

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY, OHIO
BASIC FINANCIAL STATEMENTS
*(AUDITED)***

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019



LINDHOLM
& C O M P A N Y

**752 High Street
Worthington, Ohio 43085**

OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the Village of New Richmond, Clermont County, prepared by Lindholm + Company, for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

February 02, 2022

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CLERMONT COUNTY
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INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of New Richmond, Clermont County, Ohio (the Village).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2020 and 2019, and the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and 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(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2021 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

LINDHOLM + COMPANY

Worthington, Ohio

August 25, 2021

Village of New Richmond, Ohio

Clermont County

Combined Statement of Receipts, Disbursements

and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2020

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$76,321	\$502,031	-	-	\$578,352
Municipal Income Tax	595,788	-	-	-	595,788
Intergovernmental	173,939	515,164	-	-	689,103
Special Assessments	4,913	-	-	-	4,913
Charges for Services	-	16,600	-	-	16,600
Fines, Licenses and Permits	47,264	34,443	-	-	81,707
Earnings on Investments	4,465	681	-	-	5,146
Miscellaneous	43,578	154,998	-	-	198,576
<i>Total Cash Receipts</i>	<u>946,268</u>	<u>1,223,917</u>	<u>-</u>	<u>-</u>	<u>2,170,185</u>
Cash Disbursements					
Current:					
Security of Persons and Property	61,398	1,418,744	-	-	1,480,142
Public Health Services	-	41,142	-	-	41,142
Leisure Time Activities	15,604	-	-	-	15,604
Community Environment	21,401	-	-	-	21,401
Transportation	-	319,850	-	-	319,850
General Government	303,556	2,780	-	-	306,336
Capital Outlay	-	58,229	-	-	58,229
Debt Service:					
Principal Retirement	27,500	40,900	11,817	-	80,217
Interest and Fiscal Charges	1,102	1,437	-	-	2,539
<i>Total Cash Disbursements</i>	<u>430,561</u>	<u>1,883,082</u>	<u>11,817</u>	<u>-</u>	<u>2,325,460</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>515,707</u>	<u>(659,165)</u>	<u>(11,817)</u>	<u>-</u>	<u>(155,275)</u>
Other Financing Receipts (Disbursements)					
Sale of Bonds	-	45,000	-	-	45,000
Loans Issued	-	70,000	-	-	70,000
Transfers In	-	597,000	11,817	-	608,817
Transfers Out	(608,818)	-	-	-	(608,818)
Advances In	34,100	9,100	-	-	43,200
Advances Out	(9,100)	(9,100)	-	-	(18,200)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(583,818)</u>	<u>712,000</u>	<u>11,817</u>	<u>-</u>	<u>139,999</u>
<i>Net Change in Fund Cash Balances</i>	<u>(68,111)</u>	<u>52,835</u>	<u>-</u>	<u>-</u>	<u>(15,276)</u>
<i>Fund Cash Balances, January 1</i>	<u>249,727</u>	<u>348,254</u>	<u>-</u>	<u>1,908</u>	<u>599,889</u>
<i>Fund Cash Balances, December 31</i>	<u>\$181,616</u>	<u>\$401,089</u>	<u>-</u>	<u>1,908</u>	<u>\$584,613</u>

See accompanying notes to the basic financial statements

Village of New Richmond, Ohio
Clermont County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2020

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$857,538	-	\$857,538
<i>Total Operating Cash Receipts</i>	<u>857,538</u>	<u>-</u>	<u>857,538</u>
Operating Cash Disbursements			
Personal Services	208,234	-	208,234
Employee Fringe Benefits	68,384	-	68,384
Contractual Services	278,626	-	278,626
Supplies and Materials	163,412	-	163,412
Other	1,550	-	1,550
<i>Total Operating Cash Disbursements</i>	<u>720,206</u>	<u>-</u>	<u>720,206</u>
<i>Operating Income (Loss)</i>	<u>137,332</u>	<u>-</u>	<u>137,332</u>
Non-Operating Receipts (Disbursements)			
Intergovernmental	304,068	-	304,068
Special Assessments	211	-	211
Miscellaneous Receipts	615	-	615
Capital Outlay	(304,361)	-	(304,361)
Principal Retirement	(70,679)	-	(70,679)
Interest and Other Fiscal Charges	(65,812)	-	(65,812)
Other Financing Sources	-	49,208	49,208
Other Financing Uses	-	(49,208)	(49,208)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(135,958)</u>	<u>-</u>	<u>(135,958)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	1,374	-	1,374
Transfers In	136,558	-	136,558
Transfers Out	(136,559)	-	(136,559)
Advances Out	(25,000)	-	(25,000)
<i>Net Change in Fund Cash Balances</i>	<u>(23,627)</u>	<u>-</u>	<u>(23,627)</u>
<i>Fund Cash Balances, January 1</i>	<u>439,189</u>	<u>-</u>	<u>439,189</u>
<i>Fund Cash Balances, December 31</i>	<u>\$415,562</u>	<u>-</u>	<u>\$415,562</u>

