u>	<u>311,313</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Disbursements	<u>364</u>	<u>(26,799)</u>	<u>(38,400)</u>	<u>(64,835)</u>
Other Financing Receipts and (Disbursements):				
Note Proceeds	-	-	14,400	14,400
Sale of Fixed Assets	-	1,500	-	1,500
Advances-In	5,000	3,460	-	8,460
Advances-Out	(3,460)	(5,000)	-	(8,460)
	<u>1,540</u>	<u>(40)</u>	<u>14,400</u>	<u>15,900</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,904	(26,839)	(24,000)	(48,935)
Fund Cash Balances, January 1 (restated see note 2)	<u>(308)</u>	<u>156,289</u>	<u>24,062</u>	<u>180,043</u>
Fund Cash Balances, December 31	<u><u>\$ 1,596</u></u>	<u><u>\$ 129,450</u></u>	<u><u>\$ 62</u></u>	<u><u>\$ 131,108</u></u>
Reserve for Encumbrances, December 31	<u><u>\$ 3,779</u></u>	<u><u>\$ 3,009</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,788</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 BALANCE - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Fiduciary Fund Type
	Agency
Non-Operating Cash Receipts:	
Other Non-Operating Cash Receipts	\$ 7,921
Total Non-Operating Cash Receipts	7,921
Non-Operating Cash Disbursements:	
Other Non-operating Disbursements	8,092
Total Non-operating Disbursements	8,092
Net Receipts Over/(Under) Cash Disbursements	(171)
Fund Cash Balances, January 1	472
Fund Cash Balances, December 31	\$ 301

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, 2008 AND 2007**

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 Risingsun, Wood County, (the Village) as a body corporate and politic. A publicly elected six-member Council governs the Village. The Village provides park operations 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. Basis of Accounting

These financial statements follow the accounting basis the Auditor of State prescribes or permits. 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 the Auditor of State prescribes.

C. Cash

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

D. Fund Accounting

The Village uses fund accounting to segregate cash 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 Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Village has 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, 2008 AND 2007
(continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Funds

This fund is used to account for proceeds that are restricted for the acquisition or construction 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.

4. Fiduciary Fund (Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

Mayor's Court Fund - This fund receives and distributes 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 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 2008 and 2007 budgetary activity appears in Note 4.

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

2. PRIOR PERIOD FUND BALANCE ADJUSTMENTS

The Village made various fund balance adjustments in 2007 to correct posting errors from the prior year. An adjustment was also required to show the receipt of monies for the Capital Project Fund type that was incorrectly received in the Special Revenue Fund type.

	General Fund	Spec. Rev. Fund	Capital Project
Balance as of December 31, 2006	\$ 433	\$ 180,996	\$ 62
Adjustment for Various Posting Errors	(741)	(707)	
Adjustment for Receipt to Wrong fund		(24,000)	24,000
Adjusted Fund Balance	\$ (308)	\$ 156,289	\$ 24,062

3. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2008	2007
Demand Deposits	\$ 114,531	\$ 55,408
Investments	56,000	76,000
Total Deposits and Investments	\$ 170,531	\$ 131,409

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(continued)**

4. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$200,362	\$166,955	(\$33,407)
Special Revenue	182,072	151,164	(30,908)
Capital Projects	1,000	-	(1,000)
Total	\$383,434	\$318,119	(\$65,315)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$196,945	\$161,032	\$35,913
Special Revenue	205,445	122,339	83,106
Capital Projects	1,060	-	1,060
Total	\$403,450	\$283,371	\$120,079

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$97,402	\$83,293	(\$14,109)
Special Revenue	136,470	153,718	17,248
Capital Projects	50,367	25,367	(25,000)
Total	\$284,239	\$262,378	(\$21,861)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$92,028	\$86,708	\$5,320
Special Revenue	205,375	182,026	23,349
Capital Projects	49,942	49,367	575
Total	\$347,345	\$318,101	\$29,244

Contrary to Ohio Rev. Code Section 5705.36, the Village did not obtain a reduced amended certificate for several funds when the actual receipts were less than the budgeted receipts.

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(continued)**

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which Village Council adopts rates. 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.

