

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO**

*Financial Statements*  
**(Audited)**

For The Years Ended  
December 31, 2003 and 2002

**DONALD JOLLIFF, FISCAL OFFICER**





**Auditor of State  
Betty Montgomery**

Village Council  
Village of Richwood  
286 S. Franklin Street  
Richwood, Ohio 43344

We have reviewed the Independent Auditor's Report of the Village of Richwood, Union County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2002 through December 31, 2003. 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 Richwood is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

October 7, 2004

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**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO**

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# TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

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## Independent Auditor's Report

Members of Council and Mayor  
Village of Richwood  
286 S. Franklin Street  
Richwood, OH 43344

We have audited the accompanying financial statements of the Village of Richwood, Union County, Ohio, as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Village of Richwood's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 2, the Village of Richwood prepares its financial statements on the basis of accounting prescribed or permitted by Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and fund balances of the Village of Richwood, Union County, as of December 31, 2003 and 2002, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements for the years then ended on the basis of accounting described in Note 2.

As disclosed in Note 3 to the financial statements, the Village had a prior period restatement of its general fund balance.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 12, 2004, on our consideration of the Village of Richwood'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 Village of Richwood's management 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.



Trimble, Julian & Grube, Inc.  
August 12, 2004

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES  
ALL FUND TYPES  
DECEMBER 31, 2003 AND 2002

<u>Cash and Cash Equivalents</u>	<u>2003</u>	<u>2002</u>
Cash and Cash Equivalents	\$ 1,011,400	\$ 980,340
Total Cash and Cash Equivalents	<u>\$ 1,011,400</u>	<u>\$ 980,340</u>
 <u>Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 211,740	\$ 198,327
Special Revenue Funds	<u>254,312</u>	<u>262,164</u>
Total Governmental Fund Types	<u>466,052</u>	<u>460,491</u>
 <u>Proprietary Fund Type:</u>		
Enterprise Funds	<u>534,140</u>	<u>510,570</u>
 <u>Fiduciary Fund Type:</u>		
Agency Fund	<u>11,208</u>	<u>9,279</u>
Total Fund Balances	<u>\$ 1,011,400</u>	<u>\$ 980,340</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Local taxes	\$ 338,450	\$ 12,236	\$ -	\$ 350,686
Intergovernmental	111,097	133,343	3,375	247,815
Charges for services	1,054	600	-	1,654
Fines, licenses, and permits	12,220	2,214	-	14,434
Interest	15,986	369	-	16,355
Miscellaneous	20,276	3,650	-	23,926
Total cash receipts	<u>499,083</u>	<u>152,412</u>	<u>3,375</u>	<u>654,870</u>
Cash disbursements:				
Current:				
Security of persons and property	339,236	25,000	-	364,236
Public health services	8,562	-	-	8,562
Leisure time activities	-	29,430	-	29,430
Transportation	16,531	123,596	-	140,127
General government	89,589	-	-	89,589
Capital outlay	-	11,677	5,451	17,128
Debt service:				
Principal retirement	-	6,702	-	6,702
Interest charges	-	156	-	156
Total cash disbursements	<u>453,918</u>	<u>196,561</u>	<u>5,451</u>	<u>655,930</u>
Total cash receipts over/(under) cash disbursements	<u>45,165</u>	<u>(44,149)</u>	<u>(2,076)</u>	<u>(1,060)</u>
Other financing receipts/(disbursements):				
Transfers in	-	29,595	2,076	31,671
Transfers out	(31,671)	-	-	(31,671)
Proceeds of notes	-	6,702	-	6,702
Other uses	(81)	-	-	(81)
Total other financing receipts/(disbursements)	<u>(31,752)</u>	<u>36,297</u>	<u>2,076</u>	<u>6,621</u>
Excess of cash receipts over/(under) cash disbursements and other financing disbursements	13,413	(7,852)	-	5,561
Cash fund balances, January 1, 2003	<u>198,327</u>	<u>262,164</u>	<u>-</u>	<u>460,491</u>
Cash fund balances, December 31, 2003	<u>\$ 211,740</u>	<u>\$ 254,312</u>	<u>\$ -</u>	<u>\$ 466,052</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN CASH FUND BALANCES - PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Agency	
Operating cash receipts:			
Charges for services	\$ 662,933	\$ -	\$ 662,933
Insurance proceeds	-	4,490	4,490
Total operating cash receipts	<u>662,933</u>	<u>4,490</u>	<u>667,423</u>
Operating cash disbursements:			
Personal services	217,637	-	217,637
Contractual services	155,155	-	155,155
Supplies and material	89,033	-	89,033
Capital outlay	78,556	-	78,556
Total operating cash disbursements	<u>540,381</u>	<u>-</u>	<u>540,381</u>
Operating income	<u>122,552</u>	<u>4,490</u>	<u>127,042</u>
Nonoperating cash receipts/(disbursements):			
Proceeds of notes	26,807	-	26,807
Intergovernmental revenues	16,515	-	16,515
Payments to others	-	(2,561)	(2,561)
Debt service:			
Principal	(69,127)	-	(69,127)
Interest	(73,177)	-	(73,177)
Total nonoperating cash receipts/(disbursements)	<u>(98,982)</u>	<u>(2,561)</u>	<u>(101,543)</u>
Excess of receipts over disbursements	23,570	1,929	25,499
Cash fund balances, January 1, 2003	<u>510,570</u>	<u>9,279</u>	<u>519,849</u>
Cash fund balances, December 31, 2003	<u>\$ 534,140</u>	<u>\$ 11,208</u>	<u>\$ 545,348</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND ENCUMBRANCES COMPARED WITH EXPENDITURE  
AUTHORITY - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2003**

