



OHIO AUDITOR OF STATE  
**KEITH FABER**





**VILLAGE OF RIPLEY  
BROWN COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Village of Ripley  
Brown County  
123 Water Works 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 for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Ripley, Brown County, Ohio (the Village).

### ***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(C) 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 such 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 opinions.

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

As described in Note 2 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(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), 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(C) permit. Our opinion on this accounting basis 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, 2020 and 2019, and the respective 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 cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2025, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio  
February 11, 2025

**Village of Ripley, Ohio**  
*Brown County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2020*

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$20,765	\$195,931	\$0	\$216,696
Municipal Income Tax	230,170	0	0	230,170
Intergovernmental	19,991	371,527	0	391,518
Charges for Services	8,000	68,380	0	76,380
Fines, Licenses and Permits	90,204	1,026	0	91,230
Earnings on Investments	15,885	0	13	15,898
Miscellaneous	81,146	72,247	0	153,393
<i>Total Cash Receipts</i>	<u>466,161</u>	<u>709,111</u>	<u>13</u>	<u>1,175,285</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	305,359	387,638	0	692,997
Public Health Services	5,912	12,500	0	18,412
Transportation	7,235	196,639	0	203,874
General Government	90,029	5,797	0	95,826
Capital Outlay	70,599	0	0	70,599
Debt Service:				
Principal Retirement	52,402	15,037	0	67,439
Interest and Fiscal Charges	13,083	4,428	0	17,511
<i>Total Cash Disbursements</i>	<u>544,619</u>	<u>622,039</u>	<u>0</u>	<u>1,166,658</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(78,458)</u>	<u>87,072</u>	<u>13</u>	<u>8,627</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	304	472	0	776
Transfers In	30,000	0	0	30,000
Transfers Out	(30,000)	0	0	(30,000)
Other Financing Sources	26,899	16,362	0	43,261
Other Financing Uses	0	(61,190)	0	(61,190)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>27,203</u>	<u>(44,356)</u>	<u>0</u>	<u>(17,153)</u>
Special Item	200	0	0	200
<i>Net Change in Fund Cash Balances</i>	<u>(51,055)</u>	<u>42,716</u>	<u>13</u>	<u>(8,326)</u>
<i>Fund Cash Balances, January 1</i>	<u>156,706</u>	<u>517,173</u>	<u>170,440</u>	<u>844,319</u>
<i>Fund Cash Balances, December 31</i>	<u>\$105,651</u>	<u>\$559,889</u>	<u>\$170,453</u>	<u>\$835,993</u>

*See accompanying notes to the basic financial statements*

**Village of Ripley, Ohio**  
*Brown County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Proprietary Fund Types*  
*For the Year Ended December 31, 2020*

	Proprietary Fund Types	Totals
	Enterprise	(Memorandum Only)
<b>Operating Cash Receipts</b>		
Charges for Services	\$2,664,072	\$2,664,072
Miscellaneous	23,343	23,343
<i>Total Operating Cash Receipts</i>	<u>2,687,415</u>	<u>2,687,415</u>
<b>Operating Cash Disbursements</b>		
Personal Services	392,682	392,682
Employee Fringe Benefits	134,244	134,244
Contractual Services	1,321,723	1,321,723
Supplies and Materials	200,719	200,719
Other	28,487	28,487
<i>Total Operating Cash Disbursements</i>	<u>2,077,855</u>	<u>2,077,855</u>
<i>Operating Income (Loss)</i>	<u>609,560</u>	<u>609,560</u>
<b>Non-Operating Receipts (Disbursements)</b>		
Intergovernmental	396	396
Loans Issued	3,393	3,393
Capital Outlay	(20,703)	(20,703)
Principal Retirement	(294,777)	(294,777)
Interest and Other Fiscal Charges	(42,805)	(42,805)
Other Financing Sources	92,829	92,829
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(261,667)</u>	<u>(261,667)</u>
<i>Income (Loss) before Transfers</i>	347,893	347,893
Transfers In	90,000	90,000
Transfers Out	(90,000)	(90,000)
<i>Net Change in Fund Cash Balances</i>	347,893	347,893
<i>Fund Cash Balances, January 1</i>	<u>677,803</u>	<u>677,803</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,025,696</u>	<u>\$1,025,696</u>

*See accompanying notes to the basic financial statements*



**Village of Ripley, Ohio***Brown County**Combined Statement of Additions, Deductions  
and Changes in Fund Balances (Regulatory Cash Basis)**All Fiduciary Fund Types**For the Year Ended December 31, 2020*

	Fiduciary Fund Types	Totals
	Custodial	
	Mayor's Court	(Memorandum Only)
<b>Additions</b>		
Fines, Licenses and Permits for Distribution	100,464	100,464
<i>Total Additions</i>	100,464	100,464
<b>Deductions</b>		
Distributions as Fiscal Agent	100,436	100,436
<i>Total Deductions</i>	100,436	100,436
<i>Net Change in Fund Balances</i>	28	28
<i>Fund Cash Balances, January 1</i>	0	0
<i>Fund Cash Balances, December 31</i>	\$28	\$28

*See accompanying notes to the basic financial statements*

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**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The Village of Ripley (the Village), Brown County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water utilities, street maintenance and repair, and police services.

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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are all organized on a 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*** The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Fire Fund*** The fire fund reports and accounts for the receipt of property tax monies from a levy to provide fire services to the Village.

