



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF BURTON
GEauga COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Burton
Geauga County
14588 West Park Street
Burton, Ohio 44021

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Burton, Geauga County, Ohio (the Village) which comprises the cash balances, receipts and disbursements for each governmental, proprietary and fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental, proprietary and fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Village of Burton
Geauga County
Independent Auditor's Report
Page 3

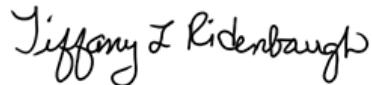
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2026, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 16, 2026

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Village of Burton
Geauga County, Ohio
*Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2022

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$85,024	\$315,392		\$400,416
Municipal Income Tax	1,057,538			1,057,538
Intergovernmental	63,037	309,649		372,686
Special Assessments		32,559	\$3,950	36,509
Charges for Services	101,845	21,743		123,588
Fines, Licenses and Permits	39,780	1,330		41,110
Earnings on Investments	3,532	1,007		4,539
Miscellaneous	1,667	1,926		3,593
<i>Total Cash Receipts</i>	<i>1,352,423</i>	<i>683,606</i>	<i>3,950</i>	<i>2,039,979</i>
Cash Disbursements				
Current:				
Security of Persons and Property		591,642		591,642
Public Health Services		13,872		13,872
Leisure Time Activities	3,943	8,754		12,697
Community Environment	8,594	53,286		61,880
Transportation	446	221,332		221,778
General Government	358,831	270,798		629,629
Capital Outlay			226,094	226,094
<i>Total Cash Disbursements</i>	<i>371,814</i>	<i>1,159,684</i>	<i>226,094</i>	<i>1,757,592</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>980,609</i>	<i>(476,078)</i>	<i>(222,144)</i>	<i>282,387</i>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	16,600			16,600
Transfers In		505,000	100,000	605,000
Transfers Out	(605,000)			(605,000)
Other Financing Uses	(12,489)	(2,750)		(15,239)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(600,889)</i>	<i>502,250</i>	<i>100,000</i>	<i>1,361</i>
<i>Net Change in Fund Cash Balances</i>	<i>379,720</i>	<i>26,172</i>	<i>(122,144)</i>	<i>283,748</i>
<i>Fund Cash Balances, January 1</i>	<i>858,668</i>	<i>748,472</i>	<i>501,836</i>	<i>2,108,976</i>
<i>Fund Cash Balances, December 31</i>	<i>\$1,238,388</i>	<i>\$774,644</i>	<i>\$379,692</i>	<i>\$2,392,724</i>

See accompanying notes to the basic financial statements

Village of Burton
Geauga County, Ohio
Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2022

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$979,042
Fines, Licenses and Permits	44,447
Miscellaneous	<u>18,209</u>
<i>Total Operating Cash Receipts</i>	<u>1,041,698</u>
Operating Cash Disbursements	
Personal Services	178,832
Employee Fringe Benefits	78,324
Contractual Services	91,833
Supplies and Materials	176,276
Other	<u>25,870</u>
<i>Total Operating Cash Disbursements</i>	<u>551,135</u>
<i>Operating Income (Loss)</i>	<u>490,563</u>
Non-Operating Receipts (Disbursements)	
Earnings on Investments	6,685
Principal Retirement	(446,253)
Capital Outlay	<u>(190,799)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(630,367)</u>
<i>Income (Loss) before Transfers</i>	(139,804)
Transfers In	220,000
Transfers Out	<u>(220,000)</u>
<i>Net Change in Fund Cash Balances</i>	(139,804)
<i>Fund Cash Balances, January 1</i>	<u>2,731,195</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,591,391</u>

See accompanying notes to the basic financial statements

Village of Burton
Geauga County, Ohio
Statement of Additions, Deductions and
Changes in Fund Balances (Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022

	Private Purpose Trust
Additions	
Earnings on Investments	<u>\$235</u>
<i>Total Additions</i>	<u>235</u>
<i>Net Change in Fund Balances</i>	<u>235</u>
<i>Fund Cash Balances, January 1</i>	<u>22,352</u>
<i>Fund Cash Balances, December 31</i>	<u>\$22,587</u>

See accompanying notes to the basic financial statements

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Burton, Geauga County, as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park and street operations, and police services. The Village contracts with Burton Fire Department to receive fire protection services and appropriates Special Revenue fund money to pay for fire and rescue services. The Village established a Single Trash Hauler Program which is funded through resident's monthly utility bill, then paid by the Village per the Waste Management contract.

Jointly Governed Organizations

The Village of Burton has entered into a Joint Economic Development District Agreement (JEDD) with Berkshire Schools and the Burton Township Trustees to provide water and sewer service. See note 11 for more information.

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 (cash basis) for all governmental fund types, a statement of receipts, disbursements and changes in fund balances (cash basis) for its proprietary fund type, and a statement of additions, deductions and changes in fund balance (cash basis) for its 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 or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Operating Fund - This fund receives gasoline tax and motor vehicle tax money for maintaining, and repairing Village streets.

Police Operating Fund – This fund receives Police levy money for operation and support of protective services including vehicles, wages, and operating costs.

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Fire and Rescue Fund - This fund receives Fire levy money for the purpose of contracting and supplying Fire, EMS and rescue support for the Village.

Street Light Assessment – This fund receives a special assessment from all property owners to pay for streetlights in the Village.

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

Equipment Capitalization Fund – This fund receives transfers from the General Fund to purchase or acquire new capital equipment (vehicles, tractors, machinery) for the Village.

Street Capitalization Fund – This fund receives advances from the General Fund to construct, maintain and repair streets, parking lots and storm sewers in the Village.

