

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**







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Members of Village Council  
Village of Richwood  
153 North Franklin Street  
Richwood, Ohio 43344

We have reviewed the *Independent Auditor's Report* of the Village of Richwood, Union County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2020 through December 31, 2021. 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.

Keith Faber  
Auditor of State  
Columbus, Ohio

September 02, 2022

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**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO  
Regular Audit  
For the Years Ended December 31, 2021 and 2020**

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**INDEPENDENT AUDITOR'S REPORT**

Village of Richwood  
Union County  
153 North Franklin Street  
Richwood, Ohio 43344

To the Village Council:

***Report on the Audit of the Financial Statements***

***Qualified and Adverse Opinions***

We have audited the financial statements of the Village of Richwood, Union County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the limitation described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting*, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2021, or the changes in financial position or cash flows thereof for the year then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

We could not gain assurance on the beginning cash balances by fund type for each governmental and proprietary fund and the fiduciary fund type. Therefore, we could not determine if adjustments were necessary to these balances or the resulting ending cash balances by fund type.

***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 the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. 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 and pervasive.

***Emphasis of Matter***

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinions regarding this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.




- obtain an understanding of internal control relevant to the audit 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 Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
July 22, 2022

**VILLAGE OF RICHWOOD**  
**UNION COUNTY, OHIO**  
**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS**  
**AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**For the Year Ended December 31, 2021**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 175,118	\$ 127,832	\$ -	\$ 302,950
Municipal Income Tax	605,496	-	-	605,496
Intergovernmental	25,091	308,640	1,026,800	1,360,531
Fines, Licenses and Permits	1,528	-	-	1,528
Charges for Services	21,566	4,240	-	25,806
Earnings on Investments	14,461	3,937	1,331	19,729
Miscellaneous	36,314	5,938	-	42,252
<b>Total Cash Receipts</b>	<b>879,574</b>	<b>450,587</b>	<b>1,028,131</b>	<b>2,358,292</b>
<b>Cash Disbursements</b>				
<b>Current:</b>				
Security of Persons and Property	574,597	-	-	574,597
Public Health Services	1,933	-	-	1,933
Leisure Time Activities	-	98,699	-	98,699
Transportation	453	156,615	-	157,068
General Government	208,710	-	-	208,710
Capital Outlay	7,432	180,168	1,701,800	1,889,400
<b>Total Cash Disbursements</b>	<b>793,125</b>	<b>435,482</b>	<b>1,701,800</b>	<b>2,930,407</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>86,449</b>	<b>15,105</b>	<b>(673,669)</b>	<b>(572,115)</b>
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued	-	-	677,632	677,632
Transfers In	-	98,750	-	98,750
Transfers Out	(98,750)	-	-	(98,750)
Other Financing Uses	(23,169)	-	(2,632)	(25,801)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>(121,919)</b>	<b>98,750</b>	<b>675,000</b>	<b>651,831</b>
<b>Net Change in Fund Cash Balances</b>	<b>(35,470)</b>	<b>113,855</b>	<b>1,331</b>	<b>79,716</b>
<b>Fund Cash Balances, January 1, 2021, Restated</b>	<b>574,257</b>	<b>431,365</b>	<b>193,334</b>	<b>1,198,956</b>
<b>Fund Cash Balances, December 31, 2021</b>	<b>\$ 538,787</b>	<b>\$ 545,220</b>	<b>\$ 194,665</b>	<b>\$ 1,278,672</b>

See Accompanying Notes to the Financial Statements.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
FUND BALANCES (REGULATORY CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
For the Year Ended December 31, 2021**

