



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF RICHFIELD  
SUMMIT COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village Council  
Village of Richfield  
Summit County  
4410 West Streetsboro  
Richfield, Ohio 44286

To the Village Council:

We have audited the accompanying financial statements of the Village of Richfield, Summit County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Richfield, Summit County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2000 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Village Council, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

September 8, 2000

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**VILLAGE OF RICHFIELD  
SUMMIT COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$284,344	\$4,319,662			\$61,908	\$4,665,914
Special Assessments			\$551,146			551,146
Intergovernmental Receipts	499,018	194,909			6,416	700,343
Charges for Services	190,846	76,718		\$160,677	18,000	446,241
Fines, Licenses, and Permits	192,908	1,939				194,847
Earnings on Investments	108,369		12,639	115,611		236,619
Miscellaneous	48,453	27,648				76,101
<b>Total Cash Receipts</b>	<b>1,323,938</b>	<b>4,620,876</b>	<b>563,785</b>	<b>276,288</b>	<b>86,324</b>	<b>6,871,211</b>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	1,922,394				70,000	1,992,394
Public Health Services	40,678	28,138				68,816
Leisure Time Activities	13,298	112,987				126,285
Community Environment	197,690				18,447	216,137
Basic Utility Services	129,660	12,336				141,996
Transportation		812,551				812,551
General Government	353,581	80,072			1,028	434,681
Debt Service:						
Principal Payments			149,333	56,083		205,416
Interest Payments			441,407	1,917		443,324
Capital Outlay		83,893		1,467,523		1,551,416
<b>Total Disbursements</b>	<b>2,657,301</b>	<b>1,129,977</b>	<b>590,740</b>	<b>1,525,523</b>	<b>89,475</b>	<b>5,993,016</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(1,333,363)</b>	<b>3,490,899</b>	<b>(26,955)</b>	<b>(1,249,235)</b>	<b>(3,151)</b>	<b>878,195</b>
<b>Other Financing Receipts/(Disbursements):</b>						
Sale of Fixed Assets	39,821					39,821
Transfers-In	1,200,000	590,000	60,000	2,565,000		4,415,000
Other Sources	4,077					4,077
Transfers-Out		(4,205,000)		(210,000)		(4,415,000)
Other Uses		(109,736)		(5,720)		(115,456)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>1,243,898</b>	<b>(3,724,736)</b>	<b>60,000</b>	<b>2,349,280</b>		<b>(71,558)</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(89,465)	(233,837)	33,045	1,100,045	(3,151)	806,637
Fund Cash Balances, January 1	665,044	718,019	240,999	2,950,332	53,613	4,628,007
<b>Fund Cash Balances, December 31</b>	<b>\$575,579</b>	<b>\$484,182</b>	<b>\$274,044</b>	<b>\$4,050,377</b>	<b>\$50,462</b>	<b>\$5,434,644</b>
Reserves for Encumbrances, December 31	\$30,977	\$43,711	\$0	\$449,603	\$0	\$524,291

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

**VILLAGE OF RICHFIELD**  
**SUMMIT COUNTY**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**PROPRIETARY FUND TYPE**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$581,901
<b>Operating Cash Disbursements:</b>	
Personal Services	104,625
Contractual Services	361,517
Supplies and Materials	58,371
Total Operating Cash Disbursements	524,513
Operating Income	57,388
Fund Cash Balances, January 1	158,451
<b>Fund Cash Balances, December 31</b>	<b>\$215,839</b>
Reserve for Encumbrances, December 31	\$1,485