***Coronavirus Relief Fund*** The Coronavirus Relief fund accounts for and reports relief money for the purpose of covering emergency expenses.

***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:

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Water Fund** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Sewer Fund** The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

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

**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 Village's programs (for the benefit of the Village 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.

**Fiduciary Funds** Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayor's Court. Mayor's Court receives monies from collections of fines imposed from tickets issued by the Village's police protection force. The funds collected, are in part, on behalf of the State of Ohio.

***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 (C). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain custodial 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.

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**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 2020 budgetary activity appears in Note 4.

***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.

***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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

***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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***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

**Village of Ripley, Ohio**  
*Brown County*  
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*For the Year Ended December 31, 2020*

amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

**Note 3 - Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund by \$574,619, Special Revenue funds by \$536,478 and Enterprise funds by \$2,496,140 for the year ended December 31, 2020 due to no appropriation resolution being approved by Council during the year or filed with the County Budget Commission, except for the Coronavirus Relief fund.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$498,113	\$523,564	\$25,451
Special Revenue	547,752	725,945	178,193
Enterprise	2,518,300	2,844,033	325,733
Permanent	70	13	(57)
Total	<u>\$3,564,235</u>	<u>\$4,093,555</u>	<u>\$529,320</u>

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$574,619	(\$574,619)
Special Revenue	146,751	683,229	(536,478)
Enterprise	0	2,496,140	(2,496,140)
Permanent	0	0	0
Total	<u>\$146,751</u>	<u>\$3,753,988</u>	<u>(\$3,607,237)</u>

**Note 5 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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	<u>2020</u>
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$806,200
Certificates of deposit	<u>600,000</u>
Total deposits	<u>1,406,200</u>
STAR Ohio	<u>455,517</u>
Total investments	<u>455,517</u>
 Total Deposits and Investments	 <u>\$1,861,717</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings.

***Deposits***

Deposits are collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**Note 6 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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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 (RITA) for the administration and collection of all Village Income Tax.

**Note 7 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Commercial Insurance***

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

Settlements have not exceeded coverage in any of the last three years and coverage limits have not changed significantly since the prior period.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Village 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

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

The Village's certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.



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The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2020.

**Note 9 – 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. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

**Note 10 – Debt**

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>
Ohio Public Works Commission - CT43I	\$194,806
Ohio Public Works Commission - CT45L	\$49,838
Ohio Water Development Authority Loan #4753	\$368,317
Ohio Water Development Authority Loan #4752	\$140,184
Ohio Water Development Authority Loan #5634	\$114,946
Ohio Water Development Authority Loan #4438	\$1,878,806
Ohio Water Development Authority Loan #4539	\$968,262
Ohio Water Development Authority Loan #7585	\$46,033
Ohio Water Development Authority Loan #7875	\$104,112
First State Bank Fire Truck Acquisition Bond	\$223,173
First State Bank Roof Loan #6828	133,985
Total	<u><u>\$4,222,462</u></u>

The Ohio Public Works Commission (OPWC) Loan CT43I relates to a Wastewater Treatment Plant Replacement Project. The loan will be repaid in semi-annual installments at 0.00% interest over 20 years. The loan matures in 2029 with semi-annual installments of \$10,253.

The OPWC Loan CT45L relates to the Eagle Creek Sewer Extension Project. The loan will be repaid in semi-annual installments at 0.00% interest over 30 years. The loan matures in 2042 with semi-annual installments of \$1,133.

The Ohio Water Development Authority (OWDA) Loan #4753 relates to a water system improvement project. The loan will be repaid in semi-annual installments at 1.50% interest over 21 years. The loan matures in 2038 with semi-annual installments of \$11,712.

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The OWDA Loan #4752 relates to a Water Treatment Plant Replacement. The loan will be repaid in semiannual installments at 3.97% interest over 29 years. The loan matures in 2038 with semi-annual installments of \$5,487.

The OWDA Loan #5634 relates to a Sewer Extension. The loan will be repaid in semi-annual installments at 1.50% interest over 28 years. The loan matures in 2040 with semi-annual installments of \$3,337.

The OWDA Loan #4438 relates to a Water Treatment Plant Replacement. The loan will be repaid in semiannual installments at 1.50% interest over 30 years. The loan matures in 2037 with semi-annual installments of \$62,809.

The OWDA Loan #4539 relates to a Waste Water Treatment Plant Improvement. The loan will be repaid in semi-annual installments at 0.00% interest over 12 years. The loan matures in 2027 with semi-annual installments of \$69,162.

The OWDA Loan #7585 relates to a Wells and Raw Water Main Project. The loan will be repaid at a 0.56% interest rate over 5 years. The loan matures in 2024. The loans amortization schedule has not yet been released by OWDA.

The OWDA Loan #7875 relates to the Water Main and Tank Replacement Planning. The loan will be repaid at a 3.06% interest rate over 5 years. The loan matures in 2023. The loans amortization schedule has not yet been released by OWDA.

The First State Bank Fire Truck Acquisition Bond # 16195 relates to the acquisition of a new fire truck. The loan will be repaid in semi-annual installments at 3.750 % interest over 10 years. The bond matures in 2027 with semi-annual installments totaling \$457,359.

The First State Bank Roof Loan relates to a loan for a new roof. The loan will be repaid in installments of \$37,880, over 5 years with a principal amount of \$163,659 and an interest rate of 5.00%.

