

***VILLAGE OF REMINDERVILLE***

***SUMMIT COUNTY***

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2019 - 2018







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Village Council  
Village of Reminderville  
3382 Glenwood Blvd  
Reminderville, Ohio 44202

We have reviewed the *Independent Auditor's Report* of the Village of Reminderville, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2018 through December 31, 2019. 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 Reminderville is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

December 4, 2020

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**Village of Reminderville**  
**Summit County**  
For the Years Ended December 31, 2019 and 2018

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**INDEPENDENT AUDITOR'S REPORT**

Village of Reminderville  
Summit County  
3382 Glenwood Boulevard  
Reminderville, Ohio 44202

To the Village Council:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Reminderville, Summit County, (the Village) as of and for the years ended December 31, 2019 and 2018.

***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(D) 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 of 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(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 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(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, 2019 and 2018, or changes in financial position 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 by fund type, and related notes of the Village of Reminderville, Summit County, as of December 31, 2019 and 2018, for the years then ended 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.

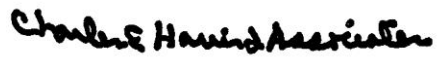
***Emphasis of Matter***

As discussed in Note 13 to the 2019 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 opinion regarding this matter.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2020, 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.***  
October 27, 2020

**Village of Reminderville**  
**Summit 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*

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 251,823	\$ 390,319	\$ -	\$ -	\$ 642,142
Municipal Income Tax	1,835,902	896,530	-	-	2,732,432
Intergovernmental	128,502	1,297,878	-	317,235	1,743,615
Special Assessments	84,120	-	-	-	84,120
Charges for Services	16,140	987,518	-	-	1,003,658
Fines, Licenses and Permits	144,040	2,549	-	-	146,589
Earnings on Investments	4,370	-	175	1,270	5,815
Miscellaneous	31,366	1,639	-	9,000	42,005
<i>Total Cash Receipts</i>	2,496,263	3,576,433	175	327,505	6,400,376
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	1,177,352	977,797	-	-	2,155,149
Public Health Services	45,566	2,317	-	-	47,883
Leisure Time Activities	-	1,056,148	-	-	1,056,148
Community Environment	111,330	-	-	-	111,330
Transportation	182,145	259,580	-	-	441,725
General Government	412,577	399,079	-	-	811,656
Capital Outlay	-	873,983	-	1,090,247	1,964,230
Debt Service:					
Principal Retirement	-	141,087	15,844	-	156,931
Interest and Fiscal Charges	-	219,405	2,141	-	221,546
<i>Total Cash Disbursements</i>	1,928,970	3,929,396	17,985	1,090,247	6,966,598
<i>Excess of Receipts Over (Under) Disbursements</i>	567,293	(352,963)	(17,810)	(762,742)	(566,222)
<b>Other Financing Receipts (Disbursements)</b>					
Loans Issued	-	-	-	265,042	265,042
Sale of Capital Assets	130	20,417	-	-	20,547
Transfers In	-	150,000	17,463	-	167,463
Transfers Out	(17,463)	(150,000)	-	-	(167,463)
Other Financing Sources	-	-	-	7,125	7,125
Other Financing Uses	-	-	-	(9,942)	(9,942)
<i>Total Other Financing Receipts (Disbursements)</i>	(17,333)	20,417	17,463	262,225	282,772
<i>Net Change in Fund Cash Balances</i>	549,960	(332,546)	(347)	(500,517)	(283,450)
<i>Fund Cash Balances, January 1</i>	1,049,436	1,495,517	498,542	576,780	3,620,275
<b>Fund Cash Balances, December 31</b>					
Restricted	-	1,131,845	498,195	76,263	1,706,303
Committed	-	31,126	-	-	31,126
Assigned	213,395	-	-	-	213,395
Unassigned	1,386,001	-	-	-	1,386,001
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,599,396</u>	<u>\$ 1,162,971</u>	<u>\$ 498,195</u>	<u>\$ 76,263</u>	<u>\$ 3,336,825</u>

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

**Village of Reminderville**  
**Summit County**  
*Combined Statement of Receipts, Disbursements and Changes in*  
*Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2019*