	<b>Enterprise</b>
<b>Operating Receipts:</b>	
Charges for Services	\$ <u>778,606</u>
<b>Total Operating Receipts</b>	<b>778,606</b>
<b>Operating Disbursements:</b>	
Personal Services	205,774
Employee Fringe Benefits	103,897
Contractual Services	136,560
Supplies and Materials	53,593
Other	<u>20,000</u>
<b>Total Operating Disbursements</b>	<b><u>519,824</u></b>
<b>Operating Income</b>	<b>258,782</b>
<b>Non-Operating Receipts/(Disbursements):</b>	
Earnings on Investments	4,986
Miscellaneous Receipts	225
Capital Outlay	(5,877)
<b>Debt Service:</b>	
Principal Retirement	(111,846)
Interest and Fiscal Charges	<u>(4,099)</u>
<b>Total Nonoperating Receipts/(Disbursements)</b>	<b><u>(116,611)</u></b>
<b>Net Change in Fund Balance</b>	<b>142,171</b>
<b>Fund Cash Balance, January 1, 2021</b>	<b><u>704,997</u></b>
<b>Fund Cash Balance, December 31, 2021</b>	<b>\$ <u><u>847,168</u></u></b>

See Accompanying Notes to the Financial Statements.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO  
COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL FIDUCIARY FUND TYPES  
For the Year Ended December 31, 2021**

		<u>Custodial</u>
<b>Additions:</b>		
Earnings on Investments	\$	269
Other Amounts Collected for Distribution		<u>36,870</u>
<b>Total Additions</b>		<b>37,139</b>
<b>Deductions:</b>		
Other Distributions		<u>13,321</u>
<b>Total Deductions</b>		<u>13,321</u>
<b>Net Change in Fund Balance</b>		<b>23,818</b>
<b>Fund Cash Balance, January 1, 2021</b>		<u>15,208</u>
<b>Fund Cash Balance, December 31, 2021</b>	<b>\$</b>	<b><u><u>39,026</u></u></b>

**See Accompanying Notes to the Financial Statements.**

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Village of Richwood, Union 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 water and sewer utilities, park operations, and police services. The Village contracts with the Union County Sheriff's department to provide additional security of persons and property. The Village contracts with Northern Union County Fire Department to receive fire protection services.

***Jointly Governed Organization and Public Entity Risk Pool***

The Village participates in a jointly governed organization. Note 10 to the financial statements provides additional information about the entity.

The Village participates in the Public Entities Pool of Ohio (PEP), a risk sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. Note 6 to the financial statements describes these assets.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 2 – Summary of Significant Accounting Policies - Continued**

***Fund Accounting - Continued***

***Special Revenue Funds – Continued***

***Park and Recreation Fund*** This fund receives property taxes and grants awarded for operating, maintaining, and repairing the Village park.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project funds:

***Industrial Park Fund*** This fund receives state grants for preparation of the Village's industrial park. This fund also received income from land sales for more commercial use for the Industrial Park.

***South Franklin Street Project Phase I Fund*** This fund receives state grants along with loan proceeds for updating and repairing water and sewer lines, streets, curbs, and sidewalks.

***Water Plant Capital Project Fund*** This fund receives state and federal grants along with loan proceeds for designing and constructing a new water plant for the Village.

***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 Operating Fund*** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village. This fund receives charges for services from residents and commercial customers to cover service costs.

***Sewer Operating Fund*** The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village. This fund receives charges for services from residents and commercial customers to cover service costs.

***Fiduciary Funds*** Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's Insurance Escrow custodial fund holds money for fire damage clean-up of property within the Village. Miscellaneous receipts into this fund are from insurance proceeds for fire damage to specific properties and once the property owners clean up, the Village remits monies to the owners. The Village's Farmers Market custodial fund receives donations and fees and disburses funds as directed by a committee of residents and a Village appointee.

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 2 – Summary of Significant Accounting Policies - Continued**

***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 (C). This basis is similar to the cash receipts and disbursements accounting basis. Council 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 (C) permit.

***Budgetary Process***

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

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

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

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

A summary of 2021 budgetary activity appears in Note 3.

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

***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.

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 2 – Summary of Significant Accounting Policies - Continued**

***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 *non-spendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes non-spendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

***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 (ordinance or resolution). The Village must adhere to these commitments unless the Council amends the ordinance or 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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.