See accompanying notes to the basic financial statements

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 - Reporting Entity

The Village of New Richmond (the Village), Clermont County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides various services including police protection, fire and EMS services and water and sewer utilities.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund The street construction, maintenance and repair fund accounts for and reports the portion of the state gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of Village streets.

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

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

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

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

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

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

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village did not have any significant capital projects in 2020.

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

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

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

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

Agency funds are purely custodial in nature and are used to hold resources for individuals or organizations. The Villages disburse these funds as directed by the individual or organization.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

Committed Council can commit amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless 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.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. 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 14.

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	\$876,354	\$980,365	\$104,011	
Special Revenue	1,812,503	1,945,018	132,515	
Debt Service	11,818	11,818	-	
Capital Projects	-	-	-	
Enterprise	1,267,584	1,298,991	31,407	
Fiduciary	-	90,425	90,425	
Total	\$3,968,259	\$4,326,617	\$358,358	
2020 Budgeted vs. Actual Budgetary Basis Expenditures				
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance	
General	\$1,128,596	\$1,048,476	\$80,120	
Special Revenue	2,083,055	1,892,184	190,871	
Debt Service	11,818	11,818	-	
Capital Projects	1,908	-	1,908	
Enterprise	1,383,990	1,322,618	61,372	
Fiduciary	94,660	43,021	51,639	
Total	\$4,704,027	4,318,117	\$385,910	

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 - Deposits and Investments

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31, 2020 was \$1,293,058 respectively.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; 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.

Investments

The Village has no Investments at this time.

Note 5 - Taxes

Property Taxes

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

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

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

Income Taxes

Effective January 1, 2010 the Village began levying a municipal income tax of 1 percent on income earned arising from employment, residency or business activities within the Village. Employers within the Village withhold income tax on employee compensation and remit the tax to the Village. Either monthly or quarterly as required. The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Note 6 - Interfund Balances

As of December 31, 2020, the Sewer Fund has outstanding fund advances of \$175,000 to the General Fund. The Sewer Fund began repaying this debt in 2018 and will continue repaying the advances as funds become available.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Other 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 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, 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 19.5 percent of full-time police members' wages and 24 percent of full-time firefighters' wages. The Village has paid all contributions required through December 31, 2020.

Social Security

The part time Fire/EMS employees of the Village participate in the Social Security system. Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit post employment 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 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based healthcare model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 10 - Debt

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

Riverhills Bank - Fire Truck & Mower	\$87,500	3%
Ohio Public Works Commission Loans	\$80,546	0%
Ohio Water Development Authority Loans	<u>\$1,673,738</u>	2.75%
Total	<u>\$2,347,875</u>	

The 2009 River Hills Bank equipment loan (fire truck) was issued to refinance existing debt and purchase additional equipment. The loan will be repaid in annual payments of \$28,807 of principal and interest. The Village has been repaying \$30,000 per year. This loan was paid in full in 2020.

The 2020 RHB equipment loan was issued to purchase and install an ambulance chassis and a boom mower. Payments began in 2020.

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

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

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

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

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

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 10 - Debt (Continued)

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

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

Note 11 – Construction and Contractual Commitments

Although there are undistributed funds remaining on the OWDA Sewer Line Extension Loan, the project is mostly complete. There could be additional advances on the loan in 2021.

Note 12 – Public Entity Risk Pool

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

Note 13 – Construction and Contractual Commitments

Although there are undistributed funds remaining on the OWDA Sewer Line Extension Loan, the project is mostly complete. There could be additional advances on the loan in 2021.

Note 14 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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	Debt Service	Capital Projects	Enterprise	Total
Nonspendable						
Unclaimed Monies						-
Outstanding Encumbrances	-	-	-	-	16	16
	-	-	-	-	\$16	\$16

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – 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 16 – 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. 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.