Fund Types	Receipts				Disbursements					Variance Favorable (Unfavorable)		
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2003 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2003 Appropriations	Total	Actual 2003 Disbursements		Encumbrances Outstanding at 12/31/03	Total
Governmental:												
General	\$ 267,163	\$ 515,747	\$ 782,910	\$ 499,083	\$ (16,664)	\$ -	\$ 551,331	\$ 551,331	\$ 485,670	\$ -	\$ 485,670	\$ 65,661
Special Revenue	164,095	218,469	382,564	188,709	(29,760)	-	218,469	218,469	196,561	-	196,561	21,908
Capital Project	46	17,000	17,046	5,451	(11,549)	-	57,000	57,000	5,451	-	5,451	51,549
Proprietary:												
Enterprise	560,525	836,473	1,396,998	706,255	(130,218)	-	776,471	776,471	682,685	-	682,685	93,786
Total (Memorandum Only)	\$ 991,829	\$ 1,587,689	\$ 2,579,518	\$ 1,399,498	\$ (188,191)	\$ -	\$ 1,603,271	\$ 1,603,271	\$ 1,370,367	\$ -	\$ 1,370,367	\$ 232,904

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 312,165	\$ 12,226	\$ 324,391
Intergovernmental	93,773	202,623	296,396
Charges for services	53	776	829
Fines, licenses, and permits	12,576	-	12,576
Interest	42,494	384	42,878
Miscellaneous	23,265	10,203	33,468
Total cash receipts	<u>484,326</u>	<u>226,212</u>	<u>710,538</u>
Cash disbursements:			
Current:			
Security of persons and property	345,471	-	345,471
Public health services	7,233	-	7,233
Leisure time activities	-	27,106	27,106
Community environment	4,747	-	4,747
Transportation	7,677	98,275	105,952
General government	92,591	-	92,591
Capital outlay	-	10,084	10,084
Total cash disbursements	<u>457,719</u>	<u>135,465</u>	<u>593,184</u>
Total cash receipts over cash disbursements	<u>26,607</u>	<u>90,747</u>	<u>117,354</u>
Other financing receipts/(disbursements):			
Transfers in	-	30,200	30,200
Transfers out	(50,211)	-	(50,211)
Other uses	(7,835)	-	(7,835)
Total other financing receipts/(disbursements)	<u>(58,046)</u>	<u>30,200</u>	<u>(27,846)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(31,439)	120,947	89,508
Cash fund balances, January 1, 2002 (restated)	<u>229,766</u>	<u>141,217</u>	<u>370,983</u>
Cash fund balances, December 31, 2002	<u>\$ 198,327</u>	<u>\$ 262,164</u>	<u>\$ 460,491</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN CASH FUND BALANCES - PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Proprietary Fund Type	Fiduciary Fund	Total (Memorandum Only)
	Enterprise	Agency	
Operating cash receipts:			
Charges for services	\$ 593,557	\$ -	\$ 593,557
Insurance proceeds	-	15,113	15,113
Total operating cash receipts	<u>593,557</u>	<u>15,113</u>	<u>608,670</u>
Operating cash disbursements:			
Personal services	255,987	-	255,987
Contractual services	144,808	-	144,808
Supplies and material	62,754	-	62,754
Capital outlay	45,125	-	45,125
Total operating cash disbursements	<u>508,674</u>	<u>-</u>	<u>508,674</u>
Operating income	<u>84,883</u>	<u>15,113</u>	<u>99,996</u>
Nonoperating cash receipts/(disbursements):			
Proceeds of notes	11,789	-	11,789
Intergovernmental revenues	36,065	-	36,065
Payments to others	-	(12,179)	(12,179)
Debt service:			
Principal	(35,540)	-	(35,540)
Interest	(65,881)	-	(65,881)
Total nonoperating cash receipts/(disbursements)	<u>(53,567)</u>	<u>(12,179)</u>	<u>(65,746)</u>
Excess of receipts over disbursements before interfund transfers	31,316	2,934	34,250