	Fiduciary Fund Type
	Agency
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 23,000
Fines, Licenses and Permits	8,022
Municipal Income Tax	3,666,598
<i>Total Operating Cash Receipts</i>	3,697,620
<b>Operating Cash Disbursements</b>	
Personal Services	375
Contractual Services	157,468
Other	105,957
Payments to Another Government	3,500,029
<i>Total Operating Cash Disbursements</i>	3,763,829
<i>Net Change in Fund Cash Balances</i>	(66,209)
<i>Fund Cash Balances, January 1</i>	291,112
<i>Fund Cash Balances, December 31</i>	\$ 224,903

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

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The Village of Reminderville, Summit County, Ohio (the Village), 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. The Village is directed by a six-member Council elected at large, each with four-year terms. The Mayor is elected to a four-year term and serves as the chief executive officer without a vote on Council. The Village provides general government services, maintenance of Village roads and bridges, park operations, police protection services, and fire and emergency rescue services.

***Jointly Governed Organization***

The Village participates in the Twinsburg Township-Village of Reminderville Joint Economic Development District (JEDD) with Twinsburg Township, a jointly governed organization. Note 11 to the financial statements provides additional information for this entity.

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 the fiduciary 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 to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

***Parks and Recreation Fund*** The parks and recreation fund accounts for and reports the receipt of fees charged to patrons of the Reminderville Athletic Club, bond proceeds for the construction of that facility, and other permits and rental fees for park property restricted for the purpose of improving and maintaining various Village park and recreation facilities.

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Joint Economic Development District Fund*** The joint economic development district fund accounts for and reports the receipt of income tax allocated to the Village by the Twinsburg Township-Village of Reminderville Joint Economic Development District restricted for projects specific to the economic development of the Village.

***Road Levy Fund*** The road levy fund accounts for and reports the receipt of property taxes received for the purpose of completing road projects within the Village.

***Fire Income Tax Fund*** The fire income tax fund accounts for and reports the receipt of municipal income taxes for the purpose of providing fire protection services to Village residents.

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

***Ohio Public Works Fund*** The Ohio public works fund accounts for and reports the receipt of transfers committed for the purpose of debt service payments.

***Capital Project Funds*** These funds account for and report financial resources that are restricted or committed 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:

***Nautilus Trail Fund*** The Nautilus Trail fund accounts for and reports the receipt of grants and loans restricted for the completion of the Nautilus Trail project.

***California Street Fund*** The California Street project fund accounts for and reports the receipt of grants and loan proceeds restricted for the completion of the California Street project.

***Fiduciary Funds*** Fiduciary funds include agency funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for JEDD Board activity and contractor deposits.

***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. 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 disbursements 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.

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***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 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 reappropriated.

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.

***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.

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 2 – Summary of Significant Accounting Policies (continued)**

**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.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Council or a Village official delegated that authority by resolution, or by State Statute. Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget in the general fund.

**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 ended December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,111,364	\$ 2,496,393	\$ 385,029
Special Revenue	3,670,118	3,746,850	76,732
Debt Service	-	17,638	17,638
Capital Projects	-	599,672	599,672

2019 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,336,548	\$ 1,962,601	\$ 373,947
Special Revenue	4,780,020	4,217,151	562,869
Debt Service	20,682	17,985	2,697
Capital Projects	1,746,735	1,100,189	646,546

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**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 was as follows:

	<u>2019</u>
Demand deposits	\$ 3,561,728
<i>Deposits</i>	

Deposits are insured by the Federal Depository 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.

**Note 5 – Taxes**

*Property Taxes*

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

Public utilities are also taxed on personal and real property located within the Village. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

*Local Income Taxes*

The Village levies a municipal income tax of 1.5% 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 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 Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 6 – Risk Management (continued)**

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Public officials and law enforcement;
- Inland marine;
- Crime;
- Boiler and machinery;
- Vehicles; and
- Errors and omissions.

Settlement amounts did not exceed insurance coverage for the past three fiscal years and coverage limits have not been significantly reduced from the previous year.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most of the Village’s employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants’ gross salaries. The Village has paid all contributions required through December 31, 2019.