Village of New Richmond, Ohio

Clermont County

Combined Statement of Receipts, Disbursements

and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2019

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 80,983	\$ 511,557	\$ -	\$ -	\$ 592,540
Municipal Income Tax	602,997	-	-	-	602,997
Intergovernmental	107,433	212,832	-	61,753	382,018
Special Assessments	8,410	75	-	-	8,485
Charges for Services	-	13,200	-	-	13,200
Fines, Licenses and Permits	46,121	10,603	-	-	56,724
Earnings on Investments	22,581	2,641	-	-	25,222
Miscellaneous	45,844	131,602	-	-	177,446
<i>Total Cash Receipts</i>	<u>914,369</u>	<u>882,510</u>	<u>-</u>	<u>61,753</u>	<u>1,858,632</u>
Cash Disbursements					
Current:					
Security of Persons and Property	62,798	1,196,141	-	-	1,258,939
Public Health Services	-	33,382	-	-	33,382
Leisure Time Activities	33,399	-	-	6,000	39,399
Community Environment	20,214	-	-	-	20,214
Transportation	71,863	188,224	-	-	260,087
General Government	360,324	4,077	-	-	364,401
Capital Outlay	-	83,438	-	61,753	145,191
Debt Service:					
Principal Retirement	-	27,366	23,635	-	51,001
Interest and Fiscal Charges	-	2,634	-	-	2,634
<i>Total Cash Disbursements</i>	<u>548,598</u>	<u>1,535,262</u>	<u>23,635</u>	<u>67,753</u>	<u>2,175,248</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>365,771</u>	<u>(652,752)</u>	<u>(23,635)</u>	<u>(6,000)</u>	<u>(316,616)</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	587,000	23,635	-	610,635
Transfers Out	(610,635)	-	-	-	(610,635)
Advances In	17,280	10,200	-	7,080	34,560
Advances Out	(17,280)	(10,200)	-	(7,080)	(34,560)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(610,635)</u>	<u>587,000</u>	<u>23,635</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>(244,864)</u>	<u>(65,752)</u>	<u>-</u>	<u>(6,000)</u>	<u>(316,616)</u>
<i>Fund Cash Balances, January 1</i>	<u>494,591</u>	<u>414,006</u>	<u>-</u>	<u>7,908</u>	<u>916,505</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 249,727</u>	<u>\$ 348,254</u>	<u>\$ -</u>	<u>\$ 1,908</u>	<u>\$ 599,889</u>

See accompanying notes to the basic financial statements

Village of New Richmond, Ohio
Clermont County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2019

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$897,381	38,208	\$935,589
Miscellaneous	-	223	223
<i>Total Operating Cash Receipts</i>	<u>897,381</u>	<u>38,431</u>	<u>935,812</u>
Operating Cash Disbursements			
Personal Services	211,051	-	211,051
Employee Fringe Benefits	59,878	-	59,878
Contractual Services	284,438	2	284,440
Supplies and Materials	116,548	2,840	119,388
Other	4,125	424	4,549
<i>Total Operating Cash Disbursements</i>	<u>676,040</u>	<u>3,266</u>	<u>679,306</u>
<i>Operating Income (Loss)</i>	<u>221,341</u>	<u>35,165</u>	<u>256,506</u>
Non-Operating Receipts (Disbursements)			
Intergovernmental	61,760	-	61,760
Special Assessments	-	7,358	7,358
Other Debt Proceeds	15,765	-	15,765
Miscellaneous Receipts	2,010	1,186	3,196
Capital Outlay	(104,826)	-	(104,826)
Principal Retirement	(72,419)	-	(72,419)
Interest and Other Fiscal Charges	(67,689)	-	(67,689)
Other Financing Sources	-	51,937	51,937
Other Financing Uses	-	(51,937)	(51,937)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(165,399)</u>	<u>8,544</u>	<u>(156,855)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	55,942	43,709	99,651
Transfers In	140,171	-	140,171
Transfers Out	(140,172)	-	(140,172)
<i>Net Change in Fund Cash Balances</i>	55,941	43,709	99,650
<i>Fund Cash Balances, January 1</i>	<u>383,248</u>	<u>51,962</u>	<u>435,210</u>
<i>Fund Cash Balances, December 31</i>	<u>\$439,189</u>	<u>\$95,671</u>	<u>\$534,860</u>

See accompanying notes to the basic financial statements

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Village of New Richmond (the Village), Clermont County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides various services including police protection, fire and EMS services and water and sewer utilities.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund The street construction, maintenance and repair fund accounts for and reports the portion of the state gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of Village streets.

