

**VILLAGE OF RISINGSUN  
WOOD COUNTY  
Regular Audit  
For the Years Ended December 31, 2012 and 2011**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Village of Risingsun, Wood County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2011 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of 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

October 22, 2013

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VILLAGE OF RISINGSUN  
WOOD COUNTY

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## **INDEPENDENT AUDITOR'S REPORT**

July 24, 2013

Village of Risingsun  
Wood County  
420 Main Street  
Risingsun, Ohio 43457

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the **Village of Risingsun**, Wood County, (the Village) as of and for the years ended December 31, 2012 and 2011.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fair presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1B of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles (Continued)***

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2012 and 2011, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Risingsun, Wood County, as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1B.

***Emphasis of Matter***

As discussed in Note 1F to the financial statements, during 2011 the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2013, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 46,876	\$ 30,346	\$ -	\$ 77,222
Intergovernmental	18,856	45,281	-	64,137
Charges for Services	100	68,510	-	68,610
Fines, Licenses, and Permits	25,351	-	-	25,351
Earnings on Investments	262	43	-	305
Miscellaneous	4,391	2,586	-	6,977
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	95,836	146,766	-	242,602
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	35,370	48,129	-	83,499
Public Health Services	303	-	-	303
Leisure Time Activities	-	5,612	-	5,612
Basic Utility Services	1,629	737	-	2,366
Community Environment	-	115	-	115
Transportation	315	37,939	-	38,254
General Government	44,386	-	-	44,386
Capital Outlay	39,113	31,746	-	70,859
Debt Service:				
Principal Retirement	955	955	3,907	5,817
Interest and Fiscal Charges	761	761	1,192	2,714
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	122,832	125,994	5,099	253,925
Excess of Receipts Over(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	(26,996)	20,772	(5,099)	(11,323)
<b>Other Financing Receipts(Disbursements):</b>				
Note Proceeds	28,000	-	-	28,000
Transfers-In	-	-	16,230	16,230
Transfers-Out	(16,230)	-	-	(16,230)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts(Disbursements)	11,770	-	16,230	28,000
Net Change in Fund Cash Balances	<hr/>	<hr/>	<hr/>	<hr/>
	(15,226)	20,772	11,131	16,677
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	18,033	215,265	7,058	240,356
<b>Fund Cash Balances, December 31</b>				
Restricted	-	236,037	18,189	254,226
Unassigned	2,807	-	-	2,807
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,807</u>	<u>\$ 236,037</u>	<u>\$ 18,189</u>	<u>\$ 257,033</u>

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

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

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

	<u>Fiduciary Fund Type Agency</u>
<b>Non-Operating Cash Receipts:</b>	
Other Non-Operating Cash Receipts	<u>\$ 27,605</u>
Total Non-Operating Cash Receipts	<u>27,605</u>
<b>Non-Operating Cash Disbursements:</b>	
Other Non-Operating Cash Disbursements	<u>14,655</u>
Total Non-Operating Cash Disbursements	<u>14,655</u>
Net Cash Receipts Over(Under) Cash Disbursements	<u>12,950</u>
Fund Cash Balances, January 1	<u>5,206</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$ 18,156</u></u></b>

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

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 54,755	\$ 35,399	\$ -	\$ 90,154
Intergovernmental	21,412	35,917	-	57,329
Charges for Services	-	114,554	-	114,554
Fines, Licenses, and Permits	17,907	-	133	18,040
Earnings on Investments	570	50	-	620
Miscellaneous	365	1,864	-	2,229
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	95,009	187,784	133	282,926
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	29,054	50,188	-	79,242
Leisure Time Activities	50	7,817	-	7,867
Community Environment	-	948	-	948
Basic Utility Services	1,630	724	-	2,354
Transportation	228	34,370	-	34,598
General Government	42,491	2,973	-	45,464
Capital Outlay	4,610	90,124	-	94,734
Debt Service:				
Principal Retirement	-	-	3,737	3,737
Interest and Fiscal Charges	-	-	1,361	1,361
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	78,063	187,144	5,098	270,305
Excess of Receipts Over(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	16,946	640	(4,965)	12,621
<b>Other Financing Receipts(Disbursements):</b>				
Sale of Fixed Assets	1,200	50	-	1,250
Transfers-In	-	337	8,213	8,550
Transfers-Out	(8,550)	-	-	(8,550)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts(Disbursements)	(7,350)	387	8,213	1,250
Net Change in Fund Cash Balances	<hr/>	<hr/>	<hr/>	<hr/>
	9,596	1,027	3,248	13,871
Fund Cash Balances, January 1 (As Restated - See Note 9)	<hr/>	<hr/>	<hr/>	<hr/>
	8,437	214,238	3,810	226,485
<b>Fund Cash Balances, December 31</b>				
Restricted	-	215,265	7,058	222,323
Unassigned	18,033	-	-	18,033
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$ 18,033</u>	<u>\$ 215,265</u>	<u>\$ 7,058</u>	<u>\$ 240,356</u>

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

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCE (CASH BASIS) - FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u><b>Fiduciary Fund Type Agency</b></u>
<b>Non-Operating Cash Receipts:</b>	
Other Non-Operating Cash Receipts	<u>\$ 12,707</u>
Total Non-Operating Cash Receipts	<u>12,707</u>
<b>Non-Operating Cash Disbursements:</b>	
Other Non-Operating Cash Disbursements	<u>9,039</u>
Total Non-Operating Cash Disbursements	<u>9,039</u>
Net Cash Receipts Over(Under) Cash Disbursements	<u>3,668</u>
Fund Cash Balances, January 1 (As Restated - See Note 9)	<u>1,538</u>
<b>Fund Cash Balances, December 31</b>	<u><u><b>\$ 5,206</b></u></u>

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

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**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 directs the Village. The Village maintains the Village's roads and bridges and provides water and sewer utilities, park operations and police and fire protection.

