

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO**

***BASIC FINANCIAL STATEMENTS
(AUDITED)***

FOR THE YEARS ENDED DECEMBER
31, 2016 AND 2015

LYNN BAIRD, FISCAL OFFICER



Dave Yost • Auditor of State

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, 2015 through December 31, 2016. 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.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

September 11, 2017

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**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2016	3
Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Proprietary and Fiduciary Fund Types For the Year Ended December 31, 2016	4
Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2015	5
Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Proprietary and Fiduciary Fund Types For the Year Ended December 31, 2015	6
Notes to the Basic Financial Statements.....	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	17
Schedule of Findings	19

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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 Village of New Richmond, Clermont County, Ohio (the Village) as of and for the years ended December 31, 2016 and 2015.

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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Village of New Richmond on the basis of accounting practices prescribed or permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 each fund of the Village as of December 31, 2016 and 2015, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of New Richmond, Clermont County as of December 31, 2016 and 2015, and their respective cash receipts and disbursements for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) as described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2017 on our consideration of Village of New Richmond 's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Village of New Richmond 's internal control over financial reporting and compliance.

LINDHOLM + COMPANY

Lindholm + Company
Worthington, Ohio

July 6, 2017

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 89,915	\$ 620,932	\$ -	\$ -	\$ 710,847
Municipal Income Taxes	526,708	-	-	-	526,708
Intergovernmental	104,768	189,284	-	132,800	426,852
Revenue in Lieu of Taxes	5,009	150	-	-	5,159
Charges for Services	-	19,798	-	-	19,798
Fines, Licenses, and Permits	39,078	5,347	-	-	44,425
Earnings on Investments	4,381	378	-	-	4,759
Miscellaneous	34,908	115,127	-	-	150,035
<i>Total Cash Receipts</i>	<u>804,767</u>	<u>951,016</u>	<u>-</u>	<u>132,800</u>	<u>1,888,583</u>
Cash Disbursements					
Current:					
Security of Persons and Property	64,169	1,003,160	-	-	1,067,329
Public Health Services	-	26,097	-	-	26,097
Leisure Time Activities	14,489	-	-	-	14,489
Community Environment	10,410	-	-	-	10,410
Transportation	-	209,106	-	-	209,106
General Government	291,890	6,762	-	-	298,652
Capital Outlay	-	47,842	-	132,800	180,642
Debt Service:					
Principal Retirement	-	30,897	28,668	-	59,565
Interest and Fiscal Charges	-	5,103	-	-	5,103
<i>Total Cash Disbursements</i>	<u>380,958</u>	<u>1,328,967</u>	<u>28,668</u>	<u>132,800</u>	<u>1,871,393</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>423,809</u>	<u>(377,951)</u>	<u>(28,668)</u>	<u>-</u>	<u>17,190</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	373,000	28,668	-	401,668
Transfers Out	(401,668)	-	-	-	(401,668)
Advances In	132,800	-	-	132,800	265,600
Advances Out	(162,800)	-	-	(132,800)	(295,600)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(431,668)</u>	<u>373,000</u>	<u>28,668</u>	<u>-</u>	<u>(30,000)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(7,859)</u>	<u>(4,951)</u>	<u>-</u>	<u>-</u>	<u>(12,810)</u>
<i>Fund Cash Balances, January 1</i>	<u>711,279</u>	<u>533,111</u>	<u>-</u>	<u>1,824</u>	<u>1,246,214</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	-	-
Restricted	-	449,175	-	1,824	450,999
Committed	-	78,985	-	-	78,985
Assigned	-	-	-	-	-
Unassigned (Deficit)	703,420	-	-	-	703,420
<i>Fund Cash Balances, December 31</i>	<u>\$ 703,420</u>	<u>\$ 528,160</u>	<u>\$ -</u>	<u>\$ 1,824</u>	<u>\$ 1,233,404</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 (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 830,646	\$ 500	\$ 831,146
Miscellaneous	-	2	2
<i>Total Operating Cash Receipts</i>	<u>830,646</u>	<u>502</u>	<u>831,148</u>
Operating Cash Disbursements			
Personal Services	182,188	-	182,188
Fringe Benefits	56,015	-	56,015
Contractual Services	1,380,471	1	1,380,472
Supplies and Materials	143,549	1,845	145,394
Other	2,650	297	2,947
<i>Total Operating Cash Disbursements</i>	<u>1,764,873</u>	<u>2,143</u>	<u>1,767,016</u>