**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$763,422	\$879,574	\$116,152
Special Revenue	505,733	549,337	43,604
Capital Projects	4,378,857	1,705,763	(2,673,094)
Enterprise	754,800	783,817	29,017

Fund Type	Appropriation Authority	Actual Disbursements	Variance
General	\$1,128,350	\$965,865	\$162,485
Special Revenue	627,938	458,855	\$169,083
Capital Projects	3,964,559	1,704,432	\$2,260,127
Enterprise	954,575	653,132	\$301,443

**Note 4 – Deposits**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

	2021
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$1,354,323
Certificates of deposit	810,543
Total deposits	\$2,164,866

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding \$0 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Village.

***Income Taxes***

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.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 6 – Risk Management**

***Workers' Compensation***

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.

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 6 – Risk Management – Continued**

***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village’s policy. The Pool covers the following risks:

- General liability and casualty;
- Public official’s liability;
- Cyber
- Law Enforcement liability
- Automobile liability
- Vehicle
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$14,974,099

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Village 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2021.

***Ohio Police and Fire Retirement System***

Some Village’s certified Fire Fighters and full-time Police Officers belong to the Ohio 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.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members’ wages. The Village has paid all contributions required through December 31, 2021.

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

**Note 9 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan CK09D	\$ 2,048	0.00%
OPWC Loan CK28Q	168,340	0.00%
OPWC Loan CT38T	219,090	0.00%
OPWC Loan CT61U	168,300	0.00%
OPWC Loan CT36V	566,811	0.00%
OPWC Loan CT5BX	520,000	0.00%
ODWA #3341	90,917	4.00%
ODWA #7251	14,500	0.00%
OWDA #8894	171,583	2.37%
Total	<u>\$ 1,921,589</u>	

The Village obtained a loan from OPWC (CK09D) in 2002 for water line improvements. The loan is due in semi-annual installments of \$2,046 through 2022 at an interest rate of 0.00 percent.

The Village obtained a loan from OPWC (CK28Q) in July of 2016 for water system improvements. The loan is due in semi-annual installments of \$5,805 through 2036 at an interest rate of 0.00 percent.

The Village obtained a loan from Ohio Public Works Commission (CT38T) in January 2017 for East Ottawa Construction. The loan is due in semi-annual installments of \$4,213 through 2047 at an interest rate of 0.00 percent.

The Village obtained a loan from Ohio Public Works Commission (CT61U) in 2018 for East Bomford St. reconstruction. The loan is due in semi-annual installments of \$3,117 through July 2048 at an interest rate of 0.00 percent.

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 9 – Debt – Continued**

The Village obtained a loan from Ohio Public Works Commission (CT36V) for Franklin Street reconstruction, phase 1. The loan is due in semi-annual installments of \$9,944 through 2050 at an interest rate of 0.00 percent.

The Village obtained a load from OPWC (CT5BX) for Franklin Street Construction Phase II. The loan is due in semi-annual installments of \$8,667 through 2052 at 0% interest rate.

The Village obtained a loan from OWDA (3341) in July 2002 for Water System Improvements. The loan is due in semi-annual variable installments of \$9,195 through 2027 at an interest rate of 4.0 percent.

The Village obtained a loan from OWDA (7251) in January of 2018 for Inflow and Infiltration Study. The loan is due in semi-annual installments of \$14,500 through 2022 at an interest rate of 0.00 percent.

The Village obtained a loan from OWDA (8894) in May of 2020 for \$351,225 at a rate of 2.37%. As of December 31, 2021, \$171,583 has been disbursed on behalf of the Village.

**Amortization**

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

Year Ending December 31,	<u>OPWC</u>	<u>OWDA</u>
2022	\$ 33,792	\$ 24,202
2023	63,492	19,690
2024	63,492	20,091
2025	63,492	20,518
2026	63,492	20,973
2027-2031	317,460	10,441
2032-2036	317,460	-
2037-2041	259,410	-
2042-2046	259,410	-
2047-2051	194,442	-
2052	8,647	-
	<u>\$ 1,644,589</u>	<u>\$ 115,915</u>

An amortization schedule is not yet available for OWDA loan 8894.

**Note 10 – Jointly Governed Organizations**

The Village of Richwood, Claiborne Township, Jackson Township and York Township appoint one member to the Board of Trustees of the Northern Union County Joint Fire and EMS District. The Northern Union County Joint Fire and EMS District provides fire protection and rescue services within the district.

