



Dave Yost • Auditor of State



VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of Benton Ridge  
Hancock County  
P.O. Box 5  
Benton Ridge, Ohio 45816-0005

To the Village Council:

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

We have audited the accompanying financial statements and related notes of the Village of Benton Ridge, Hancock County, Ohio (the Village) as of and for the years ended December 31, 2014 and 2013.

### ***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 Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly 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(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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, 2014 and 2013, or changes in financial position or cash flows 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 Benton Ridge, Hancock County, Ohio as of December 31, 2014 and 2013, 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(D) permit, described in Note 1B.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2015, 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.



**Dave Yost**  
Auditor of State

Columbus, Ohio

June 18, 2015

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$4,997			\$4,997
Intergovernmental	21,725	\$49,678		71,403
Special Assessments		8,834		8,834
Charges for Services		4,452		4,452
Earnings on Investments	562	843		1,405
Miscellaneous	590	23		613
<i>Total Cash Receipts</i>	<u>27,874</u>	<u>63,830</u>		<u>91,704</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	2,804	8,751		11,555
Public Health Services	1,248			1,248
Leisure Time Activities	703	15,717		16,420
Basic Utility Services	716	160		876
Transportation		32,203		32,203
General Government	27,786	1,031		28,817
<i>Total Cash Disbursements</i>	<u>33,257</u>	<u>57,862</u>		<u>91,119</u>
<i>Net Change in Fund Cash Balances</i>	(5,383)	5,968		585
<i>Fund Cash Balances, January 1</i>	<u>29,700</u>	<u>80,145</u>	<u>\$85,836</u>	<u>195,681</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		86,113	85,836	171,949
Assigned	24,317			24,317
<i>Fund Cash Balances, December 31</i>	<u>\$24,317</u>	<u>\$86,113</u>	<u>\$85,836</u>	<u>\$196,266</u>

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

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$78,277
<b>Operating Cash Disbursements</b>	
Personal Services	12,285
Employee Fringe Benefits	1,699
Contractual Services	13,949
Supplies and Materials	5,674
Other	216
<i>Total Operating Cash Disbursements</i>	33,823
<i>Operating Income</i>	44,454
<b>Non-Operating Disbursements</b>	
Principal Retirement	(16,651)
Interest and Other Fiscal Charges	(28,281)
<i>Total Non-Operating Disbursements</i>	(44,932)
<i>Net Change in Fund Cash Balances</i>	(478)
<i>Fund Cash Balances, January 1</i>	65,473
<i>Fund Cash Balances, December 31</i>	\$64,995

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

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$4,785			\$4,785
Intergovernmental	22,208	\$19,012		41,220
Special Assessments		8,614		8,614
Charges for Services		4,466		4,466
Earnings on Investments	749	916		1,665
Miscellaneous	81,881			81,881
<i>Total Cash Receipts</i>	<u>109,623</u>	<u>33,008</u>		<u>142,631</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	2,754	8,614		11,368
Public Health Services	1,142			1,142
Leisure Time Activities	72,664	8,093		80,757
Basic Utility Services	728			728
Transportation		11,837		11,837
General Government	32,001	1,403		33,404
Capital Outlay			\$1,641	1,641
Debt Service:				
Principal Retirement			150,000	150,000
<i>Total Cash Disbursements</i>	<u>109,289</u>	<u>29,947</u>	<u>151,641</u>	<u>290,877</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>334</u>	<u>3,061</u>	<u>(151,641)</u>	<u>(148,246)</u>
<b>Other Financing Disbursements</b>				
Transfers Out			(30,000)	(30,000)
<i>Net Change in Fund Cash Balances</i>	334	3,061	(181,641)	(178,246)
<i>Fund Cash Balances, January 1</i>	<u>29,366</u>	<u>77,084</u>	<u>267,477</u>	<u>373,927</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		80,145	85,836	165,981
Assigned	29,700			29,700
<i>Fund Cash Balances, December 31</i>	<u>\$29,700</u>	<u>\$80,145</u>	<u>\$85,836</u>	<u>\$195,681</u>

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

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	<u>\$73,940</u>
<b>Operating Cash Disbursements</b>	
Personal Services	12,372
Employee Fringe Benefits	1,783
Contractual Services	12,763
Supplies and Materials	1,780
Other	<u>216</u>
<i>Total Operating Cash Disbursements</i>	<u>28,914</u>
<i>Operating Income</i>	<u>45,026</u>
<b>Non-Operating Disbursements</b>	
Principal Retirement	(15,544)
Interest and Other Fiscal Charges	<u>(34,229)</u>
<i>Total Non-Operating Disbursements</i>	<u>(49,773)</u>
<i>Loss before Transfers</i>	(4,747)
Transfers In	<u>30,000</u>
<i>Net Change in Fund Cash Balances</i>	25,253
<i>Fund Cash Balances, January 1</i>	<u>40,220</u>
<i>Fund Cash Balances, December 31</i>	<u>\$65,473</u>

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

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**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 Benton Ridge, Hancock County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities and park operations. The Village contracts with Blanchard Township to receive fire protection services.