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

The property owners, who must file a list of such property to the County by each April 30, assess tangible personal property tax. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

6. RETIREMENT SYSTEMS

The Village's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2008 and 2007, members of PERS contributed 10% (2008) and 9.5% (2007) of their gross salaries. The Village contributed an amount equal to 14% (2008) and 13.85% (2007) of participants' gross salaries. The Village has paid all contributions required through December 31, 2008.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Commercial general liability coverage
- Commercial inland marine coverage
- Errors and omissions

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

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(continued)**

8. DEBT

Debt outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Promissory Loan – Fire Truck	\$ 29,518	4.50%
New Roof Loan	10,692	5.00%
Total	<u>\$ 40,210</u>	

Lawn Tractor Lease - The Village entered into a lease with option to purchase for a mower in 2004. The lease expired in 2007.

Promissory Loan – Fire Truck -The Village borrowed \$135,365 during 2004 to help purchase a new fire truck. The loan will be repaid in annual payments of \$30,890 over a five-year period. The truck is collateral for the loan.

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. The Village will repay this loan over 5 years with monthly payments of \$272.59.

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

	<u>Promissory Loan Fire Truck</u>	<u>New Roof Loan</u>
Year ending December 31:		
2009	\$ 29,542	\$ 3,270
2010	-	3,270
2011	-	3,270
2012	-	3,270
Total	<u>\$ 29,542</u>	<u>\$ 13,080</u>

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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 28, 2009

Village of Risingsun
Wood County
420 Main Street
PO Box 37
Rising Sun, Ohio 434547

To the Village Council:

We have audited the financial statements of the **Village of Risingsun, Wood County, Ohio** (the Village) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated August 28, 2009, 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 expressing our opinion on the financial statements, but not to opine 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

Internal Control Over Financial Reporting (Continued)

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2008-001 through 2008-003.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe significant deficiency 2008-001 described above is a material weakness.

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 one instance of noncompliance or other matter that we must report under *Government Auditing Standard* which are described in the accompanying schedule of findings as item 2008-003.

This report is intended solely for the information and use of management and Village Council and is not intended to be, and should not be used by anyone 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, 2008 AND 2007**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2008-001

Significant Deficiency/Material Weakness

Posting of Receipts and Expenditures

During 2008 and 2007, 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:

- Note Proceeds were posted to Other Financing Sources.
- Expenditures for debt payments were posted to Capital Outlay rather than broken down between principal and interest. In addition, principal and interest amounts were not classified correctly to reflect the actual paydown of outstanding debt.
- The receipt and disbursement for a intergovernmental grant and the subsequent capital outlay were not posted due to the payment going straight to the vendor.
- Mayor's Court Agency Fund was not maintained rather entire receipts were booked to General fund and the disbursements to state were made out of the General fund.
- Receipts were posted as Special Assessments and Other Financing Sources that should have been Intergovernmental.
- Several disbursements were posted to Other Financing Uses rather than General Government and Security of Persons and Property.

These mispostings resulted in several audit reclassifications. We also noted the fiscal officer made prior period adjustments to correct posting errors from the prior year. An adjustment was also required to show the receipt of monies for the Capital Project Fund type that was incorrectly receipted in a Special Revenue Fund type.

We recommend the Clerk 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.

**VILLAGE OF RISINGSUN
WOOD COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007**

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

FINDING NUMBER 2008-002

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. The Village made advances that were not approved in Resolution form by the taxing authority. Some advances performed were not paid back as of the end of the audit period.

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.

FINDING NUMBER 2008-003

Noncompliance Citation/Significant Deficiency

Ohio Rev. Code Section 5705.36 allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources.

During 2008 and 2007, the Village did not obtain a reduced or increased amended certificate for several funds when the actual receipts were greater or less than the budgeted receipts.

The Village should perform a comparison of the estimated resources and the actual receipts periodically in order to determine whether an amended certificate of estimated resources needs to be obtained.

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, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Posting of Estimated Revenues and Expenditures	Yes	N/A
2006-002	Investment Carrying Amount	Yes	N/A
2006-003	Advances	No	Not Corrected, Repeated as finding 2006-002.
2006-004	ORC Section 5705.41(B) – Expenditures exceeding appropriations.	Yes	N/A
2006-005	ORC Section 5705.15 – Transfers not properly approved	Yes	N/A



Mary Taylor, CPA
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
OCTOBER 13, 2009**