***Amortization***

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

Year Ending December 31:	OPWC	OWDA Loan	Fire Truck Acquisition	Roof Loan
2021	\$22,771	\$318,314	\$47,090	\$37,880
2022	22,771	318,314	45,918	37,880
2023	22,771	318,314	44,704	37,880
2024	22,771	311,664	43,444	37,880
2025	22,771	305,014	42,134	
2026-2030	103,603	1,110,100	60,639	
2031-2035	11,327	833,454		
2036-2040	11,327	387,801		
2041-2045	4,531			
Total	<u>\$244,643</u>	<u>\$3,902,975</u>	<u>\$283,929</u>	<u>\$151,520</u>

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 11 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Village had none of the above fund balances.

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. The Village did not have any outstanding encumbrances.

**Note 12 - USDA Revolving Loan Program**

The Village administers a USDA Revolving Loan Program. The USDA provided funding to the Village which is then loaned out to small businesses within the Village through an application process. The following loans were outstanding as of December 31, 2020:

Poole's Subway	\$7,645.17
David Poole	\$15,107.62
RRR20 LLC	\$24,810.58
Campbell's Auction Gallery	\$17,793.26
Mecca Media LLC	\$6,981.88
The Village Ride LLC	\$2,980.34

**Note 13 – Contingent Liabilities**

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village's financial condition.

**Note 14 – Change in Accounting Principle**

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types. There was no effect on the beginning fund balance.

**Note 15 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding of \$188,073. Of the amounts received, \$29,763 was sub-granted to other governments and organizations (Ripley Life Squad). The money was used for multiple different departments within the Village.

**Village of Ripley, Ohio***Brown County**Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2019*

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$20,740	\$199,560	\$0	\$220,300
Municipal Income Tax	257,923	0	0	257,923
Intergovernmental	20,757	363,933	0	384,690
Charges for Services	1,000	58,725	0	59,725
Fines, Licenses and Permits	109,909	877	0	110,786
Earnings on Investments	15,015	193	64	15,272
Miscellaneous	85,151	18,858	0	104,009
<i>Total Cash Receipts</i>	<u>510,495</u>	<u>642,146</u>	<u>64</u>	<u>1,152,705</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	311,211	242,150	0	553,361
Public Health Services	5,000	15,938	0	20,938
Community Environment	82	0	0	82
Transportation	1,985	157,489	0	159,474
General Government	77,069	0	0	77,069
Capital Outlay	29,110	0	0	29,110
Debt Service:				
Principal Retirement	15,497	160,211	0	175,708
Interest and Fiscal Charges	716	10,260	0	10,976
<i>Total Cash Disbursements</i>	<u>440,670</u>	<u>586,048</u>	<u>0</u>	<u>1,026,718</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>69,825</u>	<u>56,098</u>	<u>64</u>	<u>125,987</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	6,099	0	0	6,099
Transfers Out	(4,000)	0	0	(4,000)
Other Financing Sources	5,242	33,189	0	38,431
Other Financing Uses	(498)	(10,707)	0	(11,205)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>6,843</u>	<u>22,482</u>	<u>0</u>	<u>29,325</u>
<i>Net Change in Fund Cash Balances</i>	<u>76,668</u>	<u>78,580</u>	<u>64</u>	<u>155,312</u>
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>80,038</u>	<u>438,593</u>	<u>170,376</u>	<u>689,007</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	0	0	170,440	170,440
Restricted	0	517,173	0	517,173
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	156,706	0	0	156,706
<i>Fund Cash Balances, December 31</i>	<u>\$156,706</u>	<u>\$517,173</u>	<u>\$170,440</u>	<u>\$844,319</u>

*See accompanying notes to the basic financial statements*

**Village of Ripley, Ohio***Brown County**Combined Statement of Receipts, Disbursements**and Changes in Fund Balances (Regulatory Cash Basis)**All Proprietary and Fiduciary Fund Types**For the Year Ended December 31, 2019*

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$2,488,373	\$0	\$2,488,373
Fines, Licenses and Permits	0	127,554	127,554
Miscellaneous	13,888	0	13,888
<i>Total Operating Cash Receipts</i>	<i>2,502,261</i>	<i>127,554</i>	<i>2,629,815</i>
<b>Operating Cash Disbursements</b>			
Personal Services	525,537	0	525,537
Employee Fringe Benefits	240,964	0	240,964
Contractual Services	1,461,327	0	1,461,327
Supplies and Materials	272,169	0	272,169
Other	31,901	131,558	163,459
<i>Total Operating Cash Disbursements</i>	<i>2,531,898</i>	<i>131,558</i>	<i>2,663,456</i>
<i>Operating Income (Loss)</i>	<i>(29,637)</i>	<i>(4,004)</i>	<i>(33,641)</i>
<b>Non-Operating Receipts (Disbursements)</b>			
Intergovernmental	169	0	169
Loans Issued	6,545	0	6,545
Miscellaneous Receipts	35,000	0	35,000
Capital Outlay	(263,201)	0	(263,201)
Principal Retirement	(297,448)	0	(297,448)
Interest and Other Fiscal Charges	(44,644)	0	(44,644)
Other Financing Sources	4,060	0	4,060
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(559,519)</i>	<i>0</i>	<i>(559,519)</i>
<i>Income (Loss) before Transfers</i>	<i>(589,156)</i>	<i>(4,004)</i>	<i>(593,160)</i>
Transfers In	4,000	0	4,000
<i>Net Change in Fund Cash Balances</i>	<i>(585,156)</i>	<i>(4,004)</i>	<i>(589,160)</i>
<i>Fund Cash Balances, January 1 (Restated)</i>	<i>1,262,959</i>	<i>4,004</i>	<i>1,266,963</i>
<i>Fund Cash Balances, December 31</i>	<i>\$677,803</i>	<i>\$0</i>	<i>\$677,803</i>

*See accompanying notes to the basic financial statements*

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The Village of Ripley (the Village), Brown County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water utilities, street maintenance and repair, and police services.