The Village participates in Ohio Plan Risk Management, Inc. (OPRM), a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**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.

The Village values certificates of deposit at cost.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

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.

Lighting Fund – This fund receives monies from special assessment on property owners to pay for street lighting.

Park Fund – This fund receives grants, other subdivision’s support and usage fees to fund maintenance and upkeep of the park.

**3. Capital Project Fund**

This fund accounts for and reports 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:

Sewer Construction Fund – This fund received grant and loan proceeds for the construction of the sanitary sewer system within the Village.

**4. 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 Fund:

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, function, object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. 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 approve estimated resources.

**3. Encumbrances**

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

**F. Fund Balance**

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.

**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

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

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**

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

	2014	2013
Demand deposits	\$61,261	\$61,154
Certificates of deposit	200,000	200,000
Total deposits	\$261,261	\$261,154

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

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$26,480	\$27,874	\$1,394
Special Revenue	30,330	63,830	33,500
Enterprise	68,000	78,277	10,277
Total	\$124,810	\$169,981	\$45,171

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$56,943	\$33,257	\$23,686
Special Revenue	136,548	57,862	78,686
Capital Projects	85,836		85,836
Enterprise	133,473	78,755	54,718
Total	\$412,800	\$169,874	\$242,926

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

2013 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$106,735	\$109,623	\$2,888
Special Revenue	30,330	33,008	2,678
Enterprise	98,000	103,940	5,940
Total	<u>\$235,065</u>	<u>\$246,571</u>	<u>\$11,506</u>

2013 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$126,294	\$109,289	\$17,005
Special Revenue	88,580	29,947	58,633
Capital Projects	260,000	181,641	78,359
Enterprise	135,921	78,687	57,234
Total	<u>\$610,795</u>	<u>\$399,564</u>	<u>\$211,231</u>

**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.

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, 2014 was as follows:

	Principal	Interest Rate
USDA Mortgage Revenue Bond	\$486,000	4.25%
Village of Rawson Mortgage Revenue Bond	139,095	4.50%
Village of Rawson USDA Reserve	884	
Village of Rawson OPWC Loan	36,541	
Total	<u>\$662,520</u>	

The Village has entered into an agreement with United States Department of Agriculture Rural Development in the amount of \$683,000 in bonds. The bonds were used to extinguish an OWDA

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

loan the Village entered into for the construction of a waste water treatment facility. The Village has agreed to set utility rates sufficient to cover the mortgage revenue bond debt service requirements.

The USDA bond covenant requires the Village to establish and fund a sewer debt service reserve fund, which is included as an enterprise fund. The balance in the fund at December 31, 2014 is \$36,200.

The Village has entered into an intergovernmental agreement with the Villages of Rawson and Mt. Cory to pay back Mortgage Revenue Bonds for \$159,500 for the construction of a wastewater treatment facility. The facility has been built and is owned by the Village of Rawson. The facility will be leased to the Villages of Benton Ridge and Mt. Cory for a minimum of 40 years. The facility was built based on the aggregated population of the three villages, and the cost will be shared in proportion to their populations. The Village of Benton Ridge's share of the debt is 31% of the bond with an interest rate of 4.5%. In addition, the Village is responsible for the reserve balance requirement for their portion of the debt payment, \$8,838, payable over 10 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the mortgage revenue bond debt service requirements. The Village has entered into an intergovernmental agreement with the Villages of Rawson and Mt. Cory to pay back Ohio Public Works Commission Loan CT31B for \$277,350 for the construction of a wastewater treatment facility. The facility has been built and is owned by the Village of Rawson.

The facility will be leased to the Villages of Benton Ridge and Mt. Cory for a minimum of 40 years. The facility was built based on the aggregated population of the three villages, and the cost will be shared in proportion to their populations. The Village of Benton Ridge's share of the debt is 31% of this interest free loan. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

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

Year ending December 31:	USDA Mortgage Revenue Bond	Village of Rawson USDA Bond	Village of Rawson USDA Reserve	Village of Rawson OPWC Loan
2015	\$29,655	\$8,838	\$884	\$2,149
2016	30,273	8,838		4,299
2017	29,847	8,838		4,299
2018	29,422	8,838		4,299
2019	29,998	8,838		4,299
2020-2024	148,678	44,190		17,196
2025-2029	149,440	44,190		
2030-2034	148,930	44,190		
2035-2039	149,425	44,190		
2040-2043	99,670	26,377		
Total	<u>\$845,338</u>	<u>\$247,327</u>	<u>\$884</u>	<u>\$36,541</u>

**6. Retirement System**

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan's

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
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benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, 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, 2014.