***Ohio Police and Fire Pension Fund***

All of the Village’s 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members’ wages. The Village has paid all contributions required through December 31, 2019.

**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% during calendar year 2019, and OP&F contributed 0.5% to fund these benefits.

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 9 – Debt**

Debt outstanding at December 31, 2019 was as following:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$ 814,600	4.125%
Street Improvement Bonds	465,000	3.00-4.75%
OPWC Loans	414,984	1.00%
Geis Bond Anticipation Notes	1,924,240	3.51-4.63%
Total	<u>\$ 3,618,824</u>	

The repayment of the general obligation bonds will be supported by the full faith and credit of the Village and is payable from the Village's JEDD proceeds.

The Village executed a promissory note on July 1, 2004 with the Ohio Public Works Commission (OPWC) for the slip lining of culverts on Clipper Cove, replacement of an existing culvert on Glenwood Boulevard and replacement of existing pavement on Glenwood Boulevard and California Street. The loan is to be repaid with general revenues of the Village. The loan was restricted by OPWC and reduced by \$134,117 to the finalized amount of \$315,838.

During 2010, the Village issued street improvement bonds in the value of \$740,000. The bonds were issued for the purpose of street improvement projects. The obligations are to be paid from the debt service fund. The Village's taxing authority collateralized the bonds.

During 2016, the Village issued Bond Anticipation Notes (BANs) totaling \$1,994,827 including a discount amount of \$25,514. The notes were issued for the purpose of financing roadway improvements, equipment purchases, land acquisition, parking lot resurfacing, and other various upgrades. The Village intends to repay this note with the Village's JEDD proceeds.

During 2019, the Village executed a promissory note with the OPWC for a portion of the California Street Repair and Replacement Project. The loan is to be repaid with general revenues of the Village. The loan was restricted by OPWC and reduced by \$220,250 to the finalized amount of \$299,400. This loan was not fully disbursed during 2019.

***Leases***

The Village leases a vehicle and other equipment under noncancelable leases. The Village disbursed \$531,065 to pay lease costs for the year ended December 31, 2019.

During 2015, the Village entered into a lease-purchase agreement with the Development Finance Authority of Summit County (DFA) for the repayment of a conduit bond issue facilitated by the DFA in the amount of \$8,200,000 for the completion of the Reminderville Athletic Club project. The project was completed in 2017 and payments commenced at that point, due in monthly payments of \$40,062 through June 2045. At the end of the lease, the Village may purchase the Reminderville Athletic Club for \$1.

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 9 – Debt (continued)**

***Amortization***

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

Year Ending December 31:	Leases	OPWC Loan	General Obligation Bonds	Street Improvement Bonds	Geis General Obligation Notes
2020	\$ 617,127	\$ 32,346	\$ 70,594	\$ 57,225	\$ 145,408
2021	588,439	47,228	70,580	55,650	145,408
2022	531,065	47,229	70,592	59,075	172,994
2023	480,750	47,228	70,538	57,275	150,810
2024	480,750	47,229	70,592	55,275	139,432
2025-2029	2,403,750	218,680	352,758	270,213	771,101
2030-2034	2,403,750	14,883	353,012	52,375	788,487
2035-2039	2,403,750	-	70,597	-	304,535
2040-2044	2,403,750	-	-	-	-
2045-2049	240,375	-	-	-	-
Total	<u>\$ 12,553,506</u>	<u>\$ 454,823</u>	<u>\$ 1,129,263</u>	<u>\$ 607,088</u>	<u>\$ 2,618,175</u>

**Note 10 – Contingent Liabilities**

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village's financial condition.

**Note 11 – Jointly Governed Organizations**

The Village participates in the Twinsburg Township-Village of Reminderville Joint Economic Development District (the JEDD), which is a statutorily created subdivision of the State. The purpose of the JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the County, the Village and the Township. The jointly governed organization is considered a separate reporting entity by the Village's management, however, as the JEDD's fiscal agent, the activity in the agency fund has been included in the accompanying financial statements.