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 11 – Prior Period Adjustment**

The Village voided a check in 2021 that was recorded in 2020. Therefore, the beginning fund balance for 2021 is restated as follows:

	General Fund
Fund Balance as previously reported	\$574,188
Adjustment for voided ACH payments made in prior year	69
Restated Fund balance	\$574,257

**Note 12 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 50,821	\$ 23,373	\$ 74,194

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects fund is restricted, committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Richwood  
Union County  
153 North Franklin Street  
Richwood, Ohio 43344

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 cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements of the Village of Richwood, Union County, (the Village) and have issued our report thereon dated July 22, 2022, wherein we noted that the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit and qualified our opinion on the cash balances by fund type. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Audit Findings as item 2021-001 and 2021-003 that we consider to be material weaknesses.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 disclose an instance of noncompliance or other matter that we are required to be report under *Government Auditing Standards*, which is described in the accompanying Schedule of Audit Findings as item 2021-003.

We also noted certain matters not requiring inclusion in this report that were reported to Village's management in a separate letter dated July 22, 2022.

***Village's Responses to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying corrective action plan. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

***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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
July 22, 2022



**INDEPENDENT AUDITOR'S REPORT**

Village of Richwood  
Union County  
153 North Franklin Street  
Richwood, Ohio 43344

To the Village Council:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the year ended December 31, 2020, and related notes of the Village of Richwood, Union County, (the Village).

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions 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 Village'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 Village'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determined, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2020, and the changes in financial position or cash flows thereof for the year then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

We could not gain assurance on the beginning cash balances by fund type for each governmental and proprietary fund type and the fiduciary fund type. Therefore, we could not determine if adjustments were necessary to these balances or the resulting ending cash balances by fund type.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the limitation described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting*, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the year ended December 31, 2020, and the related notes of the Village, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. As discussed in Note 13 to the financial statements, the Village made changes to its cash basis reporting model. We did not modify our opinions regarding these matters.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2022, on our consideration of the Village'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 solely 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 effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
July 22, 2022

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
For the Year Ended December 31, 2020**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 183,060	\$ 112,610	\$ -	\$ 295,670
Municipal Income Tax	598,291	-	-	598,291
Intergovernmental	27,202	421,647	-	448,849
Fines, Licenses and Permits	12,036	-	-	12,036
Charges for Services	196	1,845	-	2,041
Earnings on Investments	20,903	4,971	-	25,874
Miscellaneous	65,498	11,905	-	77,403
<b>Total Cash Receipts</b>	<b>907,186</b>	<b>552,978</b>	<b>-</b>	<b>1,460,164</b>
<b>Cash Disbursements</b>				
<b>Current:</b>				
Security of Persons and Property	569,339	12,607	-	581,946
Public Health Services	2,135	-	-	2,135
Leisure Time Activities	-	69,654	-	69,654
Community Environment	2,034	-	-	2,034
Transportation	1,607	159,881	-	161,488
General Government	177,606	-	-	177,606
Capital Outlay	33,895	169,621	628,746	832,262
<b>Total Cash Disbursements</b>	<b>786,616</b>	<b>411,763</b>	<b>628,746</b>	<b>1,827,125</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>120,570</b>	<b>141,215</b>	<b>(628,746)</b>	<b>(366,961)</b>
<b>Other Financing Receipts (Disbursements)</b>				
Other Debt Proceeds	-	-	628,156	628,156
Sale of Land	-	-	92,051	92,051
Transfers In	-	13,110	-	13,110
Transfers Out	(13,110)	-	-	(13,110)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>(13,110)</b>	<b>13,110</b>	<b>720,207</b>	<b>720,207</b>
<b>Net Change in Fund Cash Balances</b>	<b>107,460</b>	<b>154,325</b>	<b>91,461</b>	<b>353,246</b>
<b>Fund Cash Balances, January 1, 2020, Restated</b>	<b>466,728</b>	<b>277,040</b>	<b>101,873</b>	<b>845,641</b>
<b>Fund Cash Balances, December 31, 2020</b>	<b>\$ 574,188</b>	<b>\$ 431,365</b>	<b>\$ 193,334</b>	<b>\$ 1,198,887</b>

See Accompanying Notes to the Financial Statements.

