



**VILLAGE OF RICHMOND
JEFFERSON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF RICHMOND
JEFFERSON COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary and Similar Fiduciary Fund Types – For the Year Ended December 31, 2000	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary and Similar Fiduciary Fund Types – For the Year Ended December 31, 1999	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West
Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Richmond
Jefferson County
P. O. Box 335
37 West Main Street
Richmond, Ohio 43944

To the Village Council:

We have audited the accompanying financial statements of the Village of Richmond, Jefferson County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999. 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 audit.

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. Those standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinion.

As discussed 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 of the Village of Richmond as of December 31, 2000 and 1999, 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 February 19, 2001 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 the audit committee, management, and Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

February 19, 2001

This page intentionally left blank.

**VILLAGE OF RICHMOND
JEFFERSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes Receipts	\$17,987	\$10,374		\$28,361
Intergovernmental Receipts	34,240	22,921		57,161
Fines, Licenses, and Permits	100			100
Earnings on Investments	21,698	245		21,943
Miscellaneous	663	200		863
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	74,688	33,740		108,428
Cash Disbursements:				
Current:				
Security of Persons and Property	5,463	8,755		14,218
Public Health Services	690			690
Leisure Time Activities	12,029			12,029
Community Environment	29			29
Transportation	21,825	19,802		41,627
General Government	21,785			21,785
Capital Outlay	6,482			6,482
Debt Service:				
Debt Payments			905	905
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	68,303	28,557	905	97,765
Total Receipts Over/(Under) Disbursements	6,385	5,183	(905)	10,663
Other Financing Receipts/(Disbursements):				
Transfers-In			844	844
Transfers-Out	(844)			(844)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(844)		844	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	5,541	5,183	(61)	10,663
Fund Cash Balances, January 1	232,464	18,206	61	250,731
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$238,005	\$23,389		\$261,394

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

**VILLAGE OF RICHMOND
JEFFERSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN
FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>(Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Operating cash receipts:			
Charges for services	\$55,326		\$55,326
Total operating cash receipts	55,326		55,326
Operating cash disbursements:			
Personal services	11,020		11,020
Employee fringe benefits	1,649		1,649
Contractual services	25,069		25,069
Supplies and materials	2,307		2,307
Miscellaneous	48		48
Total operating cash disbursements	40,093		40,093
Operating income/(loss)	15,233		15,233
Non-operating cash receipts:			
Mayor's court receipts		120	120
Total non-operating cash receipts		120	120
Non-operating cash disbursements:			
Mayor's court disbursements		120	120
Total non-operating cash disbursements		120	120
Excess of receipts over/(under) disbursements	15,233		15,233
Fund cash balances, January 1	203,013		203,013
Fund cash balances, December 31	\$218,246		\$218,246

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

**VILLAGE OF RICHMOND
JEFFERSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes Receipts	\$18,183	\$10,081		\$28,264
Intergovernmental Receipts	30,066	22,546		52,612
Fines, Licenses, and Permits	1,865			1,865
Earnings on Investments	17,712	333		18,045
Miscellaneous	549			549
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	68,375	32,960		101,335
Cash Disbursements:				
Current:				
Security of Persons and Property	5,501	11,822		17,323
Public Health Services	694			694
Leisure Time Activities	4,508			4,508
Community Environment	1,769			1,769
Transportation	3,167	14,509		17,676
General Government	24,107			24,107
Capital Outlay	2,020	6,860		8,880
Debt Service:				
Debt Payments			2,816	2,816
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	41,766	33,191	2,816	77,773
Total Receipts Over/(Under) Disbursements	26,609	(231)	(2,816)	23,562
Other Financing Receipts/(Disbursements):				
Transfers-In		5,550	2,875	8,425
Transfers-Out	(8,652)			(8,652)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(8,652)	5,550	2,875	(227)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	17,957	5,319	59	23,335
Fund Cash Balances, January 1	214,507	12,887	2	227,396
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$232,464	\$18,206	\$61	\$250,731