<i>Operating Income (Loss)</i>	<u>(934,227)</u>	<u>(1,641)</u>	<u>(935,868)</u>
Non-Operating Receipts (Disbursements)			
Intergovernmental	-	7,285	7,285
Special Assessments	1,627	-	1,627
Other Debt Proceeds	1,141,351	-	1,141,351
Miscellaneous Receipts	1,941	-	1,941
Capital Outlay	(33,680)	-	(33,680)
Principal Retirement	(201,377)	-	(201,377)
Interest and Other Fiscal Charges	(20,674)	-	(20,674)
Other Financing Sources	-	48,766	48,766
Other Financing Uses	-	(48,766)	(48,766)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>889,188</u>	<u>7,285</u>	<u>896,473</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<u>(45,039)</u>	<u>5,644</u>	<u>(39,395)</u>
Transfers In	129,174	-	129,174
Transfers Out	(129,174)	-	(129,174)
Advances In	30,000	-	30,000
<i>Net Change in Fund Cash Balances</i>	<u>(15,039)</u>	<u>5,644</u>	<u>(9,395)</u>
<i>Fund Cash Balances, January 1</i>	<u>256,376</u>	<u>34,758</u>	<u>291,134</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 241,337</u>	<u>\$ 40,402</u>	<u>\$ 281,739</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 (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 93,719	\$ 746,951	\$ -	\$ -	\$ 840,670
Municipal Income Tax	504,303	-	-	-	504,303
Intergovernmental	115,300	222,697	-	22,960	360,957
Special Assessments	6,557	-	-	-	6,557
Charges for Services	-	35,242	-	-	35,242
Fines, Licenses and Permits	35,728	4,257	-	-	39,985
Earnings on Investments	4,519	188	-	-	4,707
Miscellaneous	37,655	150,245	-	-	187,900
<i>Total Cash Receipts</i>	<u>797,781</u>	<u>1,159,580</u>	<u>-</u>	<u>22,960</u>	<u>1,980,321</u>
Cash Disbursements					
Current:					
Security of Persons and Property	65,996	989,640	-	-	1,055,636
Public Health Services	-	32,155	-	-	32,155
Leisure Time Activities	9,584	-	-	-	9,584
Community Environment	13,061	-	-	-	13,061
Transportation	-	220,310	-	-	220,310
General Government	347,323	9,360	-	-	356,683
Capital Outlay	25,000	45,598	-	22,960	93,558
Debt Service:					
Principal Retirement	-	32,694	28,668	-	61,362
Interest and Fiscal Charges	-	7,001	-	-	7,001
<i>Total Cash Disbursements</i>	<u>460,964</u>	<u>1,336,758</u>	<u>28,668</u>	<u>22,960</u>	<u>1,849,350</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>336,817</u>	<u>(177,178)</u>	<u>(28,668)</u>	<u>-</u>	<u>130,971</u>
Other Financing Receipts (Disbursements)					
Sale of Notes	-	7,135	-	-	7,135
Transfers In	-	304,000	28,668	-	332,668
Transfers Out	(332,668)	-	-	-	(332,668)
Advances Out	(135,000)	-	-	-	(135,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(467,668)</u>	<u>311,135</u>	<u>28,668</u>	<u>-</u>	<u>(127,865)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(130,851)</u>	<u>133,957</u>	<u>-</u>	<u>-</u>	<u>3,106</u>
<i>Fund Cash Balances, January 1</i>	<u>842,130</u>	<u>399,154</u>	<u>-</u>	<u>1,824</u>	<u>1,243,108</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	-	-
Restricted	-	459,727	-	1,824	461,551
Committed	-	73,384	-	-	73,384
Assigned	-	-	-	-	-
Unassigned (Deficit)	711,279	-	-	-	711,279
<i>Fund Cash Balances, December 31</i>	<u>\$ 711,279</u>	<u>\$ 533,111</u>	<u>\$ -</u>	<u>\$ 1,824</u>	<u>\$ 1,246,214</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 (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 756,541	\$ -	\$ 756,541
Miscellaneous	-	59	59
<i>Total Operating Cash Receipts</i>	<u>756,541</u>	<u>59</u>	<u>756,600</u>
Operating Cash Disbursements			
Personal Services	193,666	-	193,666
Fringe Benefits	55,477	-	55,477
Contractual Services	256,718	2	256,720
Supplies and Materials	140,392	-	140,392
Other	2,875	3,484	6,359
<i>Total Operating Cash Disbursements</i>	<u>649,128</u>	<u>3,486</u>	<u>652,614</u>
<i>Operating Income (Loss)</i>	<u>107,413</u>	<u>(3,427)</u>	<u>103,986</u>
Non-Operating Receipts (Disbursements)			
Special Assessments	1,613	7,378	8,991
Other Debt Proceeds	19,137	-	19,137
Miscellaneous Receipts	485	-	485
Capital Outlay	(47,793)	-	(47,793)
Principal Retirement	(221,626)	-	(221,626)
Interest and Other Fiscal Charges	(20,080)	-	(20,080)
Other Financing Sources	-	40,680	40,680
Other Financing Uses	-	(40,680)	(40,680)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(268,264)</u>	<u>7,378</u>	<u>(260,886)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<u>(160,851)</u>	<u>3,951</u>	<u>(156,900)</u>
Transfers In	224,533	-	224,533
Transfers Out	(224,533)	-	(224,533)
Advances In	135,000	-	135,000
<i>Net Change in Fund Cash Balances</i>	<u>(25,851)</u>	<u>3,951</u>	<u>(21,900)</u>
<i>Fund Cash Balances, January 1</i>	<u>282,227</u>	<u>30,807</u>	<u>313,034</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 256,376</u>	<u>\$ 34,758</u>	<u>\$ 291,134</u>