**VILLAGE OF RICHWOOD  
 UNION COUNTY, OHIO  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
 All PROPRIETARY FUND TYPES  
 For the Year Ended December 31, 2020**

	<b>Enterprise</b>
<b>Operating Receipts:</b>	
<b>Charges for Services</b>	<b>\$ 751,751</b>
<b>Total Operating Receipts</b>	<b>751,751</b>
<b>Operating Disbursements:</b>	
<b>Personal Services</b>	<b>197,481</b>
<b>Employee Fringe Benefits</b>	<b>95,325</b>
<b>Contractual Services</b>	<b>158,979</b>
<b>Supplies and Materials</b>	<b>90,551</b>
<b>Total Operating Disbursements</b>	<b>542,336</b>
<b>Operating Income</b>	<b>209,415</b>
<b>Non-Operating Receipts/(Disbursements):</b>	
<b>Earnings on Investments</b>	<b>154</b>
<b>Miscellaneous Receipts</b>	<b>300</b>
<b>Capital Outlay</b>	<b>(34,412)</b>
<b>Debt Service:</b>	
<b>Principal Retirement</b>	<b>(104,883)</b>
<b>Interest and Fiscal Charges</b>	<b>(7,161)</b>
<b>Total Nonoperating Receipts/(Disbursements)</b>	<b>(146,002)</b>
<b>Net Change in Fund Balance</b>	<b>63,413</b>
<b>Fund Cash Balance, January 1, 2020</b>	<b>641,584</b>
<b>Fund Cash Balance, December 31, 2020</b>	<b>\$ 704,997</b>

See Accompanying Notes to the Financial Statements.

**VILLAGE OF RICHWOOD  
UNION COUNTY, OHIO  
STATEMENT OF ADDITIONS, DEDUCTIONS AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
For the Year Ended December 31, 2020**

		<u>Custodial</u>
<b>Additions:</b>		
<b>Other Amounts Collected for Distribution</b>	<b>\$</b>	<u><b>28,306</b></u>
<b>Total Additions</b>		<b>28,306</b>
<b>Deductions:</b>		
<b>Other Distributions</b>		<u><b>28,306</b></u>
<b>Total Deductions</b>		<u><b>28,306</b></u>
<b>Net Change in Fund Balance</b>		<b>-</b>
<b>Fund Cash Balance, January 1, 2020</b>		<u><b>15,208</b></u>
<b>Fund Cash Balance, December 31, 2020</b>		<u><u><b>15,208</b></u></u>

**See Accompanying Notes to the Financial Statements.**

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 1 – Reporting Entity**

The Village of Richwood, Union 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 water and sewer utilities, park operations, and police services. The Village contracts with the Union County Sheriff's department to provide security of persons and property. The Village contracts with Northern Union County Fire Department to receive fire protection services.

***Jointly Governed Organization and Public Entity Risk Pool***

The Village participates in a jointly governed organization. Note 10 to the financial statements provide additional information about the entity.

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 2 – Summary of Significant Accounting Policies - Continued**

***Fund Accounting - Continued***

***Special Revenue Funds - Continued***

***Parks and Recreation Fund*** This fund receives property taxes and grants awarded for operating, maintaining, and repairing the Village park.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project 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 to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

***Water Operating Fund*** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village. This fund receives charges for services from residents and commercial customers to cover service costs.

***Sewer Operating Fund*** The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village. This fund receives charges for services from residents and commercial customers to cover service costs.

***Fiduciary Funds*** Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village’s custodial fund accounts for money for fire damage clean-up of property within the Village. Miscellaneous receipts into this fund are from insurance proceeds for fire damage to specific properties and once the property owners clean up, the Village remits monies to the owners.

***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 (C). This basis is similar to the cash receipts and disbursements accounting basis. Council 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 (C) permit.

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 2 – Summary of Significant Accounting Policies - Continued**

***Budgetary Process***

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

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

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

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

A summary of 2020 budgetary activity appears in Note 3.