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

VILLAGE OF RICHMOND
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND
CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>(Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Operating cash receipts:			
Charges for services	\$51,385		\$51,385
Miscellaneous	85		85
Total operating cash receipts	<u>51,470</u>		<u>51,470</u>
Operating cash disbursements:			
Personal services	10,767		10,767
Employee fringe benefits	2,460		2,460
Contractual services	23,326		23,326
Supplies and materials	3,770		3,770
Capital Outlay	3,700		3,700
Miscellaneous	117		117
Total operating cash disbursements	<u>44,140</u>		<u>44,140</u>
Operating income/(loss)	<u>7,330</u>		<u>7,330</u>
Non-operating cash receipts:			
Mayor's court receipts		2,270	2,270
Total non-operating cash receipts		<u>2,270</u>	<u>2,270</u>
Non-operating cash disbursements:			
Mayor's court disbursements		2,470	2,470
Total non-operating cash disbursements		<u>2,470</u>	<u>2,470</u>
Excess of receipts over/(under) disbursements before interfund Transfers-In	7,330	(200)	7,130
Transfers-in	<u>227</u>		<u>227</u>
Net receipts over/(under) disbursements	7,557	(200)	7,357
Fund cash balances, January 1	<u>195,456</u>	<u>200</u>	<u>195,656</u>
Fund cash balances, December 31	<u><u>\$203,013</u></u>		<u><u>\$203,013</u></u>

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

**VILLAGE OF RICHMOND
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Richmond, Jefferson 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 six-member Council. The Village provides general governmental services, including water utilities, street maintenance, and police services. The Village contracts with Richmond Volunteer Fire Department for fire protection.

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 the money market account are valued at cost.

Investments are reported as assets. 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.

Police Levy Fund - This fund receives tax levy money for police protection within the Village.

**VILLAGE OF RICHMOND
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Debt Service Fund

This fund is used to accumulate resources for the payment of note indebtedness. The Village had the following significant debt service fund:

General Debt Service Fund - This fund receives money transferred from the General Fund to make debt payments.

4. 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:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

5. Fiduciary Funds (Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

Mayor's Court Fund - This fund receives money from Mayor's Court fines and forfeitures and disburses the money received to the State of Ohio and to the Village as required.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function 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.

**VILLAGE OF RICHMOND
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must 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 canceled, and reappropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH

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

	2000	1999
Demand deposits	\$ 169,101	\$ 149,704
Certificates of deposit	310,539	304,040
Total deposits	479,640	453,744

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 56,795	\$ 74,688	\$ 17,893
Special Revenue	29,369	33,740	4,371
Debt Service	830	844	14
Enterprise	50,000	55,326	5,326
Total	\$ 136,994	\$ 164,598	\$ 27,604

**VILLAGE OF RICHMOND
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 75,598	\$ 69,147	\$ 6,451
Special Revenue	36,925	28,557	8,368
Debt Service	938	905	33
Enterprise	84,000	40,093	43,907
Total	<u>\$ 197,461</u>	<u>\$ 138,702</u>	<u>\$ 58,759</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 42,914	\$ 68,375	\$ 25,461
Special Revenue	33,022	38,510	5,488
Debt Service	2,816	2,875	59
Enterprise	50,000	51,697	1,697
Total	<u>\$ 128,752</u>	<u>\$ 161,457</u>	<u>\$ 32,705</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 76,022	\$ 50,418	\$ 25,604
Special Revenue	39,525	33,191	6,334
Debt Service	2,816	2,816	0
Enterprise	48,000	44,140	3,860
Total	<u>\$ 166,363</u>	<u>\$ 130,565</u>	<u>\$ 35,798</u>

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 payment, the first half is due December 31. The second half payment is due the following June 20.

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 RICHMOND
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. RETIREMENT SYSTEM

The employees of the Village were covered by the Public Employees Retirement System (PERS) of Ohio. PERS is a cost sharing, multiple-employer plans. This plan provides 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 2000, PERS members contributed 8.5% of their gross salaries. For 2000, the Village contributed an amount equal to 10.84% of participants' gross salaries and for 1999, the Village contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2000. The Village has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West
Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949
www.auditor.state.oh.us

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

Village of Richmond
Jefferson County
P. O. Box 335
37 West Main Street
Richmond, Ohio 43944

To the Village Council:

We have audited the accompanying financial statements of the Village of Richmond, Jefferson County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated February 19, 2001. 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 the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated February 19, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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.

Village of Richmond
Jefferson County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

February 19, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

VILLAGE OF RICHMOND

JEFFERSON 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
APRIL 17, 2001**