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 a 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*** The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Fire Fund*** The fire fund reports and accounts for the receipt of property tax monies from a levy to provide fire services to the Village.

***State Grant Fund*** The State Grant fund accounts for and reports grants for the purpose of repaying debt service.

***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:

***Water Fund*** The water fund accounts for the provision of water services to the residents and commercial users within the Village.

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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***Sewer Fund*** The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

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

***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 Village's programs (for the benefit of the Village 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.

***Fiduciary Funds*** Fiduciary funds include custodial funds. The Village's custodial fund accounts for Mayor's Court. Mayor's Court receives monies from collections of fines imposed from tickets issued by the Village's police protection force. The funds collected, are in part, on behalf of the State of Ohio.

***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 (C). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund 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.

A summary of 2019 budgetary activity appears in Note 4.



**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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***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.

***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, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 3 - Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Cemetery fund by \$1,938, Fire fund by \$101,460, State Grant fund by \$131,500, Drug Law Enforcement fund by \$37, Sewer fund by \$205,082, Electric fund by \$68,893, Enterprise Improvement fund by \$6,914, Enterprise Improvement-Water fund by \$19,383 and Meter Deposit fund by \$2,951 for the year ended December 31, 2019.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$453,550	\$521,836	\$68,286
Special Revenue	378,500	675,335	296,835
Enterprise	2,737,000	2,552,035	(184,965)
Permanent	2,000	64	(1,936)
Total	<u>\$3,571,050</u>	<u>\$3,749,270</u>	<u>\$178,220</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$464,690	\$445,168	\$19,522
Special Revenue	370,300	596,755	(226,455)
Enterprise	2,894,200	3,137,191	(242,991)
Permanent	0	0	0
Total	<u>\$3,729,190</u>	<u>\$4,179,114</u>	<u>(\$449,924)</u>

**Note 5 – Deposits and Investments**

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:

	2019
Demand deposits	<u>\$466,053</u>
Certificates of deposit	<u>1,056,069</u>
Total deposits	<u>\$1,522,122</u>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 6 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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 (RITA) for the administration and collection of all Village Income Tax.

**Note 7 – 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

Settlements have not exceeded coverage in any of the last three years and coverage limits have not changed significantly since the prior period.

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Village's officials and employees except full-time police officers 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

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

The Village's full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

**Note 9 – 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 of both the traditional pension and combined plans. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

**Note 10 – Debt**

Debt outstanding at December 31, 2019, was as follows:

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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	<u>Principal</u>
Ohio Public Works Commission -CT43I	\$205,059
Ohio Public Works Commission -CT45L	\$50,970
Ohio Water Development Authority Loan #4753	\$386,018
Ohio Water Development Authority Loan #4752	\$145,435
Ohio Water Development Authority Loan #5634	\$119,840
Ohio Water Development Authority Loan #4438	\$1,975,158
Ohio Water Development Authority Loan #4539	\$1,106,585
Ohio Water Development Authority Loan #7585	\$59,021
Ohio Water Development Authority Loan #7875	\$108,603
First State Bank Fire Truck Acquisition Bond	\$252,971
First State Bank Police Cruiser Acquisition Bond	\$7,967
First State Bank Roof Loan #6828	163,659
Total	<u>\$4,581,286</u>

The Ohio Public Works Commission (OPWC) Loan CT43I relates to a Wastewater Treatment Plant Replacement Project. The loan will be repaid in semi-annual installments at 0.00% interest over 20 years. The loan matures in 2029 with semi-annual installments of \$10,253.

The OPWC Loan CT45L relates to the Eagle Creek Sewer Extension Project. The loan will be repaid in semi-annual installments at 0.00% interest over 30 years. The loan matures in 2042 with semi-annual installments of \$1,133.

The Ohio Water Development Authority (OWDA) Loan #4753 relates to a water system improvement project. The loan will be repaid in semi-annual installments at 1.50% interest over 21 years. The loan matures in 2038 with semi-annual installments of \$11,712.

The OWDA Loan #4752 relates to a Water Treatment Plant Replacement. The loan will be repaid in semiannual installments at 3.97% interest over 29 years. The loan matures in 2038 with semi-annual installments of \$5,487.

The OWDA Loan #5634 relates to a Sewer Extension. The loan will be repaid in semi-annual installments at 1.50% interest over 28 years. The loan matures in 2040 with semi-annual installments of \$3,337.

The OWDA Loan #4438 relates to a Water Treatment Plant Replacement. The loan will be repaid in semiannual installments at 1.50% interest over 30 years. The loan matures in 2037 with semi-annual installments of \$62,809.

The OWDA Loan #4539 relates to a Waste Water Treatment Plant Improvement. The loan will be repaid in semi-annual installments at 0.00% interest over 12 years. The loan matures in 2027 with semi-annual installments of \$69,162.

The OWDA Loan #7585 relates to a Wells and Raw Water Main Project. The loan will be repaid at a 0.56% interest rate over 5 years. The loans amortization schedule has not yet been released by OWDA and therefore is not included in the amortization table below.

