

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO
BASIC FINANCIAL STATEMENTS
(AUDITED)
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**



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Village Council
Village of New Richmond
102 Willow Street
New Richmond, Ohio 45157

We have reviewed the *Independent Auditor's Report* of the Village of New Richmond, Clermont County, prepared by Lindholm + Company, for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of New Richmond is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

June 27, 2019

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**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY
TABLE OF CONTENTS**

TITLE	PAGE
Independent Auditor’s Report.....	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2018.....	3
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, 2018.....	4
Notes to the Financial Statements – For the Year Ended December 31, 2018	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2017.....	13
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, 2017.....	14
Notes to the Financial Statements – For the Year Ended December 31, 2017	15
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	23
Schedule of Findings.....	25
Summary Schedule of Prior Audit Findings	26

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INDEPENDENT AUDITOR'S REPORT

Village of New Richmond
Clermont County
102 Willow Street
New Richmond, Ohio 45157

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of New Richmond, Clermont County, Ohio (the Village) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no 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(D), 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(D) 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, 2018 and 2017, and the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of New Richmond, Clermont County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2019, 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.

LINDHOLM + COMPANY

Worthington, Ohio

May 15, 2019

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 87,765	\$ 563,067	\$ -	\$ -	\$ 650,832
Municipal Income Taxes	583,504	-	-	-	583,504
Intergovernmental	94,634	182,378	-	6,084	283,096
Revenue in Lieu of Taxes	1,781	-	-	-	1,781
Charges for Services	-	15,500	-	-	15,500
Fines, Licenses, and Permits	44,819	15,060	-	-	59,879
Earnings on Investments	21,160	1,677	-	-	22,837
Miscellaneous	44,792	219,694	-	-	264,486
<i>Total Cash Receipts</i>	<u>878,455</u>	<u>997,376</u>	<u>-</u>	<u>6,084</u>	<u>1,881,915</u>
Cash Disbursements					
Current:					
Security of Persons and Property	59,773	1,184,167	-	-	1,243,940
Public Health Services	-	32,956	-	-	32,956
Leisure Time Activities	25,765	-	-	-	25,765
Community Environment	33,481	-	-	-	33,481
Transportation	-	291,006	-	-	291,006
General Government	301,050	5,447	-	-	306,497
Capital Outlay	20,538	156,997	-	-	177,535
Debt Service:					
Principal Retirement	-	31,700	23,635	-	55,335
Interest and Fiscal Charges	-	3,405	-	-	3,405
<i>Total Cash Disbursements</i>	<u>440,607</u>	<u>1,705,678</u>	<u>23,635</u>	<u>-</u>	<u>2,169,920</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>437,848</u>	<u>(708,302)</u>	<u>(23,635)</u>	<u>6,084</u>	<u>(288,005)</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	681,000	23,635	-	704,635
Transfers Out	(704,635)	-	-	-	(704,635)
Advances In	50,000	-	-	-	50,000
Advances Out	-	-	-	-	-
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(654,635)</u>	<u>681,000</u>	<u>23,635</u>	<u>-</u>	<u>50,000</u>
<i>Net Change in Fund Cash Balances</i>	<u>(216,787)</u>	<u>(27,302)</u>	<u>-</u>	<u>6,084</u>	<u>(238,005)</u>
<i>Fund Cash Balances, January 1</i>	<u>711,378</u>	<u>441,308</u>	<u>-</u>	<u>1,824</u>	<u>1,154,510</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	-	-
Restricted	-	350,216	-	-	350,216
Committed	-	63,790	-	7,908	71,698
Assigned	-	-	-	-	-
Unassigned (Deficit)	494,591	-	-	-	494,591
<i>Fund Cash Balances, December 31</i>	<u>\$ 494,591</u>	<u>\$ 414,006</u>	<u>\$ -</u>	<u>\$ 7,908</u>	<u>\$ 916,505</u>

