

**VILLAGE OF RIPLEY  
BROWN COUNTY, OHIO**

***BASIC FINANCIAL STATEMENTS  
(AUDITED)***

FOR THE YEARS ENDED DECEMBER  
31, 2016 AND 2015

**MARY WOOLLARD, FISCAL OFFICER**





# Dave Yost • Auditor of State

Village Council  
Village of Ripley  
120 Waterworks Road  
Ripley, Ohio 45167

We have reviewed the *Independent Auditor's Report* of the Village of Ripley, Brown County, prepared by Lindholm + Company, for the audit period January 1, 2015 through December 31, 2016. 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 Ripley is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

September 13, 2017

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**VILLAGE OF RIPLEY  
BROWN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2016 .....	3
Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Proprietary and Fiduciary Fund Types For the Year Ended December 31, 2016 .....	4
Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2015 .....	5
Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Proprietary and Fiduciary Fund Types For the Year Ended December 31, 2015 .....	6
Notes to the Basic Financial Statements .....	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	15
Schedule of Findings .....	17
Schedule of Prior Audit Findings .....	18

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## *Independent Auditor's Report*

Village of Ripley  
Brown County  
120 Waterworks Road  
Ripley, Ohio 45167

To the Village Council:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Village of Ripley, Brown County, Ohio (the Village) as of and for the years ended December 31, 2016 and 2015.

#### ***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 express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village of Ripley on the basis of accounting practices prescribed or permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 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 each fund of the Village as of December 31, 2016 and 2015, or changes in financial position or cash flows thereof for the year 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 Ripley, Brown County as of December 31, 2016 and 2015, and their respective cash receipts and disbursements for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) as described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2017 on our consideration of the Village of Ripley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 of Ripley's internal control over financial reporting and compliance.

LINDHOLM + COMPANY

Lindholm + Company  
Worthington, Ohio

June 27, 2017



**VILLAGE OF RIPLEY  
BROWN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 20,950	\$ 139,784	\$ -	\$ 160,734
Municipal Income Taxes	222,044	-	-	222,044
Intergovernmental	19,485	107,179	-	126,664
Revenue in Lieu of Taxes	513	-	-	513
Charges for Services	24,341	53,800	1,299	79,440
Fines, Licenses, and Permits	58,183	941	-	59,124
Earnings on Investments	13,401	117	58	13,576
Miscellaneous	31,948	20,691	-	52,639
	<u>390,865</u>	<u>322,512</u>	<u>1,357</u>	<u>714,734</u>
<i>Total Cash Receipts</i>				
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	287,710	143,563	-	431,273
Public Health Services	2,500	10,628	-	13,128
Transportation	5,878	130,848	-	136,726
General Government	80,345	-	-	80,345
Capital Outlay	16,260	-	-	16,260
	<u>392,693</u>	<u>285,039</u>	<u>-</u>	<u>677,732</u>
<i>Total Cash Disbursements</i>				
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,828)</u>	<u>37,473</u>	<u>1,357</u>	<u>37,002</u>
<i>Net Change in Fund Cash Balances</i>	(1,828)	37,473	1,357	37,002
<i>Fund Cash Balances, January 1</i>	<u>97,440</u>	<u>380,478</u>	<u>168,587</u>	<u>646,505</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	11,369	-	169,944	181,313
Restricted	-	417,951	-	417,951
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	84,243	-	-	84,243
	<u>95,612</u>	<u>417,951</u>	<u>169,944</u>	<u>683,507</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 95,612</u>	<u>\$ 417,951</u>	<u>\$ 169,944</u>	<u>\$ 683,507</u>

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

**VILLAGE OF RIPLEY  
BROWN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 2,528,904	\$ -	\$ 2,528,904
<i>Total Operating Cash Receipts</i>	<u>2,528,904</u>	<u>-</u>	<u>2,528,904</u>
<b>Operating Cash Disbursements</b>			
Personal Services	396,715	-	396,715
Fringe Benefits	119,033	-	119,033
Contractual Services	1,412,909	-	1,412,909
Supplies and Materials	229,700	-	229,700
Other	45,759	-	45,759
<i>Total Operating Cash Disbursements</i>	<u>2,204,116</u>	<u>-</u>	<u>2,204,116</u>
<i>Operating Income (Loss)</i>	<u>324,788</u>	<u>-</u>	<u>324,788</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Capital Outlay	(159,398)	-	(159,398)
Principal Retirement	(277,627)	-	(277,627)
Interest and Other Fiscal Charges	(50,159)	-	(50,159)
Other Financing Sources	-	52,968	52,968
Other Financing Uses	-	(52,968)	(52,968)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(487,184)</u>	<u>-</u>	<u>(487,184)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(162,396)	-	(162,396)
Capital Contributions	157,842	-	157,842
<i>Net Change in Fund Cash Balances</i>	(4,554)	-	(4,554)
<i>Fund Cash Balances, January 1</i>	<u>2,062,341</u>	<u>4,004</u>	<u>2,066,345</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,057,787</u>	<u>\$ 4,004</u>	<u>\$ 2,061,791</u>