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

The OWDA Loan #7875 relates to the Water Main and Tank Replacement Planning. The loan will be repaid at a 3.06% interest rate over 5 years. The loan matures in 2023. The loans amortization schedule has not yet been released by OWDA and therefore is not included in the amortization table below.

The First State Bank Fire Truck Acquisition Bond # 16195 relates to the acquisition of a new fire truck. The loan will be repaid in semi-annual installments at 3.750 % interest over 10 years. The bond matures in 2027 with semi-annual installments totaling \$457,359.

The First State Bank Police Cruiser Acquisition Bond # 16200 relates to the acquisition of two police cruisers. The bond will be repaid in 4 semi-annual installments at 3.750% interest over 2 years. The bond will be paid off in its full plus interest in the amount of \$33,933 on January 16, 2020.

The First State Bank Roof Loan relates to a loan for a new roof. The loan will be repaid in installments of \$37,880, over 5 years with a principal amount of \$163,659 and an interest rate of 5.00%.

***Amortization***

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

Year Ending December 31:	OPWC	OWDA Loan	Fire Truck Acquisition	Police Cruiser Acquisition	Roof Loan
2020	\$22,771	\$305,014	\$48,217	\$8,266	\$37,880
2021	22,771	305,014	47,090		37,880
2022	22,771	305,014	45,918		37,880
2023	22,771	305,014	44,704		37,880
2024	22,771	305,014	43,444		37,880
2025-2029	113,856	1,248,423	102,773		
2030-2034	11,327	833,454			
2035-2037	11,327	547,818			
2039-2043	5,664	6,674			
Total	<u>\$256,029</u>	<u>\$4,161,439</u>	<u>\$332,146</u>	<u>\$8,266</u>	<u>\$189,400</u>

**Note 11- Contingent Liabilities**

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village's financial condition.

**Note 12 – Transfers**

In 2019 the Village transferred \$4,000 from the General Fund to the Garbage Fund to supplement operations. This transfer was in accordance with the Ohio Revised Code.

**Village of Ripley, Ohio**  
*Brown County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 13 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The investments of the pension and other employee benefit plan in which the Village participates have incurred a significant decline in fair value, consistent with general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Note 14 - USDA Revolving Loan Program**

The Village administers a USDA Revolving Loan Program. The USDA provided funding to the Village which is then loaned out to small businesses within the village through an application process. The following loans were outstanding as of December 31, 2019:

Mecca Media LLC	\$9,961.47
Ripley Gourmet Tortilla Inc.	\$2,309.98
Ripley Boat Club	\$3,641.62
Poole's Subway LLC	\$9,820.83
The Village Ride LLC	\$3,764.08

**Note 15 – Restatement of Fund Balances**

Fund Balances were restated at January 1, 2019 to add the activity of the USDA Revolving Loan account and correct errors from previous periods.

		Special	
	General	Revenue	Enterprise
12/31/18 Fund	117,954	386,171	1,261,195
Balance per Audit Report			
Adjustments	(37,916)	52,422	1,764
Restated 1/1/19 Fund Balance	80,038	438,593	1,262,959

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800-282-0370

**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  
123 Water Works Road  
Ripley, Ohio 45167

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 cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Ripley, Brown County, (the Village) and have issued our report thereon dated February 11, 2025 wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) 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) as a basis for designing 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 findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

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 findings 2020-001, 2020-002 and 2020-005 through 2020-007 described in the accompanying schedule of findings to be material weaknesses.

A significant deficiency is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2020-003 and 2020-008 described in the accompanying schedule of findings to be significant deficiencies.

***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 financial statement. 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 instances of noncompliance or other matters we must report under Government Auditing Standards which are described in the accompanying schedule of findings as items 2020-004 and 2020-005.

***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 report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
February 11, 2025

**VILLAGE OF RIPLEY  
BROWN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 and 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2020-001**

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, Term of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; the 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified in the accompanying financial statements for the years ended December 31, 2020 and 2019:

- The Village did not accurately report the Mayor's Court receipts, disbursements, and fund balances on the 2020 and 2019 financial statements.
  - 2019 Mayor's Court fund cash receipts were understated by \$110,917; cash disbursements were understated by \$114,921; and beginning fund balance was understated by \$4,004.
  - 2020 Mayor's Court fund cash receipts were understated by \$4,664 and cash disbursements were understated by \$4,636
- The Village did not record the activity of the USDA Revolving Loan bank account in the accounting system or on the financial statements for 2020 and 2019. As a result:
  - For 2019, Other Financing Sources were understated by \$33,189, Other Financing Uses were understated by \$10,707, and beginning fund balance was understated by \$62,419 for the USDA Revolving Loan fund.
  - For 2020, Other Financing Sources were understated by \$16,362 and Other Financing Uses were understated by \$61,190 for the USDA Revolving Loan fund.
- In 2019, Kilowatt tax receipts totaling \$42,560 were posted as Intergovernmental receipts in the Street Fund and should have been posted as Property & Other Tax receipts in the Street Fund.

In addition to the adjustments listed above, we also identified additional immaterial misstatements ranging from \$79 to \$48,231 that we have brought to the Village's attention.

These errors were not identified and corrected prior to the Village preparing its financial statements and notes to the financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. Failing to prepare accurate financial statements, including notes to the financial statements, could lead the Members of Council to make misinformed decisions. The accompanying financial statements and notes to the financial statements and accounting system have been adjusted to reflect these changes, where applicable.