The Board of Directors of the JEDD consists of six members. Three members are appointed by the Mayor of the Village and three members are appointed by the Township's Board of Trustees. The District levies an income tax at 1.5% in the District which is collected by the Regional Income Tax Authority and remitted to the Village of Reminderville as fiscal agent for the JEDD. The JEDD retains up to 3% of the income tax revenues to operate the District. Revenues in excess of the expense are disbursed to the Village (30%) and the Township (70%).

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 12 – Transfers**

Transfers were made from the General Fund and JEDD Special Revenue Fund to various funds to subsidize operations and to make debt service payments. These transfers were made in accordance with the Ohio Revised Code.

**Note 13 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Village of Reminderville**  
**Summit County**  
*Combined Statement of Receipts, Disbursements and Changes in*  
*Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2018*

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 235,161	\$ 298,803	\$ -	\$ -	\$ 533,964
Municipal Income Tax	1,684,157	836,457	-	-	2,520,614
Intergovernmental	111,439	1,281,431	-	1,347,237	2,740,107
Special Assessments	84,265	-	-	-	84,265
Charges for Services	23,457	896,561	-	-	920,018
Fines, Licenses and Permits	304,498	12,669	-	-	317,167
Earnings on Investments	5,821	2	17,753	389	23,965
Miscellaneous	83,122	3,514	-	-	86,636
<i>Total Cash Receipts</i>	<u>2,531,920</u>	<u>3,329,437</u>	<u>17,753</u>	<u>1,347,626</u>	<u>7,226,736</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	1,220,759	939,375	-	-	2,160,134
Public Health Services	41,392	2,278	-	-	43,670
Leisure Time Activities	-	1,209,669	-	-	1,209,669
Community Environment	126,476	7,245	-	-	133,721
Transportation	182,278	505,898	-	-	688,176
General Government	408,802	328,839	-	-	737,641
Capital Outlay	68,299	477,461	-	2,274,934	2,820,694
Debt Service:					
Principal Retirement	-	69,100	15,687	-	84,787
Interest and Fiscal Charges	-	147,395	76,592	-	223,987
<i>Total Cash Disbursements</i>	<u>2,048,006</u>	<u>3,687,260</u>	<u>92,279</u>	<u>2,274,934</u>	<u>8,102,479</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	483,914	(357,823)	(74,526)	(927,308)	(875,743)
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	8,989	-	-	-	8,989
Transfers In	-	300,000	17,464	-	317,464
Transfers Out	(17,464)	(300,000)	-	-	(317,464)
Other Financing Sources	-	-	-	60,807	60,807
Other Financing Uses	-	-	(26,480)	-	(26,480)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(8,475)</u>	<u>-</u>	<u>(9,016)</u>	<u>60,807</u>	<u>43,316</u>
<i>Net Change in Fund Cash Balances</i>	475,439	(357,823)	(83,542)	(866,501)	(832,427)
<i>Fund Cash Balances, January 1, Restated</i>	<u>573,997</u>	<u>1,853,340</u>	<u>582,084</u>	<u>1,443,281</u>	<u>4,452,702</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	-	1,397,623	498,542	576,780	2,472,945
Committed	-	97,894	-	-	97,894
Assigned	239,481	-	-	-	239,481
Unassigned	809,955	-	-	-	809,955
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,049,436</u>	<u>\$ 1,495,517</u>	<u>\$ 498,542</u>	<u>\$ 576,780</u>	<u>\$ 3,620,275</u>

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

**Village of Reminderville**  
**Summit County**  
*Combined Statement of Receipts, Disbursements and Changes in*  
*Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2018*

	Fiduciary Fund Type
	Agency
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 122,401
Fines, Licenses and Permits	22,529
Municipal Income Tax	3,662,823
<i>Total Operating Cash Receipts</i>	3,807,753
<b>Operating Cash Disbursements</b>	
Personal Services	730
Contractual Services	216,064
Other	9,223
Payments to Another Government	3,561,988
<i>Total Operating Cash Disbursements</i>	3,788,005
<i>Net Change in Fund Cash Balances</i>	19,748
<i>Fund Cash Balances, January 1</i>	271,364
<i>Fund Cash Balances, December 31</i>	\$ 291,112

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

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

The Village of Reminderville, Summit County, Ohio (the Village), 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. The Village is directed by a six-member Council elected at large, each with four-year terms. The Mayor is elected to a four-year term and serves as the chief executive officer without a vote on Council. The Village provides general government services, maintenance of Village roads and bridges, park operations, police protection services, and fire and emergency rescue services.