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

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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.

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 (cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (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.

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

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

Note 2 - Summary of Significant Accounting Policies (Continued)

capital assets. The Village had the following significant capital project funds:

Augusta Boat Ramp Fund – This fund receives grant funds for improvements to the Augusta boat ramp.

Sewer Line Extension Fund – This fund receives monies for improvements to the sewer lines from OWDA and OPWC.

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 This fund receives charges for services from residents to cover waste collection costs.

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 or organizations. The Villages disburses these funds as directed by the individual or organization. The Village has a Mayors Court Fund that 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 be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments.

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 Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of the budgetary activity appears in Note 3.

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$979,876	\$804,767	(\$175,109)
Special Revenue	1,293,768	1,324,016	30,248
Debt Service	28,668	28,668	0
Capital Projects	132,800	132,800	0
Enterprise	1,860,974	1,975,565	114,591
Total	<u>\$4,296,086</u>	<u>\$4,265,816</u>	<u>(\$30,270)</u>

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$981,784	\$782,626	\$199,158
Special Revenue	2,017,630	1,328,967	688,663
Debt Service	28,668	28,668	0
Capital Projects	286,382	132,800	153,582
Enterprise	2,355,685	2,149,778	205,907
Total	<u>\$5,670,149</u>	<u>\$4,422,839</u>	<u>\$1,247,310</u>

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$891,128	\$797,781	(\$93,347)
Special Revenue	1,547,751	1,470,715	(77,036)
Debt Service	28,668	28,668	0
Capital Projects	172,894	22,960	(149,934)
Enterprise	1,006,468	1,137,307	130,839
Total	<u>\$3,646,909</u>	<u>\$3,457,431</u>	<u>(\$189,478)</u>

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,017,531	\$928,629	\$88,902
Special Revenue	1,841,763	1,336,758	505,005
Debt Service	28,669	28,668	1
Capital Projects	216,570	22,960	193,610
Enterprise	1,384,112	1,163,160	220,952
Total	<u>\$4,488,645</u>	<u>\$3,480,175</u>	<u>\$1,008,470</u>

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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>2016</u>	<u>2015</u>
Demand Deposits	<u>\$1,515,143</u>	<u>\$1,537,348</u>

Deposits are insured by the Federal Depository 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 homestead and rollback deductions. The financial statements include homestead and rollback 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

Advances

The Sewer Fund has outstanding fund advances of \$220,000 to the General Fund. The Sewer Fund will begin repaying these advances as funds become available.

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).

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

Note 7 - Risk Management (Continued)

Commercial Insurance

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

Some 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, 2016.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2016</i>	<i>10%</i>	<i>14%</i>

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, 2016.