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

**VILLAGE OF NEW RICHMOND
CLERMONT 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, 2018**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 896,011	\$ -	\$ 896,011
Miscellaneous	-	156	156
<i>Total Operating Cash Receipts</i>	<u>896,011</u>	<u>156</u>	<u>896,167</u>
Operating Cash Disbursements			
Personal Services	220,134	-	220,134
Fringe Benefits	68,842	-	68,842
Contractual Services	336,507	1	336,508
Supplies and Materials	122,664	1,295	123,959
Other	3,000	78	3,078
<i>Total Operating Cash Disbursements</i>	<u>751,147</u>	<u>1,374</u>	<u>752,521</u>
<i>Operating Income (Loss)</i>	<u>144,864</u>	<u>(1,218)</u>	<u>143,646</u>
Non-Operating Receipts (Disbursements)			
Intergovernmental	-	7,344	7,344
Other Debt Proceeds	64,550	-	64,550
Miscellaneous Receipts	2,582	-	2,582
Capital Outlay	(25,666)	-	(25,666)
Principal Retirement	(70,481)	-	(70,481)
Interest and Other Fiscal Charges	(69,505)	-	(69,505)
Other Financing Sources	-	45,340	45,340
Other Financing Uses	-	(45,340)	(45,340)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(98,520)</u>	<u>7,344</u>	<u>(91,176)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	46,344	6,126	52,470
Transfers In	187,556	-	187,556
Transfers Out	(187,557)	-	(187,557)
Advances In	(50,000)	-	(50,000)
<i>Net Change in Fund Cash Balances</i>	(3,657)	6,126	2,469
<i>Fund Cash Balances, January 1</i>	<u>386,906</u>	<u>45,836</u>	<u>432,742</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 383,249</u>	<u>\$ 51,962</u>	<u>\$ 435,211</u>

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

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Village of New Richmond (the Village), Clermont 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 various services including police protection, fire and EMS services and water and sewer utilities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Police Levy Fund This fund receives real estate tax levy monies to fund police department operations.

Ambulance EMS Fund This fund receives real estate tax levy monies to fund the Ambulance service for the Village.

Fire Fund This fund receives real estate tax levy monies to fund the Fire service for the Village.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following Debt Service Funds:

Walnut Street Loan OPWC Fund This fund receives transfers-in to service principal payments on the OPWC loan related to Walnut Street infrastructure improvements.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Old 52 Improvements Loan Fund This fund receives transfers-in to service principal payments on the OPWC loan related to Old Route 52 infrastructure improvements.

Sycamore Street Improvements Fund This fund receives transfers-in to service principal payments on the OPWC loan related to Sycamore Street infrastructure improvements.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village did not have any significant capital projects in 2018.

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

Water Fund The water fund 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.

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

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for Mayor's Court, which receives monies from Mayors Court operations.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

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 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 re-appropriated.

A summary of 2018 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 765,592	\$ 878,455	\$ 112,863
Special Revenue	1,535,523	1,678,376	142,853
Debt Service	23,635	23,635	-
Capital Projects	6,084	6,084	-
Enterprise	995,856	1,150,699	154,843
Total	\$ 3,326,690	\$ 3,737,249	\$ 410,559

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,263,356	\$1,145,242	\$118,114
Special Revenue	1,981,334	1,705,678	275,656
Debt Service	23,635	23,635	-
Capital Projects	7,908	-	7,908
Enterprise	1,251,939	1,104,356	147,583
Total	\$ 4,528,172	\$3,978,911	\$549,261

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 4 – Deposits and Investments

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

	2018
Demand deposits	<u>\$1,351,716</u>

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

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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.

Income Taxes

Effective January 1, 2010 the Village began levying a municipal income tax of 1 percent on income earned arising from employment, residency or business activities within 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. 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.

Note 6 - Inter fund Balances

As of December 31, 2018, the Sewer Fund has outstanding fund advances of \$200,000 to the General Fund. The Sewer Fund began repaying this debt in 2018 and will continue repaying the advance as funds become available.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 - Risk Management

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 (if material).

The Village has obtained commercial insurance for the following risks:

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

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Ohio Police and Fire Retirement System

Some Village's certified Fire Fighters and full-time Police Officers belong to the 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages, respectively. The Village has paid all contributions required through December 31, 2018.

Note 9 – Debt

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
River Hills Bank - Fire Truck	68,256	3.50%
Ohio Public Works Commission Loans	199,322	0%
Ohio Water Development Authority Loans	2,243,405	0-4.0%
Total	<u><u>\$2,510,984</u></u>	

The 2009 River Hills Bank equipment loan (fire truck) was issued to refinance existing debt and purchase additional equipment. The loan will be repaid in annual payments of \$28,807 of principal and interest. The Village has been repaying \$30,000 per year.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt (Continued)

The 2006 OPWC Walnut Street Loan relates to Walnut Street storm drain improvements. The loan will be repaid in semiannual payments of \$5,753 January 1 and July 1 of each year for 20 years. Final payment due July 1, 2027.