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

**VILLAGE OF RIPLEY  
BROWN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 25,261	\$ 96,748	\$ -	\$ 122,009
Municipal Income Tax	234,553	-	-	234,553
Intergovernmental	16,915	102,465	-	119,380
Charges for Services	22,577	58,875	1,900	83,352
Fines, Licenses and Permits	55,176	25	-	55,201
Earnings on Investments	13,418	945	56	14,419
Miscellaneous	12,102	58,446	-	70,548
<i>Total Cash Receipts</i>	<u>381,494</u>	<u>317,504</u>	<u>1,956</u>	<u>700,954</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	290,223	120,755	-	410,978
Public Health Services	2,206	11,812	-	14,018
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	13,383	166,350	-	179,733
General Government	88,050	-	-	88,050
Capital Outlay	24,955	-	-	24,955
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<i>Total Cash Disbursements</i>	<u>418,817</u>	<u>298,917</u>	<u>-</u>	<u>717,734</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(37,323)</u>	<u>18,587</u>	<u>1,956</u>	<u>(16,780)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	851	0	0	851
Other Financing Sources	250	-	-	250
Other Financing Uses	(222)	-	-	(222)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>879</u>	<u>-</u>	<u>-</u>	<u>879</u>
<i>Net Change in Fund Cash Balances</i>	<u>(36,444)</u>	<u>18,587</u>	<u>1,956</u>	<u>(15,901)</u>
<i>Fund Cash Balances, January 1</i>	<u>133,884</u>	<u>361,891</u>	<u>166,631</u>	<u>662,406</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	11,369	-	-	11,369
Restricted	-	380,478	168,587	549,065
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	86,071	-	-	86,071
<i>Fund Cash Balances, December 31</i>	<u>\$ 97,440</u>	<u>\$ 380,478</u>	<u>\$ 168,587</u>	<u>\$ 646,505</u>

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

**VILLAGE OF RIPLEY  
BROWN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 2,613,618	\$ -	\$ 2,613,618
<i>Total Operating Cash Receipts</i>	<u>2,613,618</u>	<u>-</u>	<u>2,613,618</u>
<b>Operating Cash Disbursements</b>			
Personal Services	426,353	-	426,353
Fringe Benefits	129,552	-	129,552
Contractual Services	1,472,274	-	1,472,274
Supplies and Materials	195,822	-	195,822
Claims	-	-	-
Other	50,822	-	50,822
<i>Total Operating Cash Disbursements</i>	<u>2,274,823</u>	<u>-</u>	<u>2,274,823</u>
<i>Operating Income (Loss)</i>	<u>338,795</u>	<u>-</u>	<u>338,795</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Capital Outlay	(93,265)	-	(93,265)
Principal Retirement	(269,802)	-	(269,802)
Interest and Other Fiscal Charges	(51,994)	-	(51,994)
Other Financing Sources	-	45,497	45,497
Other Financing Uses	-	(45,497)	(45,497)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(415,061)</u>	<u>-</u>	<u>(415,061)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(76,266)	-	(76,266)
Capital Contributions	-	-	-
<i>Net Change in Fund Cash Balances</i>	(76,266)	-	(76,266)
<i>Fund Cash Balances, January 1</i>	<u>2,138,607</u>	<u>4,004</u>	<u>2,142,611</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,062,341</u>	<u>\$ 4,004</u>	<u>\$ 2,066,345</u>

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

**VILLAGE OF RIPLEY  
BROWN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Ripley, Brown County, (the Village) as a body corporate and politic. A publicly elected six- member Council directs the Village. The Village provides various services including police protection, park operations, and water and sewer utilities.

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

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***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.

***Voted Fire Levy Fund*** This fund received property tax from a levy to provide fire services to the village.

***Permanent Funds*** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

***Perpetual Care Fund*** This fund receives a portion of the monies from collections for the sale of lots. Interest monies earned are to be used for maintenance and care of the Cemetery premises and are credited directly to the Cemetery fund for this purpose.

**VILLAGE OF RIPLEY  
BROWN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**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** The water fund receives charges for services from residents to cover water service costs.

**Sewer Fund** The sewer fund receives charges for services from residents to cover sewer service costs.

**Electric Fund** The electric fund receives charges for electrical services provided to residents to cover the cost of providing the utility.