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

***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.

***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.



**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 2 – Summary of Significant Accounting Policies – Continued**

***Fund Balance - continued***

***Committed*** Council can *commit* amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless the Council amends the ordinance or 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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$891,242	\$907,186	\$15,944
Special Revenue	569,476	566,088	(3,388)
Capital Projects	628,156	720,207	92,051
Enterprise	710,800	752,205	41,405

2020 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,210,585	\$799,726	\$410,859
Special Revenue	733,870	433,039	300,831
Capital Projects	640,156	628,746	11,410
Enterprise	946,440	713,917	232,523

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 4 – Deposits**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

	2020
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$1,131,639
Certificates of deposit	787,453
Total deposits	\$1,919,092

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the Village is holding \$0 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Village.

***Income Taxes***

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.

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 5 – Taxes - Continued**

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 6 – Risk Management**

***Workers' Compensation***

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.

***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicle
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$ 40,318,971
Actuarial liabilities	\$14,111,510

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Village 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

***Ohio Police and Fire Retirement System***

The Village's Police Officers belong to the Ohio 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.50 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2020.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 9 – Debt**

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan CK09D	\$ 6,140	0.00%
OPWC Loan CK28Q	179,949	0.00%
OPWC Loan CT38T	227,516	0.00%
OPWC Loan CT61U	174,534	0.00%
OPWC Loan CT36V	586,699	0.00%
ODWA #3341	105,952	4.00%
ODWA #7251	43,500	0.00%
OWDA #8894	31,513	2.37%
Total	<u>\$ 1,355,803</u>	

The Village obtained a loan from OPWC (CK09D) in 2002 for water line improvements. The loan is due in semi-annual installments of \$2,046 through 2022 at an interest rate of 0.00%.

The Village obtained a loan from OPWC (CK28Q) in July of 2016 for water system improvements. The loan is due in semi-annual installments of \$5,805 through 2036 at an interest rate of 0.00%.

The Village obtained a loan from OPWC (CT38T) in prior years for East Ottawa Construction. The loan is due in semi-annual installments of \$4,213 through 2047 at an interest rate of 0.00%.

The Village obtained a loan from OPWC (CT61U) in 2018 for East Bomford St. reconstruction. The loan is due in semi-annual installments of \$3,117 through July 2048 at an interest rate of 0.00%.

The Village obtained a loan from OPWC (CT36V) in 2020 for the Franklin Street Reconstruction Project – Phase I. The loan is due in semi-annual installments of \$9,446 through July 2050.

The Village obtained a loan from OWDA (3341) in July of 2002 for Water System Improvements. The loan is due in semi-annual installments of \$9,195 through 2027 at an interest rate of 4.0%.

The Village obtained a loan from OWDA (7251) in January of 2018 for Inflow and Infiltration Study. The loan is due in annual installments of \$14,500 through 2022 at an interest rate of 0.00%.

The Village obtained a loan from OWDA (8894) in May of 2020 for \$351,225 at a rate of 2.37%. As of December 31, 2020, \$31,513 has been disbursed on behalf of the Village.

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 9 – Debt - Continued**

**Amortization**

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

Year Ending <u>December 31,</u>	<u>OPWC</u>	<u>OWDA</u>
2021	\$ 25,125	\$ 24,023
2022	50,252	48,313
2023	46,158	19,690
2024	46,158	20,091
2025	46,158	20,518
2026-2030	230,790	31,639
2031-2035	230,790	-
2036-2040	184,345	-
2041-2045	172,740	-
2046-2050	142,322	-
	<u>\$ 1,174,838</u>	<u>\$ 164,274</u>

An amortization schedule is not yet available for OWDA loan 8894.

**Note 10 – Jointly Governed Organization**

The Village of Richwood, Claiborne Township, Jackson Township and York Township appoint one member to the Board of Trustees of the Northern Union County Joint Fire and EMS District. The Northern Union County Joint Fire & EMS District provides fire protection and rescue services within the district.