Transfers in	<u>17,011</u>	<u>3,000</u>	<u>20,011</u>
Net receipts over disbursements after interfund transfers	48,327	5,934	54,261
Cash fund balances, January 1, 2002	<u>462,243</u>	<u>3,345</u>	<u>465,588</u>
Cash fund balances, December 31, 2002	<u>\$ 510,570</u>	<u>\$ 9,279</u>	<u>\$ 519,849</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND ENCUMBRANCES COMPARED WITH EXPENDITURE  
AUTHORITY - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2002

Fund Types	Receipts				Disbursements				Variance Favorable (Unfavorable)			
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2002 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2002 Appropriations	Total		Actual 2002 Disbursements	Encumbrances Outstanding at 12/31/02	Total
Governmental:												
General	\$ 286,710	\$ 552,238	\$ 838,948	\$ 484,326	\$ (67,912)	\$ -	\$ 571,529	\$ 571,529	\$ 515,765	\$ -	\$ 515,765	\$ 55,764
Special Revenue	57,929	200,074	258,003	256,412	56,338	-	150,916	150,916	135,465	-	135,465	15,451
Capital Projects	46	25,000	25,046	-	(25,000)	-	25,000	25,000	-	-	-	25,000
Proprietary:												
Enterprise	512,199	668,072	1,180,271	658,422	(9,650)	-	604,136	604,136	610,095	-	610,095	(5,959)
Total (Memorandum Only)	\$ 856,884	\$ 1,445,384	\$ 2,302,268	\$ 1,399,160	\$ (46,224)	\$ -	\$ 1,351,581	\$ 1,351,581	\$ 1,261,325	\$ -	\$ 1,261,325	\$ 90,256

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The Village of Richwood (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 water and sewer utilities, park operations (leisure time activities), and police services. The North Union Local Fire Department provides emergency medical services and fire protection to the Village.

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**

The most significant of the Village's accounting policies are described below.

**A. BASIS OF PRESENTATION - FUND ACCOUNTING**

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village.

**GOVERNMENTAL FUNDS**

**General Fund**

The general fund is used to account for all activities of the Village not required to be included 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 are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The Village had the following significant special revenue fund:

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

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 funds). The Village had the following significant Capital Projects Fund:

*Industrial Park Fund* - This fund receives state grants for the preparation of the Village's industrial park.

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 funds:

*Water Fund* - This fund receives charges for services from residents to cover the cost of providing this utility. In addition, this fund receives grants and loan proceeds from various agencies for the expansion of the Village's water plant.

*Sewer Fund* - This fund receives charges for services from residents to cover the cost of providing this utility. In addition, this fund receives grants and loan proceeds from various agencies for the expansion of the Village's sewer system.

Fiduciary Funds (Agency Fund)

*Insurance Escrow* - This fund holds money for fire damage clean-up of property within the Village.