**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.

The Village has no private purpose trust funds.

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, which receives monies collected on fines imposed from tickets issued by the Village's police protection force.

***Basis of Accounting***

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.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**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 approve estimated resources.

**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. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2016 and 2015 budgetary activity appears in Note 3.

**VILLAGE OF RIPLEY  
BROWN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

**Note 2 - Summary of Significant Accounting Policies(Continued)**

***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.

***Capital Assets***

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

***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.

***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:

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

***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.

***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.

***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.

***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.

**VILLAGE OF RIPLEY  
BROWN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$387,001	\$390,865	\$3,864
Special Revenue	306,120	322,512	16,392
Enterprise	3,299,077	2,528,904	(770,173)
Permanent	2,000	1,357	(643)
Total	\$3,994,198	\$3,243,638	(\$750,560)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$566,381	\$392,693	\$173,688
Special Revenue	588,938	285,039	303,899
Enterprise	4,517,197	2,691,300	1,825,897
Permanent	600	0	600
Total	\$5,673,116	\$3,369,032	\$2,304,084

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$440,417	\$381,494	(\$58,923)
Special Revenue	325,212	317,504	(7,708)
Enterprise	3,250,007	2,613,618	(636,389)
Permanent	600	1,956	1,356
Total	\$4,016,236	\$3,314,572	(\$701,664)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$562,042	\$418,903	\$143,139
Special Revenue	589,945	298,917	291,028
Enterprise	4,674,408	2,690,021	1,984,387
Permanent	600	0	600
Total	\$5,826,995	\$3,407,841	\$2,419,154



**VILLAGE OF RIPLEY  
BROWN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

**Note 4 – 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 at December 31 was as follows:

	2016	2015
Demand Deposits	\$1,499,724	\$1,455,907
Certificates of deposit	1,256,069	1,256,069
Total deposits	2,755,793	2,711,976
Common stock	874	874
Total investments	874	874
Total deposits and investments	\$2,756,667	\$2,712,850

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution’s public entity deposit pool.

**Investments:** For December 31, 2016 and 2015, the Village held investments of stock. Shares of Procter and Gamble Common Stock were donated to the Village in 1967. The Village carries this stock on their records at \$874, which is the fair market value on the date of donation.

**Note 5 – Taxes**

***Property Taxes***

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.

***Local Income Taxes***

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

The Village utilizes the Regional Income Tax Agency (R.I.T.A.) for the administration and collection of all Village Income tax.

**VILLAGE OF RIPLEY  
BROWN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

**Note 6 – Risk Management**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Inland Marine;
- Vehicles and Equipment;
- Errors and Omissions;
- Umbrella for Volunteer Fireman’s Insurance

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Village has 20 employees that 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. 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, 2016.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2016</i>	<i>10%</i>	<i>14%</i>

***Ohio Police and Fire Retirement System***

The Village’s certified full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans’ benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2016 OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members’ wages. The Village has paid all contributions required through December 31, 2016.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OP&amp;F- full time police</i>	<i>January 1, 2016- December 31, 2016</i>	<i>12.25%</i>	<i>19.5%</i>

**Note 8 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

**VILLAGE OF RIPLEY  
BROWN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

**Note 9 - Debt**

Debt outstanding at December 31, 2016 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans	\$4,158,253	0 - 3.9%
Garbage Truck Loan	9,631	3.50%
Ohio Public Works Commission Loans	<u>325,474</u>	0%
Total	<u><u>\$4,493,359</u></u>	

May 25, 2006, the Village obtained a loan from OWDA in the amount of \$2,783,574 for a wastewater treatment plant project (Loan Number 4539). The loan is for 20 years due in semi-annual installments on January 1 and July 1, with no interest. As of December 31, 2016, \$2,766,463 of the loan has been utilized.

January 26, 2006, the Village obtained a loan from OWDA in the amount of \$3,025,745 for a water treatment plant replacement project (Loan Number 4438). The loan is for 30 years due in semi-annual installments on January 1 and July 1, bearing interest at 1.5%. As of December 31, 2016, the total amount of the loan has been utilized.

May 31, 2007, the Village obtained a loan from OWDA in the amount of \$564,225 for water system improvements project (Loan Number 4753). The loan is for 30 years due in semi-annual installments on January 1 and July 1, bearing interest of 1.50%. As of December 31, 2016, \$213,519 of the loan has been utilized. OWDA began retiring loan 4753 in 2009 before any substantial disbursements had been made on the Village's behalf. At December 31, 2016, this loan had a balance of \$86,879.13.