The Village should adopt policies and procedures over financial reporting, including a final review of the financial statements and notes to the financial statements by the Mayor, Fiscal Officer and Members of Council to help identify and correct errors and omissions.

## **FINDING NUMBER 2020-002**

### **Material Weakness**

The Village participates in a United States Department of Agriculture (USDA) Revolving Loan program. Funding was received from the USDA in a prior period that is then loaned out by the Village to small businesses within the Village. We noted the following related to the USDA Revolving Loan program:

- The Village created a separate bank account to track the loan activity, but the activity was not recorded in the UAN system or on the financial statements for 2019 and 2020. (See Finding 2020-001).
- The Village does not have any formal policies or procedures related to the administration of the USDA Revolving Loan program.
- During 2020, the Village awarded a loan through this program to a small business owned by a Council member. A separate loan was also awarded before they became a Council member.
- The Village was unable to provide a loan agreement for one loan issued during 2020.

Failure to prepare accurate financial statements could lead the members of Council to make misinformed decisions. Failure to have established policies and procedures for the administration of the USDA Revolving Loan program could lead to the Village not complying with the regulations of the program or loan funds being improperly disbursed.

The Village should include the activity of the USDA Revolving Loan program in the UAN accounting system and on their financial statements, and should establish formal policies and procedures for the administration of the program.

## **FINDING NUMBER 2020-003**

### **Significant Deficiency**

All public officials and management are responsible for the design and operation of a system of internal controls that is adequate to provide reasonable assurance regarding the operations of their respective public offices, and to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions. Payroll records should include Form W-4 and other withholding records and authorizations. Employee time should be carefully documented and verified as eligible for payment for the fund from which it is paid. If such documentation is not maintained by the Village, compensation should be paid from the General fund.

The following conditions related to management controls over the payroll disbursements were identified:

- Amounts withheld for Ohio Public Employees Retirement System (OPERS) in UAN did not agree to the amounts remitted. In 2019 the Village remitted \$81 more than what was withheld and in 2020 the Village remitted \$3,949 more than what was withheld.
- The Village remitted \$138 more for Federal withholdings than what was owed for 2019.
- The Village remitted \$148 less for Federal withholdings than what was owed for 2020.
- Withholding remittance payments are inconsistent and some months did not include OPERS payments at all (April, June, October 2019 and March, June, September 2020). This could result in late fees being incurred by the Village.

**FINDING NUMBER 2020-003**  
**(Continued)**

- The Village paid 4 employees in 2019 and 7 employees in 2020 from multiple funds without approval from council or any documentation to support the allocation of employee payroll. We performed additional procedures of reviewing the employees' job duties and comparing to the funds the employees were paid out of to determine payments were made from proper funds.
- Duplicate payments were remitted to Humana for health insurance resulting in large credits on the account.

Failure to maintain accurate payroll records and remit withholdings timely and accurately could result in a lack of financial accountability, could cause incorrect payment amounts which could result in findings for recovery being issued, and increases the risk that theft, fraud, or errors could occur and not be detected in a timely manner.

The Village should implement internal controls to assure that all payroll disbursements are properly accounted for.

This matter will be referred to the Ohio Public Employees Retirement System.

**FINDING NUMBER 2020-004**

**Noncompliance**

**Ohio Rev. Code § 5705.38(A)** requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority desires to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

**Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

The Village Council did not pass temporary nor permanent appropriation measures for 2019 and 2020. Appropriations generated through UAN were filed with the Brown County budget commission for 2019 but not for 2020. Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village had expenditures in excess of appropriations at December 31, 2019 as follows:

**FINDING NUMBER 2020-004**  
**(Continued)**

2019			
Fund	Appropriations	Expenditures plus Encumbrances	Variance
Cemetery fund	14,000	15,938	(1,938)
Fire fund	177,625	279,085	(101,460)
State Grant fund	0	131,500	(131,500)
Drug Law Enforcement fund	2,000	2,037	(37)
Sewer fund	472,456	677,538	(205,082)
Electric fund	1,733,529	1,802,422	(68,893)
Enterprise Improvement fund	0	6,914	(6,914)
Enterprise Improvement- Water fund	0	19,383	(19,383)
Meter Deposit fund	24,500	27,451	(2,951)

For 2020, expenditures exceeded appropriations in all funds, except the Coronavirus Relief fund, because no appropriation measure was passed by Council or filed with the Brown County budget commission.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village should approve and file appropriate budgetary documentation with the county auditor and Budget Commission as required by Ohio Law. Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

**FINDING NUMBER 2020-005**

**Noncompliance and Material Weakness**

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance related legal and contractual requirements and prepare financial statements required by 117-2-03 of the Administrative Code.

**FINDING NUMBER 2020-005**  
**(Continued)**

**Ohio Rev. Code § 733.40** states that all moneys collected shall be paid by the mayor into the treasurer of the municipality on the first Monday of each month. At the first regular meeting of the legislative authority each month, the mayor shall submit a full statement of all money received, from whom and for what purposes received, and when paid into the treasury. Except as otherwise provided by section [307.515](#) or [4511.19](#) of the Revised Code, all fines, and forfeitures collected by the mayor in state cases, together with all fees and expenses collected that have been advanced out of the county treasury, shall be paid by the mayor to the county treasury on the first business day of each month. Except as otherwise provided by section [307.515](#) or [4511.19](#) of the Revised Code, the mayor shall pay all court costs and fees collected by the mayor in state cases into the municipal treasury on the first business day of each month.