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**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. BUDGETARY PROCESS**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated except agency funds. The primary level of budgetary control is at the item level. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

*Tax Budget:*

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates. The Union County Budget Commission has waived this requirement for 2003 and 2002.

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Estimated Resources:*

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates, and the Budget Commission finds the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

*Appropriations:*

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The Village adopted supplemental appropriations during 2003 and 2002.

*Encumbrances:*

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Village had no outstanding encumbrances at December 31, 2003.

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. CASH AND CASH EQUIVALENTS**

For reporting purposes, the Village considers “Cash and Cash Equivalents” to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$16,355 and \$42,878 for the years ended December 31, 2003 and 2002, respectively.

**E. PROPERTY, PLANT AND EQUIPMENT**

Fixed assets are not capitalized in any of the Village’s funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

**F. INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village’s cash basis method of accounting.

**G. INTERFUND TRANSACTIONS**

During the course of normal operations, the Village had transactions between funds. The most significant include:

Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers.

**H. TOTAL COLUMNS ON FINANCIAL STATEMENTS**

Total columns on the financial statements are captioned “Total (Memorandum Only)” to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 3 - PRIOR PERIOD ADJUSTMENT**

The Village is restating its General Fund at January 1, 2002 from prior audits. Due to lack of supporting documentation for a bank account included in the Village's financial statements from prior audits. This prior period adjustment had the following effect on the Village's fund balance:

	General
Balance 1/1/02	\$ 255,421
Prior Period Adjustments	(25,655)
Restated Balances 1/1/02	\$ 229,766

**NOTE 4 - COMPLIANCE**

A. The following funds had expenditures in excess of appropriations for the years ended December 31, 2003 and 2002 in noncompliance with Ohio Revised Code Section 5705.41(B).

<u>Fund Type/Fund/Item</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<b><u>2003</u></b>			
<u>Debt Service Funds:</u>			
Water Debt Service			
Interest	\$ 21,897	\$ 35,397	\$ 13,500
Sewer Debt Service			
Interest	30,010	30,450	440
 <b><u>2002</u></b>			
<u>Capital Project</u>			
Water Construction			
Engineering Services	-	13,336	13,336
 <u>Enterprise Fund:</u>			
Water			
Other-Personal Service	71,013	88,176	17,163
PERS	11,319	14,604	3,285
Operating Supplies and Materials	23,303	27,536	4,233

The Village also did not properly encumber all commitments required by Ohio law contrary to Code Section 5705.41(D).

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 4 – COMPLIANCE - (Continued)**

B. The following fund had appropriations in excess of estimated resources for the year ended December 31, 2002 in noncompliance with Ohio Revised Code Section 5705.39.

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<b>2002</b>			
<u>Debt Service</u>			
Water Debt Service	51,203	57,462	(6,259)

**NOTE 5 - CASH AND CASH EQUIVALENTS**

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>2003</u>	<u>2002</u>
Deposits: Demand deposits	\$ 386,625	\$ 365,868
Deposits: Certificate of deposits	261,653	255,864
Investments: STAR Ohio	<u>363,122</u>	<u>358,608</u>
Total Cash and Cash Equivalents	<u>\$ 1,011,400</u>	<u>\$ 980,340</u>

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

**Investments:** Investments in STAR Ohio are not endorsed by securities that exist in physical or book-entry form. Investments in STAR Ohio is valued at amounts reported by the State Treasurer. Investments are reported as assets. Accordingly, purchase of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements respectively.

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 6 - INTERFUND TRANSACTIONS**

The following is a summarized breakdown of the Village's operating transfers for 2003 and 2002:

<b>2003</b>	<u>Transfers In</u>	<u>Transfers Out</u>
GENERAL FUND	\$ -	\$ 31,671
<u>SPECIAL REVENUE FUND:</u>		
Street Construction, Maintenance and Repair	<u>29,595</u>	<u>-</u>
<u>CAPITAL PROJECT FUND:</u>		
Industrial Park Development	<u>2,076</u>	<u>-</u>
Totals	<u>\$ 31,671</u>	<u>\$ 31,671</u>
<b>2002</b>	<u>Transfers In</u>	<u>Transfers Out</u>
GENERAL FUND	\$ -	\$ 50,211
<u>SPECIAL REVENUE FUND:</u>		
Street Construction, Maintenance and Repair	<u>30,200</u>	<u>-</u>
<u>ENTERPRISE FUNDS:</u>		
Water	14,061	-
Sewer	<u>2,950</u>	<u>-</u>
Total Enterprise Funds	<u>17,011</u>	<u>-</u>
<u>AGENCY FUND:</u>		
Insurance Escrow	<u>3,000</u>	<u>-</u>
Totals	<u>\$ 50,211</u>	<u>\$ 50,211</u>

The transfers in the years ended December 31, 2003 and 2002 were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 7 - PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the County. 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. Real property taxes are payable annually or semiannually to the County. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

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.