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



**VILLAGE OF RICHFIELD  
SUMMIT COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$257,610	\$3,967,789			\$60,162	\$4,285,561
Special Assessments			\$512,881			512,881
Intergovernmental Receipts	522,542	198,802		\$32,019	6,278	759,641
Charges for Services	228,371	67,897		154,826	14,532	465,626
Fines, Licenses, and Permits	180,473	721		2,925		184,119
Earnings on Investments	181,201		11,300	37,845		230,346
Miscellaneous	22,141	17,944		25,000	14,821	79,906
<b>Total Cash Receipts</b>	<b>1,392,338</b>	<b>4,253,153</b>	<b>524,181</b>	<b>252,615</b>	<b>95,793</b>	<b>6,518,080</b>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	1,704,687				71,855	1,776,542
Public Health Services	37,100	32,681				69,781
Leisure Time Activities	774	109,960				110,734
Community Environment	174,445				12,244	186,689
Basic Utility Services	129,668	2,152				131,820
Transportation		679,575				679,575
General Government	352,113	68,912			930	421,955
Debt Service:						
Principal Payments			146,884	56,084		202,968
Interest Payments			447,089	3,833		450,922
Capital Outlay		86,112		1,474,138		1,560,250
<b>Total Disbursements</b>	<b>2,398,787</b>	<b>979,392</b>	<b>593,973</b>	<b>1,534,055</b>	<b>85,029</b>	<b>5,591,236</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(1,006,449)</b>	<b>3,273,761</b>	<b>(69,792)</b>	<b>(1,281,440)</b>	<b>10,764</b>	<b>926,844</b>
<b>Other Financing Receipts/(Disbursements):</b>						
Sale of Fixed Assets				6,000		6,000
Transfers-In	1,200,000	668,000	55,000	3,089,959		5,012,959
Advances-In				150,000		150,000
Other Sources	17,077					17,077
Transfers-Out	(122,959)	(3,785,000)		(1,255,000)		(5,162,959)
Advances-Out			(25,000)			(25,000)
Other Uses		(40,814)		(1,728)		(42,542)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>1,094,118</b>	<b>(3,157,814)</b>	<b>30,000</b>	<b>1,989,231</b>		<b>(44,465)</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>87,669</b>	<b>115,947</b>	<b>(39,792)</b>	<b>707,791</b>	<b>10,764</b>	<b>882,379</b>
<b>Fund Cash Balances, January 1</b>	<b>577,375</b>	<b>602,072</b>	<b>280,791</b>	<b>2,242,541</b>	<b>42,849</b>	<b>3,745,628</b>
<b>Fund Cash Balances, December 31</b>	<b>\$665,044</b>	<b>\$718,019</b>	<b>\$240,999</b>	<b>\$2,950,332</b>	<b>\$53,613</b>	<b>\$4,628,007</b>
<b>Reserves for Encumbrances, December 31</b>	<b>\$39,558</b>	<b>\$46,834</b>	<b>\$0</b>	<b>\$428,156</b>	<b>\$0</b>	<b>\$514,548</b>

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

**VILLAGE OF RICHFIELD**  
**SUMMIT COUNTY**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**PROPRIETARY FUND TYPE**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$549,469
Miscellaneous	773
	550,242
<b>Operating Cash Disbursements:</b>	
Personal Services	99,695
Travel Transportation	1,863
Contractual Services	301,959
Supplies and Materials	34,929
	438,446
Operating Income	111,796
Transfers-In	150,000
Advances-Out	(125,000)
	136,796
Net Receipts Over Disbursements	136,796
Fund Cash Balances, January 1	21,655
<b>Fund Cash Balances, December 31</b>	<b>\$158,451</b>
Reserve for Encumbrances, December 31	\$47,393

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

VILLAGE OF RICHFIELD  
SUMMIT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
As of December 31, 1999 and 1998

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Richfield, Summit County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected seven-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), and police and fire services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Certificates of deposit and repurchase agreements are valued at cost.

Investments are included in the fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

*Street Construction, Maintenance and Repair Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

VILLAGE OF RICHFIELD  
SUMMIT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
As of December 31, 1999 and 1998

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(Continued)

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

*Income Tax Fund* - This fund is used to record the collection of self assessed taxes, the cost of collecting such taxes and the distribution to various other funds in accordance with Village ordinances.

**3. Debt Service Fund**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service funds:

*Special Assessment Sewer District #1, #2, #3 Funds* - These funds are used to account for the assessments collected from property owners for the purpose of repaying Ohio Water Development Authority loans obtained for installing sewer lines.

**4. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital projects funds:

*Capital Improvement Fund* - This fund receives a portion of income tax revenue to account for the payment of capital improvements for the Village.

*Capital Improvement Sanitary Sewer Fund* - This fund is used to account for the construction and maintenance of sanitary sewer lines.

**5. Enterprise Funds**

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

*Sanitary Sewer Operating Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

**6. Fiduciary Fund (Trust Fund)**

Trust funds are used to account for resources restricted by legally binding trust agreements. The Village had the following significant Expendable Trust Fund.

*Contractor Retainage Fund* - This fund is used to account for moneys retained by the Village and placed in escrow accounts until the contract is completed.

VILLAGE OF RICHFIELD  
SUMMIT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
As of December 31, 1999 and 1998

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(Continued)

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

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as Capital Outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

VILLAGE OF RICHFIELD  
SUMMIT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
As of December 31, 1999 and 1998

(Continued)

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ (19,416)	\$ 1,108
Certificates of deposit	5,304,699	4,100,150
Total deposits	5,285,283	4,101,258
Repurchase Agreements	365,000	685,000
Total deposits and investments	<u>\$ 5,650,283</u>	<u>\$ 4,786,258</u>

