



**Auditor of State  
Betty Montgomery**



VILLAGE OF RICHMOND  
JEFFERSON COUNTY

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Richmond, Jefferson County (the Village) as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Richmond, Jefferson County, as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2003 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Independent Accountants' Report  
Village of Richmond  
Jefferson County  
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 12, 2003

**VILLAGE OF RICHMOND  
JEFFERSON COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$19,191	\$10,325		\$29,516
Intergovernmental Receipts	20,165	24,594		44,759
Fines, Licenses, and Permits	295			295
Earnings on Investments	9,299	5		9,304
Miscellaneous	5,910			5,910
<b>Total Cash Receipts</b>	<u>54,860</u>	<u>34,924</u>		<u>89,784</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	37,292	13,672		50,964
Public Health Services	808			808
Leisure Time Activities	5,332			5,332
Transportation	26,828	21,181		48,009
General Government	25,572			25,572
Debt Service:				
Principal Payments			\$3,739	3,739
Interest Payments			710	710
<b>Total Cash Disbursements</b>	<u>95,832</u>	<u>34,853</u>	<u>4,449</u>	<u>135,134</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(40,972)</u>	<u>71</u>	<u>(4,449)</u>	<u>(45,350)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In			4,449	4,449
Transfers-Out	(4,449)			(4,449)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(4,449)</u>		<u>\$4,449</u>	
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(45,421)</u>	<u>71</u>		<u>(45,350)</u>
<b>Fund Cash Balances, January 1</b>	<u>227,451</u>	<u>14,766</u>		<u>242,217</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$182,030</b></u>	<u><b>\$14,837</b></u>		<u><b>\$196,867</b></u>

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

VILLAGE OF RICHMOND  
JEFFERSON COUNTY

STATEMENT OF CASH RECEIPTS, CASH  
DISBURSEMENTS, AND CHANGES IN FUND CASH  
BALANCES - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002

**Operating Cash Receipts:**

Charges for Services \$67,277

Total Operating Cash Receipts 67,277

**Operating Cash Disbursements:**

Personal Services 12,697

Contractual Services 20,162

Supplies and Materials 1,607

Total Operating Cash Disbursements 34,466

Operating Income/(Loss) 32,811

Fund Cash Balances, January 1 167,424

**Fund Cash Balances, December 31** \$200,235

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



VILLAGE OF RICHMOND  
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Tax	\$19,467	\$10,585		\$30,052
Intergovernmental Receipts	23,062	22,387		45,449
Earnings on Investments	18,555	34		18,589
Miscellaneous	540	13		553
	<u>61,624</u>	<u>33,019</u>		<u>94,643</u>
<b>Total Cash Receipts</b>				
	<u>61,624</u>	<u>33,019</u>		<u>94,643</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	5,551	12,746		18,297
Public Health Services	695			695
Leisure Time Activities	9,545			9,545
Transportation	5,840	28,399		34,239
General Government	34,559			34,559
Debt Payments				
Principal Payments			\$902	902
Interest Payments			210	210
Capital Outlay	30,871	497		31,368
	<u>87,061</u>	<u>41,642</u>	<u>1,112</u>	<u>129,815</u>
<b>Total Cash Disbursements</b>				
	<u>87,061</u>	<u>41,642</u>	<u>1,112</u>	<u>129,815</u>
<b>Total Receipts Over/(Under) Disbursement:</b>	<u>(25,437)</u>	<u>(8,623)</u>	<u>(1,112)</u>	<u>(35,172)</u>
<b>Other Financing Receipts and (Disbursements)</b>				
Sale of Notes	15,995			15,995
Transfers-In			1,112	1,112
Transfers-Out	(1,112)			(1,112)
	<u>14,883</u>		<u>\$1,112</u>	<u>15,995</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
	<u>14,883</u>		<u>\$1,112</u>	<u>15,995</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements:</b>	<u>(10,554)</u>	<u>(8,623)</u>		<u>(19,177)</u>
<b>Fund Cash Balances, January 1</b>	<u>238,005</u>	<u>23,389</u>		<u>261,394</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$227,451</b></u>	<u><b>\$14,766</b></u>		<u><b>\$242,217</b></u>

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

VILLAGE OF RICHMOND  
JEFFERSON COUNTY

STATEMENT OF CASH RECEIPTS, CASH  
DISBURSEMENTS, AND CHANGES IN FUND CASH  
BALANCES - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001

<b>Operating Cash Receipts:</b>	
Charges for Services	<u>\$50,146</u>
Total Operating Cash Receipts	<u>50,146</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	12,876
Contractual Services	39,881
Supplies and Materials	2,786
Other	255
Capital Outlay	<u>45,170</u>
Total Operating Cash Disbursements	<u>100,968</u>
Operating Income/(Loss)	<u>(50,822)</u>
Fund Cash Balances, January 1	<u>218,246</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$167,424</u></u></b>

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

**VILLAGE OF RICHMOND  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Richmond, Jefferson County (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services including street maintenance, water utility, police protection, and leisure time activities. The Village contracts with the Richmond Volunteer Fire Department to provide fire protection services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Fund**

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

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

VILLAGE OF RICHMOND  
JEFFERSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Fund

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

*General Obligation Debt Service Fund* – This fund has been established to pay general obligation debt relating to the purchase of a police cruiser.

4. Enterprise Funds

This fund accounts for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant enterprise fund:

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

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**VILLAGE OF RICHMOND  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

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

	2002	2001
Demand deposits	\$98,400	\$169,641
Certificates of deposit	298,702	240,000
Total deposits	\$397,102	\$409,641

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$35,838	\$54,860	\$19,022
Special Revenue	35,803	34,924	(879)
Debt Service	4,449	4,449	0
Enterprise	50,000	67,277	17,277
Total	\$126,090	\$161,510	\$35,420

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$106,371	\$100,281	\$6,090
Special Revenue	40,898	34,853	6,045
Debt Service	4,449	4,449	0
Enterprise	78,000	34,466	43,534
Total	\$229,718	\$174,049	\$55,669

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$43,716	\$77,619	\$33,903
Special Revenue	28,884	33,019	4,135
Debt Service	0	1,112	1,112
Enterprise	50,000	50,146	146
Total	\$122,600	\$161,896	\$39,296

**VILLAGE OF RICHMOND  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$89,193	\$88,173	\$1,020
Special Revenue	45,834	41,642	4,192
Debt Service	1,112	1,112	0
Enterprise	109,415	100,968	8,447
Total	\$245,554	\$231,895	\$13,659

**4. PROPERTY TAX**

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

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.

**5. DEBT**

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
General Obligation Note	\$11,354	5.25%
Total	\$11,354	

The proceeds of the general obligation note were used to purchase a police cruiser. The original loan was dated October 5, 2001 in the amount of \$15,995. The loan will be repaid in monthly payments of \$370.72, including interest, over 4 years. The loan is collateralized by the revenue of the Village.

**VILLAGE OF RICHMOND  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**5. DEBT (Continued)**

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

<u>Year ending December 31:</u>	<u>Police Cruiser Loan</u>
2003	\$4,449
2004	4,449
2005	3,336
Total	<u><u>\$12,234</u></u>

**6. RETIREMENT SYSTEM**

The Village's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

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

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**Auditor of State  
Betty Montgomery**

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

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Richmond, Jefferson County, (the Village) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 12, 2003. 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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 12, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 12, 2003.

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

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 12, 2003



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**VILLAGE OF RICHMOND**

**JEFFERSON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 8, 2003**