**NOTE 8 - LOCAL INCOME TAX**

The Village levies a municipal income tax of a half 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. The income tax collection process is administered by the Regional Income Tax Authority. For the years ended December 31, 2003 and 2002, the Village collected \$169,744 and \$197,128, respectively.

**NOTE 9 - RETIREMENT SYSTEMS**

During 2003, the Village's law enforcement officers belonged to the Ohio Police and Fire Fund (OP&F) retirement system, while other employees belonged to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 9 - RETIREMENT SYSTEMS – (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2003, members of OP&F contributed 10% of their wages to the OP&F. The Village contributed an amount equal to 19.5% of their wages. For 2003 and 2002, OPERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. As of December 31, 2003, the Village has paid all contributions required for 2003 and 2002.

**NOTE 10 - DEBT OBLIGATIONS**

At December 31, 2003, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 2003</u>
2002 Ohio Public Works Commission (OPWC) for water line improvement, due in semiannual installments of \$2,046 through 2022 at a rate of 0%.	\$ 75,710
2002 Ohio Water Development Authority (OWDA) for water system improvements, due in semiannual installments of \$11,404 through 2027.	275,134
1990 United States Department of Agriculture (USDA) Sanitary Sewerage System Mortgage Revenue Bonds, due in annual installments of varying amounts through 2030 at a rate of 4.5%.	419,000
1977 GMAC Water System Mortgage Revenue Bonds, due in annual installments of varying amounts through 2017 at a rate of 5.0%.	444,000
1977 GMAC Sewer System Mortgage Revenue Bonds, due in annual installments of varying amounts through 2017 at a rate of 5.0%.	<u>94,000</u>
Total debt obligations at December 31, 2003	<u>\$ 1,307,844</u>

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 10 - DEBT OBLIGATIONS - (Continued)**

Transactions for the year ended December 31, 2003 and 2002 are summarized as follows:

<u>Description</u>	<u>Balance at</u> <u>December 31, 2002</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at</u> <u>December 31, 2003</u>
<u>2003:</u>				
OPWC	\$ 79,802	\$ -	\$ (4,092)	\$ 75,710
OWDA	280,362	-	(5,228)	275,134
USDA Mortgage Revenue Bonds	425,000	-	(6,000)	419,000
GMAC Water Mortgage Revenue Bonds	466,000	-	(22,000)	444,000
GMAC Sewer Mortgage Revenue Bonds	99,000	-	(5,000)	94,000
Richwood Bank	-	33,509	(33,509)	-
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Totals	<u>\$ 1,350,164</u>	<u>\$ 33,509</u>	<u>\$ (75,829)</u>	<u>\$ 1,307,844</u>

<u>Description</u>	<u>Balance at</u> <u>December 31, 2001</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at</u> <u>December 31, 2002</u>
<u>2002:</u>				
OPWC (restated)	\$ 81,848	\$ -	\$ (2,046)	\$ 79,802
OWDA (restated)	271,067	11,789	(2,494)	280,362
USDA Mortgage Revenue Bonds	431,000	-	(6,000)	425,000
GMAC Water Mortgage Revenue Bonds	487,000	-	(21,000)	466,000
GMAC Sewer Mortgage Revenue Bonds	103,000	-	(4,000)	99,000
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Totals	<u>\$ 1,373,915</u>	<u>\$ 11,789</u>	<u>\$ (35,540)</u>	<u>\$ 1,350,164</u>