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

**Investments:** The Village invests in Repurchase Agreements. These are valued at cost.

**Cash on Hand:** The Village maintains a \$200 change fund.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,498,554	\$ 2,567,836	\$ 69,282
Special Revenue	5,173,474	5,210,876	37,402
Debt Service	584,810	623,785	38,975
Capital Projects	2,926,629	2,841,288	(85,341)
Enterprise	528,000	581,901	53,901
Fiduciary	98,838	86,324	(12,514)
Total	<u>\$ 11,810,305</u>	<u>\$ 11,912,010</u>	<u>\$ 101,705</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,934,145	\$ 2,688,278	\$ 245,867
Special Revenue	5,650,885	5,488,424	162,461
Debt Service	590,757	590,740	17
Capital Projects	2,845,680	2,190,846	654,834
Enterprise	610,563	525,998	84,565
Fiduciary	103,040	89,475	13,565
Total	<u>\$ 12,735,070</u>	<u>\$ 11,573,761</u>	<u>\$ 1,161,309</u>

VILLAGE OF RICHFIELD  
SUMMIT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
As of December 31, 1999 and 1998

(Continued)

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,592,089	\$ 2,609,415	\$ 17,326
Special Revenue	4,919,653	4,921,153	1,500
Debt Service	589,800	579,181	(10,619)
Capital Projects	3,404,449	3,498,574	94,125
Enterprise	699,883	700,242	359
Fiduciary	97,574	95,793	(1,781)
Total	\$ 12,303,448	\$ 12,404,358	\$ 100,910

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,723,499	\$ 2,561,304	\$ 162,195
Special Revenue	5,104,243	4,852,040	252,203
Debt Service	618,594	618,973	(379)
Capital Projects	3,590,989	3,218,939	372,050
Enterprise	525,118	610,839	(85,721)
Fiduciary	97,994	85,029	12,965
Total	\$ 12,660,437	\$ 11,947,124	\$ 713,313

**Noncompliance:** Contrary to Rev. Code Section 5705.39, 1999 and 1998 appropriations exceeded certified estimated resources in the Special Revenue - Income Tax Fund and Capital Projects - Capital Improvement Fund respectively. See Schedule of Findings.

**4. PROPERTY TAX**

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

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

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

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

VILLAGE OF RICHFIELD  
SUMMIT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
As of December 31, 1999 and 1998

(Continued)

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loans	\$5,367,513	8%
Ohio Public Works Commission (OPWC)	189,375	0%
Total	\$ 5,556,888	

The Ohio Water Development Authority Loan (OWDA) project loans were obtained for the purpose of installing sewer lines. The Ohio Public Works Commission (OPWC) project loans were obtained for the purpose of extending the City of Cleveland's water lines and for paving streets. The OWDA and OPWC loans will be repaid in semiannual installments of \$295,370 and \$8,875, respectively, including interest, over 22 years. The loans are collateralized by water and sewer receipts. The Village has also agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

Year ending December 31:	OWDA Loans	OPWC Loans
2000	\$ 590,740	\$ 17,750
2001	590,740	17,750
2002	590,740	17,750
2003	590,740	17,750
2004	590,740	17,750
Subsequent	6,870,680	100,625
Total	\$ 9,824,380	\$ 189,375

**6. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.



VILLAGE OF RICHFIELD  
SUMMIT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
As of December 31, 1999 and 1998

---

(Continued)

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Commercial Inland Marine
- General liability
- Public officials' liability
- Employer's liability
- Employee benefits liability
- Cemetery liability

The Village also provides health insurance and dental and coverage to full-time employees through a private carrier.

**8. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Village Council  
Village of Richfield  
Summit County  
4410 West Streetsboro  
Richfield, Ohio 44286

To the Village Council:

We have audited the accompanying financial statements of the Village of Richfield, Summit County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated September 8, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 1999-30977-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated September 8, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated September 8, 2000.

This report is intended for the information and use of the management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

September 8, 2000

**VILLAGE OF RICHFIELD  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

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

**FINDING NUMBER 1999-30977-001**

**Noncompliance Citation**

**Ohio Rev. Code Section 5705.39** provides that total appropriations from each fund should not exceed total estimated revenue and no appropriation measure will become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate of resources. Appropriations exceeded certified estimated resources in the following funds at December 31, 1999 and 1998 :

Fund	1999			1998		
	Appropriations	Certified Resources	Variance	Appropriations	Certified Resources	Variance
Income Tax Fund	\$4,390,305	\$4,195,847	\$194,458			
Capital Improvement Fund	\$1,717,145	\$1,522,609	\$194,536	\$2,925,591	\$2,733,690	\$191,901

Village Council should ensure that adequate certified estimated resources, including transfers and advances, are filed with the County auditor to finance each permanent appropriation measure and all supplemental appropriation measures. This will reduce the possibility of overspending available resources.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**VILLAGE OF RICHFIELD**

**SUMMIT 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  
OCTOBER 10, 2000**