The 2002 OPWC US 52 Street Improvement loan relates to US 52 Widening project. The loan will be repaid in semiannual payments of \$6,064 January 1 and July 1 of each year for 20 years. Final payment due January 1, 2023.

The 2003 OPWC loan relates to the Bethel New Richmond Road sewer line extension phase II project. The loan will be repaid in semiannual payments of \$3,744 due January 1 and July 1 each year for 20 years. The final payment due January 1, 2024.

The 2004 OWDA loan relates to the Water Well project. The loan will be repaid in semiannual payments of \$11,970 January 1 and July 1 each year for 15 years. Final payment due January 1, 2020.

The 2002 OWDA loan relates to the Bethel New Richmond Sewer Phase I project. The loan will be repaid in semiannual payments of \$4,748 January 1 and July 1 each year for 30 years. Final Payment due January 1, 2033.

The 2009 OWDA Consolidation loan relates to various utility infrastructure improvements that were made prior to 2010. The loan will be repaid in semiannual payments of \$1,948 January 1 and July 1 each year for 30 years. Final Payment July 1, 2040.

The 2016 OWDA Sewer Line Extension loan was issued to refinance the 2005 Sewer Line Extension Loan and finance the remaining sewer line extension project. Although the project is not complete, the village has begun making semiannual payments on the loan.

The 2012 Riverhills Bank loan was issued to purchase a police cruiser and was paid in full in 2018.

Amortization

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

Year Ending December 31:	OPWC Loans	OWDA Loans	Fire Truck Loan
2019	\$31,123	\$132,620	\$28,807
2020	31,123	132,748	28,807
2021	31,123	132,882	28,807
2022	31,123	133,023	28,807
2023	25,059	133,172	11,870
2024-2028	49,771	668,364	-
2029-2033	-	668,645	-
2034-2038	-	639,369	-
2039-2043	-	521,731	-
2044-2048	-	380,081	-
Total	\$199,322	\$3,542,635	\$127,098

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 – Construction and Contractual Commitments

Although there are undistributed funds remaining on the OWDA Sewer Line Extension Loan, the project is mostly complete. There could be additional advances in 2019.

Note 11 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 84,995	\$ 573,220	\$ -	\$ -	\$ 658,215
Municipal Income Tax	525,860	-	-	-	525,860
Intergovernmental	89,472	162,943	-	-	252,415
Special Assessments	4,815	75	-	-	4,890
Charges for Services	-	16,705	-	-	16,705
Fines, Licenses and Permits	48,555	8,176	-	-	56,731
Earnings on Investments	6,667	692	-	-	7,359
Miscellaneous	91,159	114,044	-	-	205,203
<i>Total Cash Receipts</i>	<u>851,523</u>	<u>875,855</u>	<u>-</u>	<u>-</u>	<u>1,727,378</u>
Cash Disbursements					
Current:					
Security of Persons and Property	60,058	1,015,434	-	-	1,075,492
Public Health Services	-	38,894	-	-	38,894
Leisure Time Activities	8,927	-	-	-	8,927
Community Environment	15,651	-	-	-	15,651
Transportation	-	251,079	-	-	251,079
General Government	292,217	5,346	-	-	297,563
Capital Outlay	8,077	50,968	-	-	59,045
Debt Service:					
Principal Retirement	-	31,767	23,635	-	55,402
Interest and Fiscal Charges	-	4,219	-	-	4,219
<i>Total Cash Disbursements</i>	<u>384,930</u>	<u>1,397,707</u>	<u>23,635</u>	<u>-</u>	<u>1,806,272</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>466,593</u>	<u>(521,852)</u>	<u>(23,635)</u>	<u>-</u>	<u>(78,894)</u>
Other Financing Receipts (Disbursements)					
Sale of Notes	-	-	-	-	0
Transfers In	-	435,000	23,635	-	458,635
Transfers Out	(458,635)	-	-	-	(458,635)
Advances Out	-	-	-	-	-
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(458,635)</u>	<u>435,000</u>	<u>23,635</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	7,958	(86,852)	-	-	(78,894)
<i>Fund Cash Balances, January 1</i>	<u>703,420</u>	<u>528,160</u>	<u>-</u>	<u>1,824</u>	<u>1,233,404</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	-	-
Restricted	-	382,174	-	-	382,174
Committed	-	59,134	-	1,824	60,958
Assigned	-	-	-	-	-
Unassigned (Deficit)	711,378	-	-	-	711,378
<i>Fund Cash Balances, December 31</i>	<u>\$ 711,378</u>	<u>\$ 441,308</u>	<u>\$ -</u>	<u>\$ 1,824</u>	<u>\$ 1,154,510</u>