**Note 11 – Prior Period Adjustment**

The Village voided a check and deleted an ACH disbursement in 2020 that were recorded in error in 2019. Therefore, the beginning fund balance for 2020 is restated as follows:

	General Fund
Fund Balance as previously reported	\$466,346
Adjustment for voided payments made in prior year	382
Restated Fund balance	\$466,728

**Village of Richwood, Ohio**  
*Union County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 12 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	Special Revenue
Outstanding Encumbrances	\$21,276

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital project funds is restricted, committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 13 – Change in Accounting Principles**

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) -- All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

**Note 14 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Richwood  
Union County  
153 North Franklin Street  
Richwood, Ohio 43344

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 cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the year ended December 31, 2020, and the related notes of the Village of Richwood, Union County, (the Village) and have issued our report thereon dated July 22, 2022, wherein we noted that the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit and qualified our opinion on the cash balances by fund type. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. In addition, we noted the change in the Village's reporting model for 2020.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Audit Findings as items 2021-001 through 2021-003 that we consider to be material weaknesses.



### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Audit Findings as items 2021-002 and 2021-003.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated July 22, 2022.

### ***Village's Responses to Findings***

The Village's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan. We did not audit the Village's responses and, accordingly, we express no opinion on them.

### ***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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
July 22, 2022

VILLAGE OF RICHWOOD  
UNION COUNTY  
Schedule of Audit Findings  
December 31, 2021 and 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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**Finding Number 2021-001 – Material Weakness**

Audit Adjustments, Reclassifications and Notes to the Financial Statements

During 2021 and 2020, errors were noted in the Village's financial statements that required audit adjustments and reclassifications, the most significant of which are as follows:

- In 2021, cash was understated by \$11,658 because investment earnings for the 3<sup>rd</sup> and 4<sup>th</sup> quarters were not recorded.
- In 2020 a CARES Act grant of \$164,661 and in 2021 an American Rescue Plan Act grant of \$129,891 were classified as other financing sources rather than intergovernmental receipts.
- In 2020, the sale of land for \$92,051 was erroneously recorded as an intergovernmental receipt.
- In 2020, on behalf of payments disbursed by OWDA and OPWC totaling \$628,156 were not recorded.
- State rollback receipts of \$14,541 in 2020 and \$14,166 were recorded as property taxes rather than intergovernmental receipts.
- In 2020 and 2021 capital outlays totaling \$214,982 and \$1,390,223, respectively, were erroneously recorded as transportation, securities of persons, leisure activities, other financing sources and contractual services expenses.
- Principal and interest payments of \$52,892 in 2020 and \$23,893 in 2021 were classified as contractual disbursements.

In addition to the above reclassifications, revisions were required for the 2021 and 2020 notes to the financial statements.

The accompanying financial statements and the Village's records have been adjusted to properly reflect these transactions.

Sound financial reporting is the responsibility of the Village and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Village adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the Village Officer's Handbook, the Uniform Accounting Network Manual, and other Auditor of State guidance to aid in properly identifying account classifications and preparing annual financial statements.

Management's Response:

See Corrective Action Plan on page 40.

VILLAGE OF RICHWOOD  
UNION COUNTY  
Schedule of Audit Findings  
December 31, 2021 and 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (continued)

**Finding Number 2021-002 – Noncompliance/Material Weakness**

On-Behalf Payments

Ohio Rev. Code § 5705.42 requires, in part, when the state or any department, division, agency, authority or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, the amount is deemed appropriated and shall be recorded by the subdivision. In addition, Auditor of State (AOS) Bulletin 2000-008 indicates when a local government enters into an on-behalf-of program agreement with another local government or the State, whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

In 2020, the Ohio Public Works Commission (OPWC) and the Ohio Water Development Authority (OWDA) expended \$596,643 and \$31,513, respectively, on-behalf of the Village. Under the terms of these agreements, OPWC and OWDA made project payments directly to the vendor/contractor on the Village's behalf. These amounts were not recognized as receipts and disbursements, nor were they included in the appropriations or estimated resources, in the Village's accounting records, thus understating debt proceeds, and capital outlay disbursements, along with understating appropriations and estimated resources in the Capital Project fund. This was caused by the Village not having procedures in place for recording on-behalf of payments. Adjustments were made to the financial statements and notes to recognize these receipts, disbursements, and corresponding debt.