July 26, 2007, the Village obtained a loan from OWDA in the amount of \$191,413 for a water treatment plant replacement project (Loan Number 4752). This loan is for 30 years due in semi-annual installments on January 1 and July 1, bearing interest at 3.97%. As of December 31, 2016, the total amount of the loan has been utilized.

March 25, 2010, the Village obtained a loan from OWDA in the amount of \$160,750 for a sewer extension project (Loan Number 5634). The loan is for 30 years due in semi-annual installments on January 1 and July 1, bearing interest at 1.50%. As of December 31, 2016, the total amount of the loan has been utilized.

The Village had two OPWC loans outstanding at December 31, 2016. Loan CT43I, obtained in 2009 in the amount of \$410,119, was used for the replacement of the wastewater treatment plant. Loan CT45L, obtained in 2012 in the amount of \$67,960, was used for the Eagle Creek sewer extension project.

August 14, 2012, the Village obtained a bond from First State Bank in the amount of \$60,000 in order to partially finance the purchase of a Trash Compactor Vehicle. The term of the Bond is 5 years, bearing an interest rate of 3.5%. Payments are due quarterly and principal retirement begun in December of 2012.

**VILLAGE OF RIPLEY  
BROWN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

*Amortization*

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

Year ending December 31:	OWDA Loans	OPWC Loans	Garbage Truck Loan
2017	221,669	22,771	9,910
2018	221,669	22,771	0
2019	221,669	22,771	0
2020	221,669	22,771	0
2021-2025	1,108,343	113,855	0
2026-2030	1,110,100	93,350	0
2031-2035	833,454	11,327	0
2036-2040	387,801	11,327	0
2041-2042	0	4,531	0
Total	<u>\$4,326,374</u>	<u>\$325,474</u>	<u>\$9,910</u>



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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**

Village of Ripley  
Brown County  
107 West Main Street  
Ripley, Ohio 45176

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Village of Ripley as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise Village of Ripley's basic financial statements, and have issued our report thereon dated June 27, 2017, 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***

In planning and performing our audit of the financial statements, we considered Village of Ripley's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Ripley's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Ripley's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings to be a material weakness.

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, 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.

### **Village of Ripley's Response to Findings**

Village of Ripley's response to the findings identified in our audit are described in the accompanying schedule of findings. Village of Ripley's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**LINDHOLM + COMPANY**

Worthington, Ohio

June 27, 2017

**VILLAGE OF RIPLEY  
BROWN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2016-001**

**Material Weakness**

Governments are required to maintain an accounting system and accounting records sufficient to identify, assemble, analyze, classify and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

We noted the following conditions related to the Village's accounting system:

- The Fund balances of the General fund at December 31, 2015 were not accurately classified; the unassigned fund balance was overstated by \$18,818 and nonspendable and assigned fund balances were understated by \$11,369 and \$7,449, respectively.
- The Fund balances of the General fund at December 31, 2016 were not accurately classified; the unassigned fund balance was overstated by \$15,002 and nonspendable and assigned fund balances were understated by \$11,369 and \$3,633, respectively.
- The kilowatt tax receipts were incorrectly posted as miscellaneous receipts instead of other local taxes in the Street Fund in the amounts of \$57,449 and \$60,150 in 2015 and 2016, respectively.
- The Mayors court activity was not included within the financial statements. This resulted in the other financing sources and other financing uses being understated by \$45,497 in the Mayor's Court fund in 2015. In 2016, this resulted in the other financing sources and other financing uses being understated by \$52,968.

The Village corrected the financial statements and accounting records, where appropriate.

We also noted the following conditions related to the Village's accounting system where no adjustments or reclassifications were made to the Village's financial statements.

- The Village recorded RITA income tax receipts at net instead of gross. This resulted in General Fund income tax receipts and general government disbursements to be understated by \$1,488 and \$2,166 in 2015 and 2016, respectively
- Principal and interest payments were incorrectly posted as other disbursements in the Trash fund in the amount of \$13,050 in 2015 and in the amount of \$13,051 in 2016.

Failure to accurately post and report transactions could result in material errors in the Village's financial statements and reduces the Village's ability to monitor financial activity and to make sound decisions which effect the overall available cash positions of the Village.

We recommend that the Village accurately record financial transactions.

**Officials' Response:**

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

**VILLAGE OF RIPLEY  
BROWN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2016 AND 2015**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2014-001	Several adjustments and reclassifications made to the financial statements.	No	Repeated as Finding 2016-001
2014-002	Several errors were noted for utility billings.	Yes	Corrected





# Dave Yost • Auditor of State

VILLAGE OF RIPLEY

BROWN 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  
SEPTEMBER 26, 2017