**Ohio Rev. Code § 2949.091(A)(1)(b)** provides that all moneys collected pursuant to division (A)(1)(a) of this section during a month shall be transmitted on or before the twentieth day of the following month by the clerk of the court to the treasurer of state.

The following conditions were identified in the Village's Mayor's Court for 2019 and 2020:

- The Village did not prepare a bank reconciliation, list of reconciling items, or reconciliation of bonds and other open items outstanding at year end for the Mayor's Court in 2019 or 2020.
- The Village did not provide an authorized fine schedule.
- Deposit slips were not maintained for Mayor's Court deposits in 2019 or 2020.
- For two of 58 tested tickets (3%) in 2020, there was no Case Summary provided showing detailed ticket information.
- In 2019, five of 12 (42%) remittances to the Village and the Brown County Municipal Court were not remitted by the first Monday of the subsequent month.
- In 2019, the Village failed to disburse \$49.50 to Brown County Municipal Court for July court costs.
- In 2020, three of 12 (25%) remittances to the Brown County Municipal Court and four of 12 (33%) of remittances to the Village were not remitted by the first Monday of the subsequent month.
- In 2020, one of 12 (8%) remittances to the State of Ohio was not remitted by the 20th day of the subsequent month.

Failure to prepare monthly reconciliations and approve an authorized fine schedule for the Mayor's Court reduces the accountability over the Court receipts and disbursements, and increases the risk that errors, theft and fraud could occur and not be detected in a timely manner.

Monthly Control procedures should be put into place to help assure that all Mayor's Court receipts and disbursements are properly accounted for. The implementation of the following controls is recommended:

- The Mayor's Court Clerk should prepare monthly bank reconciliations to the Mayor's Court accounting system, and the Mayor's Court bank reconciliations, monthly reports, and receipts and disbursements should receive a supervisory review;
- Receipts and Disbursements should be posted to the accounting system in a timely manner.

**FINDING NUMBER 2020-005**  
**(Continued)**

- The Mayor's Court should maintain all supporting documentation for transactions including but not limited to; detailed information of tickets and citations, deposit slips, and approved fine schedules.
- Remittances should be sent to the Village, the Brown County Municipal Court and the State of Ohio in accordance with the requirements of the Ohio Rev. Code.

**FINDING NUMBER 2020-006**

**Material Weakness**

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Council and/or other administrator are responsible for reviewing the reconciliations and related support.

Monthly bank to book reconciliations were prepared each month but contained unsupported adjustments. Reconciliations did not receive supervisory reviews. The lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The following conditions in the Village cash reconciliation were noted:

- The Village did not include three bank accounts with First State Bank as part of their reconciliation for 2019 and 2020: Income Tax, USDA Revolving Loan, and Mayor's Court totaling \$85,800 and \$42,852 respectively. The activity for these accounts was also not included in the UAN accounting system and the financial statements.
- The 2019 cash reconciliation contained unsupported adjustments in the amount of \$1,173
- The 2020 cash reconciliation contained unsupported adjustments in the amount of \$10,284
- The 2019 outstanding check list contained checks older than 6 months totaling \$12,293
- The 2020 outstanding check list contained checks older than 6 months totaling \$3,483
- The Fiscal Officer was using cash withdrawals as a process of transferring money between bank accounts in 2019 and 2020. In December 2020, \$185.48 was withdrawn from the Mayor's Court account and was not traced to a deposit into another Village bank account.
- The Fiscal Officer opened a Police Evidence account with First State Bank in 2019 and an account with STAR Ohio in 2020 without Council approval documented in the minutes.



**FINDING NUMBER 2020-006**  
**(Continued)**

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Council should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Outstanding checks older than six months should be investigated and appropriate actions taken to remove them from the reconciliation if they no longer apply.

**FINDING NUMBER 2020-007**

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16. Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Council are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and amendments thereof) approved by Council were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and amendments thereof) was not posted to the accounting system. The following variances were noted:

2020:			
Fund:	Certificate of Estimated Resources:	Estimated Receipts in Accounting System:	Variance:
Street Construction-2011	158,000	208,000	(50,000)
Sewer Fund-5201	406,000	456,000	(50,000)
Enterprise Improv-Water-5702	30,500	0	30,500
Meter Deposit-5781	0	30,500	(30,500)

**FINDING NUMBER 2020-007  
(Continued)**

2019:			
Fund:	Certificate of Estimated Resources:	Estimated Receipts in Accounting System:	Variance:
General- 1000	453,550	481,620	(28,070)
Street Construction- 2011	167,600	144,939	22,661
State Highway- 2021	8,100	7,476	624
State Grant-2061	0	131,500	(131,500)
Drug Law Enforcement- 2081	5,500	4,000	1,500
Law Enforcement Trust- 2091	400	1,000	(600)
Fire Fund-2141	182,600	189,597	(6,997)
Liberty Monument-2901	300	0	300
Permanent-4951	2,000	0	2,000
Water Fund-5101	390,500	413,000	(22,500)
Sewer Fund-5201	387,500	419,562	(32,062)
Electric Fund-5301	1,607,000	1,502,000	105,000
Trash Fund-5601	172,000	255,200	(83,200)
Meter Deposit-5781	180,000	155,000	25,000