By not properly recording on-behalf payments, the Village cannot report accurate financial activity to its constituents.

Any payments made on behalf of the Village by another party should be recorded by the Village as receipts and disbursements. See AOS Bulletin 2000-008 for further guidance on posting the on-behalf of activity. Failure to do so results in an understatement of receipts and disbursements. Additionally, since this grant is deemed to be appropriated pursuant to Ohio Rev. Code Section 5705.42, the Village should record the appropriations in their accounting records and should request an amended certificate of estimated resources to reflect the additional receipts.

Management's Response:

See Corrective Action Plan on page 40.

VILLAGE OF RICHWOOD  
UNION COUNTY  
Schedule of Audit Findings  
December 31, 2021 and 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (continued)

**Finding Number 2021-003 – Noncompliance/Material Weakness**

Restricted Monies

Ohio Rev. Code § 5705.10(1) states that money paid into any fund shall be used only for the purposes for which such fund was established. Contrary to this requirement, we noted the following:

- During 2020 and 2021, the Village erroneously posted permissive motor vehicle license taxes levied by the Council to the Street Construction, Maintenance and Repair Special Revenue Fund rather than to the Permissive Motor Vehicle License Tax Special Revenue Fund in the amount of \$19,123 and \$26,028, respectively. One Permissive Motor Vehicle License Tax receipt of \$4,155 was also erroneously recorded to the general fund in 2020.
- In 2020, gasoline taxes in the amount of \$12,111 were erroneously recorded to the State Highway Fund rather than the Street Construction, Maintenance and Repair Special Revenue Fund.
- In 2021, property taxes of \$34,088 were erroneously recorded to the General Fund rather than the Parks and Recreation Fund.
- In 2020, a grant of \$10,000 for the Parks and Recreation Fund was erroneously posted to a Capital Projects Fund.

The accompanying financial statements and the Village's records have been adjusted to properly reflect these transactions.

Lack or failure of controls over posting of financial transactions could result in monies being expended for unallowable purposes.

We recommend the Village closely monitor financial activity to ensure that restricted receipts and disbursements are only being applied to the fund established for such purposes. Management can use the Village Officer's Handbook, the Uniform Accounting Network Manual, and other Auditor of State guidance to aid in properly identifying account classifications and preparing annual financial statements.

Management's Response:

See Corrective Action Plan on page 40.

Village of Richwood  
 Union County, Ohio  
 For the Years Ended December 31, 2021 and 2020

SCHEDULE OF PRIOR AUDIT FINDINGS-PREPARED BY MANAGEMENT

FINDING NUMBER	FINDING SUMMARY	STATUS	ADDITIONAL INFORMATION
2019-001	Material Weakness – Timely Posting of Transactions / Monthly Bank Reconciliations / Council Monitoring	Corrected	
2019-002	Material Weakness – Audit Adjustments Reclassifications and Notes to the Financial Statements	Not corrected	See Corrective Action Plan
2019-003	Material Weakness – Segregation of Duties	Corrected	
2019-004	Noncompliance / Material Weakness – On-Behalf Payments	Not corrected	See Corrective Action Plan
2019-005	Noncompliance / Material Weakness – Restricted Monies	Not corrected	See corrective action plan
2019-006	Material Weakness – Accounting Ledgers/Transactions	Corrected	
2019-007	Noncompliance – Payroll Taxes	Corrected	

**VILLAGE OF RICHWOOD**  
**Union County, Ohio**  
**For the Years Ended December 31, 2021 and 2020**

**CORRECTIVE ACTION PLAN – PREPARED BY MANAGEMENT**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2021-001	The Village will review their procedures and appropriate AOS and GASB guidance	Immediately	Sarah Sellers, Fiscal Officer
2021-002	The Village will begin recording all on-behalf payments	Immediately	Sarah Sellers, Fiscal Officer
2021-003	The Village will implement procedures to ensure transactions are recorded in the correct fund	Immediately	Sarah Sellers, Fiscal Officer

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF RICHWOOD**

**UNION COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/15/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)