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 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 accounts for and reports all financial resources not accounted for and recorded in another fund.

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting**

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue 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.

**3. Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project fund:

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

**4. 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 (except certain agency funds) 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. 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.

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**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 2012 and 2011 budgetary activity appears in Note 3.

**F. Fund Balance**

In 2011, the Village adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which had no effect on fund balances. Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

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

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws 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.

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Fund Balance (Continued)**

**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.

**H. 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. EQUITY IN POOLED DEPOSITS**

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:

	<u>2012</u>	<u>2011</u>
Demand deposits	\$ 226,989	\$ 197,362
Certificates of deposit	48,200	48,200
Total deposits	<u>\$ 275,189</u>	<u>\$ 245,562</u>

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  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2012 and 2011 follows:

2012 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 131,083	\$ 123,836	\$ (7,247)
Special Revenue	202,210	146,766	(55,444)
Capital Projects	4,050	16,230	12,180
Total	<u>\$ 337,343</u>	<u>\$ 286,832</u>	<u>\$ (50,511)</u>

2012 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 148,455	\$ 139,062	\$ 9,393
Special Revenue	315,902	125,994	189,908
Capital Projects	5,325	5,099	226
Total	<u>\$ 469,682</u>	<u>\$ 270,155</u>	<u>\$ 199,527</u>

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 99,497	\$ 96,209	\$ (3,288)
Special Revenue	174,805	188,171	13,366
Capital Projects	4,045	8,346	4,301
Total	<u>\$ 278,347</u>	<u>\$ 292,726</u>	<u>\$ 14,379</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 114,143	\$ 86,613	\$ 27,530
Special Revenue	312,748	187,144	125,604
Capital Projects	8,725	5,098	3,627
Total	<u>\$ 435,616</u>	<u>\$ 278,855</u>	<u>\$ 156,761</u>

Contrary to Ohio law, budgeted appropriations exceeded budgeted receipts plus beginning fund balance in the General Fund and Capital Projects Fund by \$6,209 and \$870, respectively for the year ended December 31, 2011.

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(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.

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

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, 2012 was as follows:

	Principal	Interest Rate
Promissory Loan – Police Cruiser	\$22,356	4.475%
Promissory Loan – Land Purchase	26,090	6.000%
Total	\$48,446	

**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.

**Promissory Loan – Land Purchase** – The Village borrowed \$28,000 during 2012 to purchase land within the Village. The loan will be repaid in monthly payments of \$312.07 over a ten-year period. The land is collateral for the loan.

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

	Promissory Loan Police Cruiser	Promissory Loan Land Purchase	Total
Year ending December 31:			
2013	\$ 5,099	\$ 3,745	\$ 8,844
2014	5,098	3,745	8,843
2015	5,099	3,745	8,844
2016	5,098	3,745	8,843
2017	5,099	3,745	8,844
2018-2022	-	15,292	15,292
Total	\$ 25,493	\$ 34,017	\$ 59,510

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(Continued)**

**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 plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2012 and 2011, 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, 2012.

**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

**8. CONTINGENT LIABILITIES**

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

**9. RESTATEMENT OF FUND BALANCES**

During the prior audit, the Village recorded memo receipts and disbursements in the Special Revenue Funds and Agency Fund. An adjustment was made to remove the memo receipts, however, the adjustment did not include the memo disbursements. Beginning fund balances were adjusted to reflect the adjustment for the memo disbursements.

	Governmental Fund Type	Fiduciary Fund Type	Totals
	Special Revenue	Agency	(Memorandum Only)
Fund Cash Balance, January 1, 2011	\$ 209,573	\$ -	\$ 209,573
Adjustment for Disbursements	4,665	1,538	6,203
Fund Cash Balance, January 1, 2011 – As Restated	<u>\$ 214,238</u>	<u>\$ 1,538</u>	<u>\$ 215,776</u>

# *Perry & Associates*

Certified Public Accountants, A.C.

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1035 Murdoch Avenue  
Parkersburg, WV 26101  
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121 E. Main Street  
St. Clairsville, OH 43950  
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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

July 24, 2013

Village of Risingsun  
Wood County  
420 Main Street  
Risingsun, OH 43457

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the **Village of Risingsun**, Wood County, Ohio, (the Village) as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated July 24, 2013, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits and has adopted Governmental Accounting Standards Board Statement No. 54.

### ***Internal Control over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. 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.

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. We consider finding 2012-001 as described in the accompanying schedule of audit findings to be 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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the Village's management in a separate letter dated July 24, 2013.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**VILLAGE OF RISINGSUN  
WOOD COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2012-001**

**Material Weakness**

**Posting of Receipts and Disbursements**

During 2012 and 2011, several receipts and disbursements were not posted into accurate classifications and/or funds, based on the source of the receipt and disbursement. The following mispostings were noted during the audit:

- Gas tax receipts were not correctly distributed to the Street and State Highway Funds.
- Mayor's Court Fines were recorded as miscellaneous revenues.
- Beginning balances did not agree to prior audited balances.
- Investment balance was not reduced when a portion of a CD was withdrawn.
- CD withdrawal was recorded as miscellaneous revenue.

These mispostings resulted in several audit reclassifications and adjustments. The Village's management was in agreement, and the accompanying financial statements reflect all 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 disbursements. 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 PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2010-001	Posting of Receipts and Expenditures	No	Not Corrected, Repeated as Finding 2012-001.
2010-002	Advances	Yes	N/A

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# 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  
NOVEMBER 7, 2013**