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

**VILLAGE OF NEW RICHMOND
CLERMONT 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, 2017**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 906,171	\$ 500	\$ 906,671
Miscellaneous	-	112	112
<i>Total Operating Cash Receipts</i>	<u>906,171</u>	<u>612</u>	<u>906,783</u>
Operating Cash Disbursements			
Personal Services	208,318	-	208,318
Fringe Benefits	63,324	-	63,324
Contractual Services	845,550	4	845,554
Supplies and Materials	148,776	2,190	150,966
Other	3,213	469	3,682
<i>Total Operating Cash Disbursements</i>	<u>1,269,181</u>	<u>2,663</u>	<u>1,271,844</u>
<i>Operating Income (Loss)</i>	<u>(363,010)</u>	<u>(2,051)</u>	<u>(365,061)</u>
Non-Operating Receipts (Disbursements)			
Special Assessments	-	7,485	7,485
Other Debt Proceeds	567,426	-	567,426
Miscellaneous Receipts	2,159	-	2,159
Capital Outlay	(16,154)	-	(16,154)
Principal Retirement	(27,578)	-	(27,578)
Interest and Other Fiscal Charges	(17,273)	-	(17,273)
Other Financing Sources	-	50,386	50,386
Other Financing Uses	-	(50,386)	(50,386)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>508,580</u>	<u>7,485</u>	<u>516,065</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	145,570	5,434	151,004
Transfers In	44,908	-	44,908
Transfers Out	(44,909)	-	(44,909)
<i>Net Change in Fund Cash Balances</i>	145,569	5,434	151,003
<i>Fund Cash Balances, January 1</i>	<u>241,337</u>	<u>40,402</u>	<u>281,739</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 386,906</u></u>	<u><u>\$ 45,836</u></u>	<u><u>\$ 432,742</u></u>

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

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 - Reporting Entity

The Village of New Richmond (the Village), Clermont 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 various services including police protection, fire and EMS services and water and sewer utilities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Police Levy Fund This fund receives real estate tax levy monies to fund police department operations.

Ambulance EMS Fund This fund receives real estate tax levy monies to fund the Ambulance service for the Village.

Fire Fund This fund receives real estate tax levy monies to fund the Fire service for the Village.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following Debt Service Funds:

Walnut Street Loan OPWC Fund This fund receives transfers-in to service principal payments on the OPWC loan related to Walnut Street infrastructure improvements.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Old 52 Improvements Loan Fund This fund receives transfers-in to service principal payments on the OPWC loan related to Old Route 52 infrastructure improvements.

Sycamore Street Improvements Fund This fund receives transfers-in to service principal payments on the OPWC loan related to Sycamore Street infrastructure improvements.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village did not have any significant capital projects in 2017.

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

Water Fund The water fund 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.

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

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for Mayor's Court, which receives monies from Mayors Court operations.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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 re-appropriated.

A summary of 2017 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 798,521	\$ 851,523	\$ 53,002
Special Revenue	1,285,149	1,310,855	25,706
Debt Service	26,151	23,635	(2,516)
Capital Projects	567,426	-	(567,426)
Enterprise	859,323	1,520,664	661,341
Total	\$ 3,536,570	\$ 3,706,677	\$ 170,107

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 951,658	\$ 843,565	\$ 108,093
Special Revenue	1,715,489	1,397,707	317,782
Debt Service	26,151	23,635	2,516
Capital Projects	567,426	-	567,426
Enterprise	877,859	1,375,096	(497,237)
Total	\$ 4,138,583	\$3,640,003	\$ 498,580

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 4 – Deposits and Investments

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

	<u>2017</u>
Demand deposits	<u>\$1,587,252</u>

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

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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.

Income Taxes

Effective January 1, 2010 the Village began levying a municipal income tax of 1 percent on income earned arising from employment, residency or business activities within 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. 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.

Note 6 - Inter fund Balances

As of December 31, 2017, the Sewer Fund has outstanding fund advances of \$250,000 to the General Fund. The Sewer Fund will begin repaying these advances as funds become available.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 7 - Risk Management

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 (if material).