2020:			
Fund:	Appropriations:	Appropriations in Accounting System:	Variance:
General- 1000	0	628,390	(628,390)
Street Construction- 2011	0	206,107	(206,107)
State Highway 2021	0	25,761	(25,761)
Cemetery 2031	0	12,500	(12,500)
Drug Law Enforcement 2081	0	8,000	(8,000)
Fire Fund 2141	0	397,962	(397,962)
CRF - 2151	146,751	188,073	(41,322)
Liberty Monument 2901	0	100	(100)
Water Fund 5101	0	509,600	(509,600)
Sewer Fund 5201	0	466,800	(466,800)
Electric Fund 5301	0	1,715,610	(1,715,610)
Trash Fund 5601	0	182,900	(182,900)
Meter Deposit 5781	0	30,400	(30,400)

**FINDING NUMBER 2020-007**  
**(Continued)**

2019:			
Fund:	Appropriations:	Appropriations in Accounting System:	Variance:
General- 1000	464,690	518,603	(53,913)
Street Construction- 2011	161,700	166,700	(5,000)
State Highway- 2021	15,000	45,000	(30,000)
Cemetery 2031	14,000	24,000	(10,000)
State Grant 2061	0	131,500	(131,500)
Drug Law Enforcement- 2081	2,000	7,000	(5,000)
Fire Fund 2141	177,600	318,467	(140,867)
Water Fund 5101	431,000	517,225	(86,225)
Sewer Fund 5201	471,500	726,500	(255,000)
Electric Fund 5301	1,730,700	1,886,700	(156,000)
Trash Fund 5601	236,500	294,500	(58,000)
Enterprise Improv 5701	0	3,400	(3,400)
Enterprise Improv Water 5702	0	19,383	(19,383)
Meter Deposit 5781	24,500	28,200	(3,700)

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this led to inaccurate reporting of the budgetary information in the footnotes to the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

**FINDING NUMBER 2020-008**

**Significant Deficiency**

All public officials and management are responsible for the design and operation of a system of internal controls that is adequate to provide reasonable assurance regarding the operations of their respective public offices, and to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions. Leave records should include approved leave usage forms and documentation and approval of any adjustments to accrued leave balances.

The following conditions related to management controls over the accrual of leave were identified:

- Sick leave was accrued incorrectly for two of five employees tested in 2019 and one of five employees tested in 2020. Vacation leave was accrued incorrectly for one of five employees tested in 2019 and 2020. In all instances, one additional pay period accrual was included for the employees.

**FINDING NUMBER 2020-008**  
**(Continued)**

- A sick leave adjustment of 333.40 hours was granted for one employee tested in 2019 as a "transfer" from another employee. No documentation was maintained to support this adjustment and the Village's policy does not provide for the transfer of leave balances.
- Sick leave balance was more than what was allowed per the Village's policy for two of five employees tested in 2020. The policy states unused sick leave shall be cumulative to a limit of 120 days (690 hours). Employee sick leave balances were in excess of 1,000 hours.
- The Village did not maintain sick leave adjustment support for two of five employees tested in 2019 and one of five employees tested in 2020.

Failure to follow established leave policies could cause inaccurate leave balances and therefore incorrect severance payment amounts which could result in findings for recovery being issued.

The Village should follow the established sick and vacation leave policies, or draft and approve updated policies if the current policies are outdated. The Village should maintain all approved leave forms as well as documentation for any adjustments made to accrued leave balances.

<b>4. OTHER – FINDINGS FOR RECOVERY</b>
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In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS report.

**FINDING NUMBER 2020-009**

**Finding for Recovery – Repaid Under Audit**

**Ohio Rev. Code § 2981.11(A)(1)** states any property that has been lost, abandoned, stolen, seized pursuant to a search warrant, or otherwise lawfully seized or forfeited and that is in the custody of a law enforcement agency shall be kept safely by the agency, pending the time it no longer is needed as evidence or for another lawful purpose, and shall be disposed of pursuant to sections 2981.12 and 2981.13 of the Revised Code.

The Village's Police Department seized cash during arrests made on September 8, 2018 and February 2, 2019 totaling \$1,151 and \$386, respectively. The cash seized from both of these arrests was entered into the Police Department's evidence log and placed into an evidence locker. The evidence locker is maintained by the Evidence Technician and the evidence in the locker is the responsibility of the Evidence Technician.

On February 19, 2019, the Evidence Technician, Joshua Miller discovered the cash seized from the two arrests noted above were no longer in the evidence locker and could not be located by the Police Department.

On June 14, 2019, the Brown County Court of Common Pleas ordered a forfeiture related to the case where the Police Department seized \$1,151. The Court ordered that 60% (\$690.60) be forfeited to the Village Police Department and 40% (\$460.40) to the Brown County Prosecutor's Office Drug Fund. As of the date of this report, the Village still owes the Brown County Prosecutor their portion of the forfeiture.

For the monies seized in the other case, the case has since been closed, but there is no record that the seized monies were properly disbursed.

**FINDING NUMBER 2020-009**  
**(Continued)**

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 117.28**, a Finding for Recovery for public monies collected but unaccounted for is hereby issued against Joshua Miller in the amount of \$1,537, and in favor of the Village's General Fund.

Joshua Miller remitted the amount of \$1,537 to the Village during 2020 and 2021.

We did not receive a response from Officials to the findings reported above.

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**VILLAGE OF RIPLEY  
BROWN COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**December 31, 2020 and 2019**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	Posting Errors; Several adjustments and reclassifications made to the financial statements.	Not Corrected	Reissued as finding 2020-001





# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF RIPLEY**

**BROWN COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 3/4/2025**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)