***Jointly Governed Organization***

The Village participates in the Twinsburg Township-Village of Reminderville Joint Economic Development District (JEDD) with Twinsburg Township, a jointly governed organization. Note 11 to the financial statements provides additional information for this entity.

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 the fiduciary 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 to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

***Parks and Recreation Fund*** The parks and recreation fund accounts for and reports the receipt of fees charged to patrons of the Reminderville Athletic Club, bond proceeds for the construction of that facility, and other permits and rental fees for park property restricted for the purpose of improving and maintaining various Village park and recreation facilities.

***Fire Income Tax Fund*** The fire income tax fund accounts for and reports the receipt of municipal income taxes for the purpose of providing fire protection services to Village residents.

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Joint Economic Development District Fund*** The joint economic development district fund accounts for and reports the receipt of income tax allocated to the Village by the Twinsburg Township-Village of Reminderville Joint Economic Development District restricted for projects specific to the economic development of the Village.

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

***Geis Loan Debt Service Fund*** The Geis loan debt service fund accounts for and reports the receipt of loan proceeds restricted for the purpose of fulfilling debt covenants.

***RAC Debt Service Reserve Fund*** The RAC debt service reserve fund accounts for and reports the amount equal to one year's maximum annual debt service placed into a Trustee-held debt service reserve account funded by the issuance. To the extent unused, the debt service reserve's principal balance will go towards final maturity. The interest earnings from this account will go to offset debt service and corresponding rent obligations.

***Capital Project Funds*** These funds account for and report financial resources that are restricted or committed 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:

***Nautilus Trail Fund*** The Nautilus Trail fund accounts for and reports the receipt of grants and loans restricted for the completion of the Nautilus Trail project.

***Waterline Repair/Replacement Fund*** The waterline repair/replacement fund accounts for and reports the receipt of grants and loans restricted for the completion of the waterline repair and replacement project.

***Fiduciary Funds*** Fiduciary funds include agency funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for JEDD Board activity and contractor deposits.

***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. 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 disbursements 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.



**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***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 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 reappropriated.

A summary of 2018 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.

***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.

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 2 – Summary of Significant Accounting Policies (continued)**

**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.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Council or a Village official delegated that authority by resolution, or by State Statute. Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget in the general fund.

**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, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,190,499	\$ 2,540,909	\$ 350,410
Special Revenue	3,455,812	3,629,437	173,625
Debt Service	17,452	35,217	17,765
Capital Projects	-	1,408,433	1,408,433

2018 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,249,760	\$ 2,110,816	\$ 138,944
Special Revenue	5,135,563	4,116,808	1,018,755
Debt Service	118,769	118,759	10
Capital Projects	2,447,917	2,413,826	34,091

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**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 was as follows:

	<u>2018</u>
Demand deposits	\$ 3,911,387
<i>Deposits</i>	

Deposits are insured by the Federal Depository 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.

**Note 5 – Taxes**

*Property Taxes*

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

Public utilities are also taxed on personal and real property located within the Village. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

*Local Income Taxes*

The Village levies a municipal income tax of 1.5% 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 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 Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 6 – Risk Management (continued)**

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Public officials and law enforcement;
- Inland marine;
- Crime;
- Boiler and machinery;
- Vehicles; and
- Errors and omissions.

Settlement amounts did not exceed insurance coverage for the past three fiscal years and coverage limits have not been significantly reduced from the previous year.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most of the Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

***Ohio Police and Fire Pension Fund***

All of the Village's 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2018.

**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% during calendar year 2018, and OP&F contributed 0.5% to fund these benefits.

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 8 – Postemployment Benefits (continued)**

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care 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 9 – Debt**

Debt outstanding at December 31, 2018 was as following:

	Principal	Interest Rate
General Obligation Bonds	\$ 850,100	4.125%
Street Improvement Bonds	500,000	3.00-4.75%
OPWC Loan	165,786	1.00%
Geis Bond Anticipation Notes	1,994,827	3.51-4.63%
Total	\$ 3,510,713	

The repayment of the general obligation bonds will be supported by the full faith and credit of the Village and is payable from the Village’s JEDD proceeds.