The Village has obtained commercial insurance for the following risks:

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

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

Ohio Police and Fire Retirement System

Some Village's certified Fire Fighters and full-time Police Officers belong to the 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages, respectively. The Village has paid all contributions required through December 31, 2017.

Note 9 – Debt

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest Rate
River Hills Bank - Fire Truck	94,889	3.50%
River Hills Bank - Police Cruiser	5,067	2.75%
Ohio Public Works Commission Loans	230,447	0%
Ohio Water Development Authority Loans	2,241,848	0-4.0%
Total	\$2,572,251	

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 9 – Debt (Continued)

The 2009 River Hills Bank equipment loan (fire truck) was issued to refinance existing debt and purchase additional equipment. The loan will be repaid in annual payments of \$28,807 of principal and interest. The Village has been repaying \$30,000 per year.

The 2006 OPWC Walnut Street Loan relates to Walnut Street storm drain improvements. The loan will be repaid in semiannual payments of \$5,753 January 1 and July 1 of each year for 20 years. Final payment due July 1, 2027.

The 2002 OPWC US 52 Street Improvement loan relates to US 52 Widening project. The loan will be repaid in semiannual payments of \$6,064 January 1 and July 1 of each year for 20 years. Final payment due January 1, 2023.

The 2003 OPWC loan relates to the Bethel New Richmond Road sewer line extension phase II project. The loan will be repaid in semiannual payments of \$3,744 due January 1 and July 1 each year for 20 years. The final payment due January 1, 2024.

The 2004 OWDA loan relates to the Water Well project. The loan will be repaid in semiannual payments of \$11,970 January 1 and July 1 each year for 15 years. Final payment due January 1, 2020.

The 2002 OWDA loan relates to the Bethel New Richmond Sewer Phase I project. The loan will be repaid in semiannual payments of \$4,748 January 1 and July 1 each year for 30 years. Final Payment due January 1, 2033.

The 2009 OWDA Consolidation loan relates to various utility infrastructure improvements that were made prior to 2010. The loan will be repaid in semiannual payments of \$1,948 January 1 and July 1 each year for 30 years. Final Payment July 1, 2040.

The 2016 OWDA Sewer Line Extension loan was issued to refinance the 2005 Sewer Line Extension Loan and finance the remaining sewer line extension project. Although the project is not complete, the village has begun making semiannual payments on the loan.

The 2012 Riverhills Bank loan was issued to purchase a police cruiser the loan is being repaid monthly in installments of \$498. Final payment May 25, 2019.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 9 – Debt (Continued)

Amortization

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

Year Ending December 31:	OPWC Loans	OWDA Loans	Fire Truck Loan	Police Cruiser Loan
2018	\$31,123	\$122,218	\$28,807	\$5,213
2019	31,123	122,340	28,807	-
2020	31,123	122,468	28,807	-
2021	31,123	122,602	28,807	-
2022	31,123	122,743	28,807	-
2023	25,059	122,892	11,870	-
2024-2028	49,771	616,963	-	-
2029-2033	-	617,244	-	-
2034-2038	-	497,432	-	-
2039-2043	-	429,548	-	-
2044-2048	-	338,961	-	-
Total	<u>\$230,445</u>	<u>\$3,235,411</u>	<u>\$155,905</u>	<u>\$5,213</u>

Note 10 – Construction and Contractual Commitments

Although there are undistributed funds remaining on the OWDA Sewer Line Extension Loan, the project is mostly complete. There could be additional advances in 2018.



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Village of New Richmond
Clermont County
102 Willow Street
New Richmond, Ohio 45157

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of New Richmond, Clermont County, Ohio, (the Village) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated May 15, 2019 wherein we noted the Village followed financial reporting provisions Ohio Revised Code 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. We consider finding 2018-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

LINDHOLM + COMPANY

Worthington, Ohio
May 15, 2019

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017**

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

FINDING NUMBER 2018-001

Material Weakness

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

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

- The Mayors court activity was not included within the financial statements. This resulted in the other financing sources and other financing uses being understated by \$50,386 in the Mayor's Court fund in 2017. In 2018, this resulted in the other financing sources and other financing uses being understated by\$45,340.

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

Officials' Response:

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

VILLAGE OF NEW RICHMOND
CLERMONT COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2018 AND 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Material weakness – Mayors Court activity not included within the financial statements.	Not corrected	Repeated as Finding 2018-001

OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF NEW RICHMOND

CLERMONT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 9, 2019**