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2003, are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>OPWC</u>	<u>OWDA</u>		<u>USDA</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 4,092	\$ 7,949	\$ 16,082	\$ 7,000	\$ 18,855
2005	4,092	2,591	17,180	7,000	18,540
2006	4,092	5,993	16,814	7,000	18,225
2007	4,092	6,382	16,426	8,000	17,910
2008	4,092	6,797	16,011	8,000	17,550
2009 - 2013	20,460	41,199	74,656	49,000	81,765
2014 - 2018	20,460	56,427	57,618	66,000	69,345
2019 - 2023	14,330	77,285	36,755	90,000	52,425
2024 - 2028	-	70,511	9,496	119,000	29,790
2029 - 2030	-	-	-	58,000	3,960
	<u>                  </u>				
Total	<u>\$ 75,710</u>	<u>\$ 275,134</u>	<u>\$261,038</u>	<u>\$419,000</u>	<u>\$ 328,365</u>

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 10 - DEBT OBLIGATIONS - (Continued)**

Year Ending December 31	GMAC - Water		GMAC - Sewer		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 23,000	\$ 22,200	\$ 5,000	\$ 4,700	\$ 47,041	\$ 61,837
2005	24,000	21,050	5,000	4,450	42,683	61,220
2006	25,000	19,850	5,000	4,200	47,085	59,089
2007	26,000	18,600	6,000	3,950	50,474	56,886
2008	28,000	17,300	6,000	3,650	52,889	54,511
2009 - 2013	160,000	64,300	33,000	13,600	303,659	234,321
2014 - 2018	158,000	20,150	34,000	4,350	334,887	151,463
2019 - 2023	-	-	-	-	181,615	89,180
2024 - 2028	-	-	-	-	189,511	39,286
2029 - 2030	-	-	-	-	58,000	3,960
Total	<u>\$ 444,000</u>	<u>\$ 183,450</u>	<u>\$ 94,000</u>	<u>\$ 38,900</u>	<u>\$ 1,307,844</u>	<u>\$ 811,753</u>

The beginning balances at 12/31/01 were restated based upon changes by OWDA to the Village's financing terms and repayment requirements. The OPWC debt was not disclosed in 2001.

**NOTE 11 - RISK MANAGEMENT**

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with approximately 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages. Effective September 1, 2002, the Plan retains 5% of the premium and losses on the first \$500,000 casualty treaty (up to \$25,000 of a loss) and 5% of the first \$1,000,000 property treaty (up to \$50,000 of a loss). The Plan also participates in a loss corridor in its first \$500,000 casualty reinsurance. The corridor includes losses paid between 55% and 65% or premiums earned under this treaty. (Reinsurance coverage would resume after a paid loss ratio of 65% is exceeded.) The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 12 - REPLACEMENT EQUIPMENT RESERVE FUND**

Village Ordinance, Article VI, Section 607 states, the sum of money designed annually for replacement costs as established by the United States Environmental Protection Agency rules and regulations shall be deducted from the revenues resulting from user charges as provided for in Section 601- and deposited in a "Replacement Fund", to be used or accumulated for obtaining repair parts, replacing equipment, accessories, or appurtenances during the useful life of the Sewage Disposal System which are necessary to maintain or regain the capacity and performance for which such equipment and plant were designed and constructed. The Village maintains an annual required reserve of \$20,000 for the purpose of maintaining the required "Replacement Fund". The Village's reserve balance at December 31, 2003 and 2002 was \$106,180 and \$100,000, respectively.

**NOTE 13 - CONTINGENT LIABILITY**

LITIGATION

The Village is currently involved in litigation. The Village's management is of the opinion that the outcome of such litigation will not result in a material adverse effect on the Village's financial position.

# TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

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## **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Members of Council and Mayor  
Village of Richwood  
286 S. Franklin Street  
Richwood, Ohio 43344

We have audited the financial statements of the Village of Richwood, Union County, Ohio as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 12, 2004. As disclosed in Note 3 to the financial statements, the Village had a prior period restatement of its general fund balance. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Village of Richwood’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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-VOR-001, 2003-VOR-002, and 2003-VOR-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village of Richwood in a separate letter dated August 12, 2004.

Members of Council and Mayor  
Village of Richwood

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Richwood'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 we have reported to the management of the Village of Richwood in a separate letter dated August 12, 2004.

