



Dave Yost • Auditor of State

VILLAGE OF ORIENT
PICKAWAY COUNTY

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Dave Yost • Auditor of State

Village of Orient
Pickaway County
P.O. Box 163
Orient, Ohio 43146

To the Village Council,

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

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

Dave Yost
Auditor of State

November 19, 2012

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Orient
Pickaway County
P.O. Box 163
Orient, Ohio 43146

To the Village Council:

We have audited the accompanying financial statements of Village of Orient, Pickaway County, Ohio (the Village) as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Governments 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.

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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, 2011 and 2010 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, 2011 and December 31, 2010, or its changes in financial position of cash flows, where applicable for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of Village of Orient, Pickaway County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1, during 2011 the Village of Orient adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2012, 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.



Dave Yost
Auditor of State

November 19, 2012

**VILLAGE OF ORIENT
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
Cash Receipts:			
Property and Other Local Taxes	\$ 4,300	\$ 725	\$ 5,025
Intergovernmental	27,294	64,615	91,909
Fines, Licenses and Permits	2,545	-	2,545
Earnings on Investments	21	39	60
Miscellaneous	10	-	10
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	34,170	65,379	99,549
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Security of Persons and Property	3,750	-	3,750
Public Health Services	724	-	724
Transportation	-	40,501	40,501
General Government	16,185	-	16,185
Capital Outlay	-	45,000	45,000
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	20,659	85,501	106,160
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	13,511	(20,122)	(6,611)
	<hr/>	<hr/>	<hr/>
Net Change in Fund Cash Balances	13,511	(20,122)	(6,611)
	<hr/>	<hr/>	<hr/>
Fund Cash Balance, January 1	12,884	91,130	104,014
	<hr/>	<hr/>	<hr/>
Fund Cash Balance, December 31			
Restricted	-	71,008	71,008
Unassigned (Deficit)	26,395	-	26,395
<i>Fund Cash Balance, December 31</i>	<u>\$ 26,395</u>	<u>\$ 71,008</u>	<u>\$ 97,403</u>

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

**VILLAGE OF ORIENT
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Proprietary Fund Types Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 48,407
Total Operating Cash Receipts	48,407
Operating Cash Disbursements:	
Personal Services	4,000
Employee Fringe Benefits	824
Contractual Services	45,482
Supplies and Materials	2,009
Total Operating Cash Disbursements	52,315
Operating Loss	(3,908)
Non-Operating Receipts/Disbursements	
Special Assessments	25,982
Capital Outlay	(4,723)
Principal Retirement	(15,128)
Interest and Other Fiscal Charges	(4,443)
Total Non-Operating Receipts/Disbursements	1,688
Net Change in Fund Cash Balances	(2,220)
Fund Cash Balance, January 1	23,838
Fund Cash Balance, December 31	\$ 21,618

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

**VILLAGE OF ORIENT
PICKAWAY 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**

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
Cash Receipts:			
Property and Local Taxes	\$ 5,166	\$ 850	\$ 6,016
Intergovernmental	21,520	19,593	41,113
Fines, Licenses and Permits	487	-	487
Earnings on Investments	19	59	78
Miscellaneous	489	223	712
Total Cash Receipts	27,681	20,725	48,406
Cash Disbursements:			
Current:			
Security of Persons & Property	3,750	-	3,750
Public Health Services	495	-	495
Transportation	-	32,709	32,709
General Government	20,993	-	20,993
Total Cash Disbursements	25,238	32,709	57,947
Total Receipts Over/(Under) Disbursements	2,443	(11,984)	(9,541)
Other Financing Receipts/(Disbursements):			
Sale of Fixed Assets	-	25	25
Total Other Financing Receipts/(Disbursements)	-	25	25
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	2,443	(11,959)	(9,516)
Fund Cash Balance, January 1	10,441	103,089	113,530
Fund Cash Balance, December 31	\$ 12,884	\$ 91,130	\$ 104,014
Reserve for Encumbrances, December 31	\$ 125	\$ 840	\$ 965

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

**VILLAGE OF ORIENT
PICKAWAY COUNTY**

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

	Proprietary Fund Types Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 71,474
 Total Operating Cash Receipts	71,474
Operating Cash Disbursements:	
Current:	
Personal Services	5,766
Employee Fringe Benefits	1,044
Contractual Services	31,174
Supplies and Materials	1,606
 Total Operating Cash Disbursements	39,590
 Operating Income/(Loss)	31,884
Non-Operating Receipts/Disbursements	
Redemption of Principal	(14,907)
Interest and Other Fiscal Charges	(4,664)
 Total Non-Operating Receipts/Disbursements	(19,571)
 Net Change in Fund Cash Balances	12,313
 Fund Cash Balance, January 1	11,525
 Fund Cash Balance, December 31	\$ 23,838
 Reserve for Encumbrances, December 31	\$ 275

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

**VILLAGE OF ORIENT
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

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 Orient, Pickaway County, (the Village) as a body corporate and politic. The Village operates under a council-mayor form of government. The Village provides general governmental services, including water and sewer utilities and street construction, maintenance and repair for its residents. The Village contracts with the Pickaway County Sheriff's department to provide security of persons and property, and the Village contracts with the Scioto Township Fire Department to provide fire protection for its citizens.

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. Cash 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.

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 (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue 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 ORIENT
PICKAWAY COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

3. Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

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 level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2010 and 2011 budgetary activity appears in Note 3.