The Village executed a promissory note on July 1, 2004 with the Ohio Public Works Commission (OPWC) for the slip lining of culverts on Clipper Cove, replacement of an existing culvert on Glenwood Boulevard and replacement of existing pavement on Glenwood Boulevard and California Street. The loan is to be repaid with general revenues of the Village. The loan was restricted by OPWC and reduced by \$134,117 to the finalized amount of \$315,838.

During 2010, the Village issued street improvement bonds in the value of \$740,000. The bonds were issued for the purpose of street improvement projects. The obligations are to be paid from the debt service fund. The Village’s taxing authority collateralized the bonds.

During 2016, the Village issued Bond Anticipation Notes (BANs) totaling \$1,994,827 including a discount amount of \$25,514. The notes were issued for the purpose of financing roadway improvements, equipment purchases, land acquisition, parking lot resurfacing, and other various upgrades. The Village intends to repay this note with the Village’s JEDD proceeds.

***Leases***

The Village leases a vehicle and other equipment under noncancelable leases. The Village disbursed \$650,315 to pay lease costs for the year ended December 31, 2018.

During 2015, the Village entered into a lease-purchase agreement with the Development Finance Authority of Summit County (DFA) for the repayment of a conduit bond issue facilitated by the DFA in the amount of \$8,200,000 for the completion of the Reminderville Athletic Club project. The project was completed in 2017 and payments commenced at that point, due in monthly payments of \$40,062 through June 2045. At the end of the lease, the Village may purchase the Reminderville Athletic Club for \$1.

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 9 – Debt (continued)**

***Amortization***

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

Year Ending December 31:	Leases	OPWC Loan	General Obligation Bonds	Street Improvement Bonds	Geis General Obligation Notes
2019	\$ 617,127	\$ 17,463	\$ 70,567	\$ 58,800	\$ 145,408
2020	617,127	17,463	70,594	57,225	145,408
2021	588,440	17,463	70,580	55,650	145,408
2022	531,065	17,463	70,592	59,075	172,994
2023	480,750	17,463	70,538	57,275	150,810
2024-2028	2,403,750	87,315	352,755	270,738	744,691
2029-2033	2,403,750	-	353,026	107,125	802,062
2034-2038	2,403,750	-	141,179	-	456,803
2039-2043	2,403,750	-	-	-	-
2044-2048	721,125	-	-	-	-
Total	<u>\$ 13,170,634</u>	<u>\$ 174,630</u>	<u>\$ 1,199,831</u>	<u>\$ 665,888</u>	<u>\$ 2,763,584</u>

**Note 10 – Contingent Liabilities**

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village’s financial condition.

**Note 11 – Jointly Governed Organizations**

The Village participates in the Twinsburg Township-Village of Reminderville Joint Economic Development District (the JEDD), which is a statutorily created subdivision of the State. The purpose of the JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the County, the Village and the Township. The jointly governed organization is considered a separate reporting entity by the Village’s management, however, as the JEDD’s fiscal agent, the activity in the agency fund has been included in the accompanying financial statements.

The Board of Directors of the JEDD consists of six members. Three members are appointed by the Mayor of the Village and three members are appointed by the Township’s Board of Trustees. The District levies an income tax at 1.5% in the District which is collected by the Regional Income Tax Authority and remitted to the Village of Reminderville as fiscal agent for the JEDD. The JEDD retains up to 3% of the income tax revenues to operate the District. Revenues in excess of the expense are disbursed to the Village (30%) and the Township (70%).

**Village of Reminderville**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 12 – Transfers**

Transfers were made from the General Fund and JEDD Special Revenue Fund to various funds to subsidize operations and to make debt service payments. These transfers were made in accordance with the Ohio Revised Code.