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

*Trimble, Julian & Grube, Inc.*

Trimble, Julian & Grube, Inc.  
August 12, 2004

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO  
DECEMBER 31, 2003 AND 2002**

**SCHEDULE OF FINDINGS**

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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Finding Number	2003-VOR-001
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Ohio Revised Code Section 5705.41 (D) requires that no orders or contracts involving the disbursement of monies are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

It was noted during the audit for the years ending December 31, 2003 and 2002 that the Village does not process purchase orders prior to expending funds. A listing of all disbursements is provided to the Council members at each meeting (if applicable) prior to payment but, not prior to the purchase being made.

Without timely certification, the Village may expend more funds than available in the treasury, in the process of collection or than funds appropriated. In addition, by purchasing items prior to Council Member approval or absent the purchase order process, the potential for unnecessary purchases or items for proper public purpose cannot be prevented if approval is after the fact.

We recommend that the Village implement a policy and procedure for the use of purchase orders to help ensure that the disbursements are timely certified. This will help ensure that all monies expended are lawfully appropriated and available in the treasury or in the process of collection. The Village should issue approved purchase orders and consider using blanket and super blanket purchase orders and/or "Then" and "Now" certificates where applicable.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO  
DECEMBER 31, 2003 AND 2002**

**SCHEDULE OF FINDINGS**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS- (Continued)**

Finding Number	2003-VOR-002
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Ohio Revised Code Section 5705.41 (B) requires that no subdivision is to expend money unless it has been appropriated.

It was noted during the audit that for the years ended December 31, 2003 and 2002 the Village had expenditures exceeding appropriations in the following funds:

<u>Fund Type/Fund/Item</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<b><u>2003</u></b>			
<u>Debt Service Funds:</u>			
Water Debt Service			
Interest	\$ 21,897	\$ 35,397	\$ 13,500
Sewer Debt Service			
Interest	30,010	30,450	440
 <b><u>2002</u></b>			
<u>Capital Project</u>			
Water Construction			
Engineering Services	-	13,336	13,336
 <u>Enterprise Fund:</u>			
Water			
Other-Personal Service	71,013	88,176	17,163
PERS	11,319	14,604	3,285
Operating Supplies and Materials	23,303	27,536	4,233

With expenditures exceeding appropriations, the Village is expending monies that have not been appropriated and approved by Council. This may result in unnecessary purchases or overspending which may lead to a fund deficit.

We recommend that the Village comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations and amending the budget prior to year end. This may be achieved by monitoring the budget more closely on a continual basis.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO  
DECEMBER 31, 2003 AND 2002**

**SCHEDULE OF FINDINGS**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS- (Continued)**

Finding Number	2003-VOR-003
----------------	--------------

Ohio Revised Code Section 5705.39 requires that no subdivision is to appropriate more monies than estimated resources.

It was noted during the audit for the year ended December 31, 2002, that the Village had appropriations exceeding estimated resources in the following fund:

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<b>2002</b>			
<u>Debt Service</u>			
Water Debt Service	51,203	57,462	(6,259)

With appropriations exceeding estimated resources, the Village is appropriating monies that are not in the Village’s depository or in the process of collection that were certified to the County Auditor. This may result in a fund deficit.

We recommend that the Village comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by keeping more accurate appropriations versus estimated resources records and amending the budget prior to year end. If it is determined that estimated revenues will be greater than initially anticipated, the Village should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated resources. In addition, the Village should monitor its budgetary process on a regular basis.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO  
DECEMBER 31, 2003 AND 2002**

**STATUS OF PRIOR AUDIT FINDINGS**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2001-30680-001	Ohio Revised Code Section 5705.41 (D) requires that no orders or contracts involving the expenditure of monies are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.	No	The Village Fiscal Officer is attempting to properly submit and approve purchase orders before purchases are made.
2001-30680-002	Finding for recovery - Insurance Policy, Repaid under Audit	Yes	N/A
2001-30680-003	Finding for recovery - Unconstitutional Lending of credit, Repaid under Audit	Yes	N/A
2001-30680-004	Taxes and intergovernmental receipts are to be posted as directed by the County Auditor and the Uniform Accounting Network.	Yes	N/A



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**VILLAGE OF RICHWOOD**

**UNION 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  
NOVEMBER 4, 2004**