**7. Risk Management**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 774 members as of December 31, 2012 and 2013 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2012 and 2013 (the latest information available).

	<u>2012</u>	<u>2013</u>
Assets	\$13,100,381	\$13,774,304
Liabilities	<u>(6,687,193)</u>	<u>(7,968,395)</u>
Members' Equity	<u>\$6,413,188</u>	<u>\$5,805,909</u>

You can read the complete audited financial statements for OPRM at the Plan's website,

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**NOTES TO THE FINANCIAL STATEMENTS  
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(Continued)**

[www.ohioplan.org](http://www.ohioplan.org).

**8. Interfund Transfers**

During 2013, the Capital Projects Fund made a transfer to the Sewer Fund for \$30,000. Prior to establishing the Sewer Fund in 2008, moneys collected for the sewer charges was posted to the Capital Projects Fund, so funds remaining in this fund after construction of the sewer project are from sewer collections. Since the Sewer Fund balance was running short with the delinquent accounts, the Capital Projects Fund subsidized the Sewer Fund.

**9. 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.

**10. Related Party Transactions**

One of the Council member's husband and son are employed by the Village and the Village paid them in both 2013 and 2014. The husband was paid \$6,318 and \$5,112, respectfully and the son was paid \$2,145 and \$2,250, respectfully.

**11. Miscellaneous Revenue**

In 2013, the General Fund miscellaneous receipts consisted of \$81,344 for an insurance claim from storm damage occurring on June 29, 2012.



# Dave Yost • Auditor of State

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

Village of Benton Ridge  
Hancock County  
P.O. Box 5  
Benton Ridge, Ohio 45816-0005

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 Benton Ridge, Hancock County, Ohio (the Village) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated June 18, 2015 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***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 opinion 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 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2014-001 described in the accompanying schedule of 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*.

***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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 18, 2015

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2014-001**

**Material Weakness - Monitoring Village Financial Activity**

Various transactions were improperly classified in 2014 and 2013 due to insufficient monitoring by management. The financial statements have been adjusted to reflect reclassifications as follows:

- The general fund balance at December 31, 2014 and 2013 was included with the following year's appropriation meaning the fund balance should have been classified as assigned instead of unassigned in the amount of \$24,317 and \$29,700, respectfully.
- Local government and rollback and homestead were posted to property taxes in the general fund instead of intergovernmental receipts in the amount of \$2,738 in 2014.
- Park grants were posted as miscellaneous receipts instead of intergovernmental receipts in the park fund in the amount of \$34,038 and \$3,000 in 2014 and 2013, respectfully.
- Park grants and player fees were posted as miscellaneous receipts instead of charges for services receipts in the park fund in the amount of \$3,352 and \$3,191 in 2014 and 2013, respectfully.
- Principal payments were posted as interest in the sewer fund in the amount of \$16,651 and \$15,544 in 2014 and 2013, respectfully.
- In the general fund in 2013, miscellaneous receipts were decreased in the amount of \$2,038 and general government disbursements were increased in the amount of \$80, resulting in a decrease in ending fund balance in the amount of \$2,118.
- In the park fund in 2013, transportation disbursements were decreased in the amount of \$1,074, resulting in an increase in ending fund balance in the amount of \$1,074.
- In the sewer fund in 2013, charges for services receipts and personal services disbursements were increased in the amount of \$1,575 and \$222 respectfully, resulting in an increase in ending fund balance in the amount of \$1,353.
- The January 1, 2014 balance for the general, park, and sewer funds were adjusted in the amount of (\$2,427), \$1,074, and \$1,353, respectfully.

Accurate financial reporting is the responsibility of the Clerk-Treasurer and Village Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. To ensure the Village's financial statements and notes to the financial statements are complete and accurate, we recommend the Clerk-Treasurer post all transactions in accordance with the guidance provided in the Ohio Village Officers' Handbook issued by the Auditor of State, and Council adopt procedures for reviewing the financial statements for accuracy.

**Officials' Response:**

We did not receive a response from Officials to this finding.

**VILLAGE OF BENTON RIDGE  
HANCOCK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2014 AND 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2012-001	<b>Ohio Rev. Code § 5705.41(D)</b> for improper certification of funds.	Yes	
2012-002	Material weakness due to lack of monitoring of financial activity.	No	Not corrected and reissued as Finding 2014-001 in this report.



# Dave Yost • Auditor of State

VILLAGE OF BENTON RIDGE

HANCOCK 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  
JULY 7, 2015