**Note 13 – Prior Period Adjustment**

A prior period adjustment was necessary to exclude a bank account previously included in the Village's cash reconciliation that is not a legal holding of the Village. The following table shows the change to beginning fund balance:

	Debt Service
Fund Balance, January 1, 2018	<u>\$ 884,421</u>
Adjustments, Net	<u>(302,337)</u>
Restated Fund Balance, January 1, 2018	<u><u>\$ 582,084</u></u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Village of Reminderville  
Summit County  
3382 Glenwood Boulevard  
Reminderville, Ohio 44202

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and 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 by fund type of the Village of Reminderville, Summit County (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated October 27, 2020, 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. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

***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 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider to be a material weakness. We consider finding 2019-001 to be a material weakness.



*Village of Reminderville*

*Summit County*

Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

Page 2

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

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2019-002.


We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated October 27, 2020.

### ***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 opinions 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 and Associates, Inc.***

October 27, 2020

**Village of Reminderville**  
**Summit County**  
Schedule of Findings  
December 31, 2019 and 2018

<b>Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS</b>
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**Finding Number: 2019-001 – Material Weakness**

**Audit Adjustments and Reclassifications**

During 2019 and 2018, errors were noted in the Village’s financial statements that required audit adjustments and reclassifications, the most significant of which are as follows:

- The receipt of rollbacks was incorrectly allocated to funds during 2018, although this was corrected in 2019.
- The receipt of property taxes was incorrectly posted at the net amount received instead of the gross amount collected and the corresponding collection fees during 2019 and 2018.
- The health district allocation recorded as a part of the semi-annual property tax settlement sheet was incorrectly posted as a general government expense instead of a public health expense.
- Direct-to-vendor payments related to OPWC projects were not correctly reported in the Village’s accounting system.
- The receipt and disbursement of debt reserve funds in accordance with debt covenants was incorrectly recorded in the accounting system.
- Adjustments were made to assign fund balance in the general fund for encumbrances and subsequent year appropriations in 2018 and 2019.
- Adjustments were made to the Village’s note disclosures as follows:
  - Budgetary amounts were incorrectly disclosed;
  - Debt disclosures did not include a new OPWC loan;
  - Descriptions of certain significant funds were not included; and
  - Deposit balances reflected bank totals instead of book totals.

Other immaterial posting errors were also noted and brought to the attention of management. 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 Governmental Accounting Standards Board Statement, No. 54, Audit Bulletin 2011-004, the Village Officer’s Handbook, the Uniform Accounting Network Manual, note templates from the Auditor of State available on the Auditor of State’s website 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 30.

**Village of Reminderville**  
**Summit County**  
Schedule of Findings (continued)  
December 31, 2019 and 2018

<b>Findings Related to the Financial Statements</b> <b>Required to be Reported in Accordance with GAGAS (continued)</b>
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**Finding Number: 2019-002 – Noncompliance**

**Appropriations Exceeding Estimated Resources**

Ohio Revised Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources.

During 2019, appropriations exceeded estimated resources in the California Street Fund by \$1,221,551 and during 2018, appropriations exceeded estimated resources in the Nautilus Trail Fund by \$1,102,727.

We recommend that the Village monitor its budget closely to prevent appropriations from exceeding estimated resources. Also, we recommend that the Village ensure that certification of estimated resources is updated throughout the year if additional resources are expected to be received and/or expended during the year.

**Management's Response:**

See Corrective Action Plan on page 30.

**Village of Reminderville**  
**Summit County**  
Schedule of Prior Audit Findings (Prepared by Management)  
December 31, 2019 and 2018

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-001	Mispostings and Misclassifications Resulting in Financial Statement Adjustments	Not Corrected	Corrective actions were taken after the audit was completed, but errors occurred prior to the completion of the audit that were not corrected.

**Village of Reminderville**  
**Summit County**  
 Corrective Action Plan  
 (Prepared by Management)  
 December 31, 2019 and 2018

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2019-001	Village management will continue to receive education and assistance so that mis-posting errors will be eliminated.	Immediately	Deborah Wordell, Fiscal Officer
2019-002	Village management will ensure that amendments to the certification of estimated resources are updated appropriately.	Immediately	Deborah Wordell, Fiscal Officer

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF REMINDERVILLE**

**SUMMIT 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 12/17/2020**

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)