F. Fund Balance

For December 31, 2011, 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.

VILLAGE OF ORIENT
PICKAWAY COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

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 or 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 the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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.

G. Property, Plant, and Equipment

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

2. Equity in Pooled Deposits and Investments

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

	2010	2011
Demand deposits	\$127,852	\$119,019

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**VILLAGE OF ORIENT
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2011 and December 31, 2010 follows:

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$41,606	\$34,170	(\$7,436)
Special Revenue	120,505	65,379	(55,126)
Enterprise	60,567	74,209	13,642
Total	\$222,678	\$173,758	(\$48,920)

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$32,683	\$20,659	\$12,024
Special Revenue	95,925	86,046	9,879
Enterprise	71,200	81,245	(10,045)
Total	\$199,808	\$187,950	\$11,858

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$28,151	\$27,680	(\$471)
Special Revenue	48,384	20,750	(27,634)
Enterprise	76,454	71,474	(4,980)
Total	\$152,989	\$119,904	(\$33,085)

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$40,000	\$25,372	\$14,628
Special Revenue	88,500	33,549	54,951
Enterprise	77,100	59,436	17,664
Total	\$205,600	\$118,357	\$87,243

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Enterprise Fund by \$10,045 for the year ended December 31, 2011.

**VILLAGE OF ORIENT
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

4. Property Tax

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

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

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

5. Debt

Debt outstanding at December 31, 2011 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission	\$148,792	0%
Bank Note	\$85,827	5%
Total	\$234,619	

The Ohio Public Works Commission (OPWC) loan relates to modifications to the Village water distribution system. The OPWC has approved an interest free loan of \$212,560 to the Village for this project. The loan will be repaid in annual installments of \$5,314 over 20 years, with the final payment July 1, 2025. The loan is collateralized by water and sewer receipts.

The Bank note relates to the construction of the Village water system. The Bank note has an interest rate of 5.05% on the loan of \$112,440 to the Village for this project. The loan will be repaid in monthly installments of \$745 over 19 years with final payment July 1, 2024. The loan is collateralized by water and sewer receipts.

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

	OPWC Loan	Savings Bank Loan
Year ending December 31:		
2012	\$10,628	\$8,943
2013	10,628	8,943
2014	10,628	8,943
2015	10,628	8,943
2016	10,628	8,943
2017-2021	53,140	44,717
2022-2025	42,512	28,274
Total	\$148,792	\$117,706

VILLAGE OF ORIENT
PICKAWAY COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

6. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year.

7. Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

8. Subsequent Events

There are no subsequent events that are significant to the Village.



Dave Yost • Auditor of State

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

Village of Orient
Pickaway County
P.O. Box 163
Orient, Ohio 43146

To the Village Council:

We have audited the financial statements of Village of Orient, Pickaway County, Ohio (the Village) as of and for the years ended December 31, 2011 and December 31, 2010, and have issued our report thereon dated November 19, 2012, wherein we noted in 2011 the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We also noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America and noted the Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered material weaknesses, as defined above. However, we identified a certain deficiency in internal controls over financial reporting, described in the accompanying schedule of findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2011-02 to be a significant deficiency. 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.

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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2011-01.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated November 19, 2012.

The Village's response to the finding identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on them.

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



Dave Yost
Auditor of State

November 19, 2012

VILLAGE OF ORIENT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010

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

FINDING NUMBER 2011-01

Noncompliance Citation

Expenditures Exceeding Appropriations

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from expending money unless it has been appropriated. The legal level of budgetary control for the Village is the level at which Council adopts the original appropriation measure.

Budgetary expenditures exceeded appropriations for the year ended December 31, 2011 at the fund level as follows:

Fund Name	Appropriations	Expenditures	Variance
Enterprise	\$71,200	\$81,245	(\$10,045)

Failure to have adequate appropriation authority in place at the time of expenditure may result in expenditures exceeding available resources, and resulted in deficit spending in the Enterprise Fund.

The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

Officials' response:

FINDING NUMBER 2011-02

Significant Deficiency

Water and Sewer Receipts

During our review of the Enterprise charges for services receipts, we noted a new fee schedule was established in January of 2010 and residents were then charged a tiered billing rate based on consumption. We also noted that the Village residents were responsible for reading their water meters and mailing the readings to the Village. The Village would use these readings from the residents to determine the consumption and compute the bills. There were no independent readings of the water meters completed by the Village to corroborate the resident's meter readings used for the billing purposes during the audit period.

We recommend the Village either contract with an independent meter reader or appoint someone within the Village to independently read the meters and determine the consumption by the residents on at least a periodic basis during the year. We also recommend the Village implement the necessary controls to ensure once the readings are billed the collections are properly posted to the accounting ledgers.

Officials' response:

**VILLAGE OF ORIENT
PICKAWAY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Negative fund balances	Yes	N/A
2009-002	Appropriations exceeding actual resources	No	Partially corrected – ML comment
2009-003	Filing appropriations with County Auditor	Yes	N/A
2009-004	Filing the total amount from all sources available for expenditure with Co. Auditor	Yes	N/A
2009-005	Filing appropriations with Co. Auditor	Yes	N/A
2009-006	Prior certification	No	Partially corrected – ML comment



Dave Yost • Auditor of State

VILLAGE OF ORIENT

PICKAWAY 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 31, 2012