Note 8 - Defined Benefit Pension Plans (Continued)

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OP&F- full time police</i>	<i>2016</i>	<i>12.25</i>	<i>19.5%</i>
<i>OP&F- full time firefighters</i>	<i>2016</i>	<i>12.25</i>	<i>24%</i>

Social Security

Some Village employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

Note 9 – Debt

Debt outstanding at December 31, 2016 was as follows:

	<u>Amount</u>	<u>Interest Rate</u>
OPWC US 52 IMPROVEMENTS	78,838	0%
OWDA BNR SEWER PHASE 1	132,910	2%
OPWC BNR PHASE 2	56,162	0%
OWDA WATER WELL	332,790	5.06%
OPWC WALNUT ST	126,574	0%
RHB FIRE TRUCK	120,881	3.50%
OWDA SEWER CONSOLIDATION LOAN	72,790	2%
RHB PD VEHICLE	10,842	2.75%
OWDA SEWER EXTENSION	<u>1,136,343</u>	2.75%
	<u>\$ 2,068,128</u>	

The 2008 RHB 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 paying \$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 2002 OPWC Sycamore Street loan relates to Sycamore Street improvements. The loan will be repaid in semiannual payments of \$2,516.43 due January 1 and July 1 of each year for 15 years. Final payment due January 1, 2017.

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 \$4,749 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 \$1,947 January 1 and July 1 each year for 30 years. Final Payment due 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. As of December 31, 2016, the loan is an open loan with no amortization or repayment schedule. Loan Proceeds total \$1,136,342.62 in 2016.

The 2012 Riverhills Bank loan was issued to purchase a police cruiser the loan is being repaid monthly in installments of \$499. Final payment due May 25, 2019.

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

Note 9 – Debt (Continued)

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

Year Ending December 31:	OPWC Loan	OPWC Loan	OPWC Loan	OWDA	OWDA Water
	Old U.S. 52	Bethel NR Sewer II	Walnut Street	Bethel/NR RD Sewer Extension	System Expansion
2017	12,128	7,488.26	11,507	9,497.04	23,969
2018	12,128	7,488.26	11,507	9,497.04	24,084
2019	12,129	7,488.26	11,507	9,497.04	24,206
2020	12,129	7,488.26	11,507	9,497.04	24,333
2021	12,129	7,488.26	11,507	9,497.04	24,468
2022-2026	18,193	18,720.45	57,534	47,485.20	124,605
2027-2031	-	-	11,507	47,485.20	129,157
2032-2036	-	-	-	14,245.56	107,459
	<u>\$ 78,838</u>	<u>\$ 56,162</u>	<u>\$ 126,574</u>	<u>\$ 156,701</u>	<u>\$ 482,281</u>

Year Ending December 31:	OWDA	OWDA Sewer	Fire Truck Loan	Police Cruiser Loan
	Wastewater System	Extension and WWTP		
2017	3,897	-	28,807	5,629
2018	3,897	55,860	28,807	5,213
2019	3,897	55,860	28,807	-
2020	3,897	55,860	28,807	-
2021	3,897	55,860	28,807	-
2022-2026	19,487	279,301	40,677	-
2027-2031	19,487	279,301	-	-
2032-2036	19,487	279,301	-	-
2037-2041	13,641	279,301	-	-
2042-2046	-	279,301	-	-
2047-2051	-	55,860	-	-
	<u>\$ 91,587</u>	<u>\$ 1,675,804</u>	<u>\$ 184,712</u>	<u>\$ 10,842</u>

Note 10 – Construction and Contractual Commitments

The sewer line extension project will be completed in 2017.

Note 11 – Public Entity Risk Pool

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

Note 11 – Public Entity Risk Pool (Continued)

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2016) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan’s property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 809 members as of December 31, 2015 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015.

Assets	\$14,643,667
Liabilities	\$9,112,030
Members’ Equity	\$5,531,637

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

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).

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY 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 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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Village of New Richmond as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise Village of New Richmond's basic financial statements, and have issued our report thereon dated July 6, 2017, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 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 Village of New Richmond'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 Village of New Richmond's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of New Richmond's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings to be a material weakness.

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.

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.

Village of New Richmond's Response to Findings

Village of New Richmond's response to the findings identified in our audit are described in the accompanying schedule of findings. Village of New Richmond's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

July 6, 2017

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015**

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

FINDING NUMBER 2016-001

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 \$45,497 in the Mayor's Court fund in 2015. In 2016, this resulted in the other financing sources and other financing uses being understated by \$52,968.

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

We also noted the following conditions related to the Village's accounting system where no adjustments or reclassifications were made to the Village's financial statements.

- We noted the final OWDA loan payment for the Wastewater Treatment Plant Upgrade & Expansion was made out of the Sewer Operating Fund, which is in violation of the loan agreement.

Failure to accurately post and report transactions could result in material errors in the Village's financial statements and reduces the Village's ability to monitor financial activity and to make sound decisions which effect the overall available cash positions of the Village.

We recommend that the Village accurately record financial transactions.

Officials' Response:

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

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Dave Yost • Auditor of State

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
SEPTEMBER 26, 2017