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

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

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

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

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

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

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village did not have any significant capital projects in 2019.

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

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

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

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

Agency funds are purely custodial in nature and are used to hold resources for individuals or organizations. The Villages disburse these funds as directed by the individual or organization.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

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 2019 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.

Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

Committed Council can commit amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless 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.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. 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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts				
	Fund Type	Budgeted Receipts	Actual Receipts	Variance
	General	\$941,253	\$931,651	(\$9,602)
	Special Revenue	1,420,655	1,479,709	59,053
	Debt Service	23,635	23,635	-
	Capital Projects	61,753	68,833	7,080
	Enterprise	1,080,793	1,117,087	36,294
	Fiduciary	223	46,974	46,751
	Total	\$3,528,312	\$3,667,889	\$139,577
2019 Budgeted vs. Actual Budgetary Basis Expenditures				
	Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
	General	\$1,297,138	\$1,159,235	\$137,903
	Special Revenue	1,775,394	1,545,462	229,932
	Debt Service	23,635	23,635	-
	Capital Projects	69,661	67,753	1,908
	Enterprise	1,330,421	1,061,147	269,274
	Fiduciary	21,700	3,625	18,435
	Total	\$4,517,949	\$3,860,497	\$657,452

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 - Deposits and Investments

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31, 2019 was \$1,174,171 respectively.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; 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.

Investments

The Village has no Investments at this time.

Note 5 - Taxes

Property Taxes

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

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

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

Income Taxes

Effective January 1, 2010 the Village began levying a municipal income tax of 1 percent on income earned arising from employment, residency or business activities within the Village. Employers within the Village withhold income tax on employee compensation and remit the tax to the Village. Either monthly or quarterly as required. The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Note 6 - Interfund Balances

As of December 31, 2019, the Sewer Fund has outstanding fund advances of \$200,000 to the General Fund. The Sewer Fund began repaying this debt in 2018 and will continue repaying the advances as funds become available.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Other 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, 2019.

Ohio Police and Fire Retirement System

The 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, 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 19.5 percent of full-time police members' wages and 24 percent of full-time firefighters' wages. The Village has paid all contributions required through December 31, 2019.

Social Security

The part time Fire/EMS employees of the Village participate in the Social Security system. Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit post employment 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 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based healthcare model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 10 - Debt

Debt outstanding at December 31, 2019, was as follows:

Riverhills Bank - Fire Truck	\$40,890	3.5%
Ohio Public Works Commission Loans	\$152,637	0%
Ohio Water Development Authority Loans	<u>\$2,194,237</u>	0-4.0%
Total	<u>\$2,387,764</u>	

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

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

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

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

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

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

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

Village of New Richmond, Ohio
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 - Debt (Continued)

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

Note 11 – Construction and Contractual Commitments

Although there are undistributed funds remaining on the OWDA Sewer Line Extension Loan, the project is mostly complete. There could be additional advances on the loan in 2020.

Note 12 – Public Entity Risk Pool

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

Note 13 – Construction and Contractual Commitments

Although there are undistributed funds remaining on the OWDA Sewer Line Extension Loan, the project is mostly complete. There could be additional advances on the loan in 2021.



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

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund types of the Village of New Richmond, Clermont County, Ohio (the Village) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements and have issued our report thereon dated August 25, 2021 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Government's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Government's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. We consider finding 2020-001 to be a material weakness.

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose..

LINDHOLM + COMPANY

Worthington, Ohio
August 25, 2021

**VILLAGE OF NEW RICHMOND
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-001

Material Weakness

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

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

- The Mayors court activity was not included within the financial statements. This resulted in the other financing sources and other financing uses being understated by \$51,937 in the Mayor's Court fund in 2019. In 2020, this resulted in the other financing sources and other financing uses being understated by\$49,208.

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

Officials' Response:

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

VILLAGE OF NEW RICHMOND
CLERMONT COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT
FINDINGS DECEMBER 31, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Material weakness – Mayors Court activity not included within the financial statements.	Not corrected	Repeated as Finding 2020-001

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NEW RICHMOND

CLERMONT 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 2/15/2022

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