Facilities Capitalization Fund – This fund receives transfers from the General Fund to purchase, maintain and repair buildings and facilities owned and maintained by the Village.

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

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

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

Sewer Tap In Fees Fund – This fund receives funds from Sewer tap in fees and Sewer Fund Transfer to cover initial costs of design and improvement of the Village wastewater treatment plant.

Water Distributions Systems Capital Fund – This fund receives transfers from the Water Operating Fund to cover maintenance and repair of the water infrastructure in the Village.

Waterworks Replace and Improvement Fund – This fund receives transfers from the Water Fund to cover future painting and maintenance or replacement of the water tower.

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

The Village's private purpose trust funds are for the benefit of the cemetery endowment, Ford Memorial and the Village of Burton.

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object 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.

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 canceled, and re-appropriated in the subsequent year.

A summary of 2022 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.

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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:

Non-spendable The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

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

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,315,259	\$1,369,023	\$53,764
Special Revenue	\$1,635,343	\$1,188,606	(\$446,737)
Debt Service			
Capital Projects	\$105,500	\$103,950	(\$1,550)
Enterprise	\$1,123,485	\$1,268,383	\$144,898
Internal Service			
Permanent			
Fiduciary	<u>\$70,294</u>	<u>\$235</u>	<u>(\$70,059)</u>
Total	<u>\$4,249,881</u>	<u>\$3,930,197</u>	<u>(\$319,684)</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,191,854	\$989,303	\$202,551
Special Revenue	\$2,096,401	\$1,162,434	\$933,967
Debt Service			
Capital Projects	\$505,500	\$226,094	\$279,406
Enterprise	\$1,791,875	\$1,408,187	\$383,688
Internal Service			
Permanent			
Fiduciary	<u>\$75,000</u>	<u>\$0</u>	<u>\$75,000</u>
Total	<u>\$5,660,630</u>	<u>\$3,786,018</u>	<u>\$1,874,612</u>

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments

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

	<u>2022</u>
Demand deposits	<u>\$5,006,702</u>
Total deposits	<u>5,006,702</u>
Total deposits and investments	<u><u>\$5,006,702</u></u>

Deposits

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

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

All of the Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2022.

Social Security

Several of the Village's elected officials contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The elected officials 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, 2022.

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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. OPERS contributes 4 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Note 9 – Debt

Debt outstanding December 31, 2022 was as follows:

The Ohio Water Development Authority Loan relates to a sewer plant expansion project to provide needed capacity prior to any Ohio Environmental Protection Agency mandate for the construction costs. The OWDA approved up to \$13,087,575 with a 0% interest rate in loans to the Village for this project. The Village began making payments on the 30-year loan in 2021. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The current outstanding loan balance as of December 31, 2022 is \$11,778,817.

The Ohio Public Works Commission provided the Village of Burton with a \$200,000, 0% interest, 20-year OPWC loan. Payments began in 2021 and village taxes will collateralize the loan. The current outstanding loan balance as of December 31, 2022 is \$185,000.

Amortization

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

Year ending December 31:	OWDA Loan	OPWC Loan
2023	\$436,253	\$10,000
2024	436,253	10,000
2025	436,253	10,000
2026	436,253	10,000
2027	436,253	10,000
2028-2032	2,181,265	50,000
2033-2037	2,181,265	50,000
2038-2042	2,181,265	35,000
2043-2047	2,181,265	0
2048-2049	872,492	0
Total	<u><u>\$11,778,817</u></u>	<u><u>\$185,000</u></u>

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Jointly Governed Organizations

The Village of Burton, Burton Township and Berkshire Schools entered into a JEDD Agreement on February 25, 2021.

As part of the JEDD agreement, the village is providing the new school location with water and sewer service, although it is located in the township. In return, the village will receive 70% of income tax earned from the Berkshire School employees. Burton Township will receive the remaining 30%. The collection began in 2022 and a JEDD Board of six members was created to oversee the finances.

The village nominated a member of Village Council and Berkshire School Teacher to serve on the JEDD Board. This Board is responsible for preparing and maintaining the accounting records and related documents for the Burton Village/Burton Township JEDD.

Note 12 – Fund Balances

The fund balance of special revenue and capital projects funds are either restricted, committed or assigned. The fund balance of the general fund is either assigned or unassigned. As of December 31, 2022, the Village does not have any non spendable funds or outstanding encumbrances.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During 2021 and 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The 2022 activity includes \$76,604 in revenue, which the village plans to utilize in a 2023 project for a waterline. These amounts are reflected as intergovernmental revenue/expenditures in the applicable Special Revenue Fund on the accompanying financial statements.

Village of Burton
Geauga County, Ohio
*Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$84,275	\$312,624		\$396,899
Municipal Income Tax	732,484			732,484
Intergovernmental	51,968	221,501		273,469
Special Assessments		33,474	\$3,935	37,409
Charges for Services	95,702	38,602		134,304
Fines, Licenses and Permits	44,104	970		45,074
Earnings on Investments	2,049	1,066		3,115
Miscellaneous	7,910	838		8,748
<i>Total Cash Receipts</i>	<i>1,018,492</i>	<i>609,075</i>	<i>3,935</i>	<i>1,631,502</i>
Cash Disbursements				
Current:				
Security of Persons and Property		561,002		561,002
Public Health Services		16,084		16,084
Leisure Time Activities	15,697	13,718		29,415
Community Environment	10,683	30,674		41,357
Transportation	145	198,278		198,423
General Government	304,599	4,986		309,585
Capital Outlay			24,380	24,380
Debt Service:				
Principal Retirement			5,000	5,000
<i>Total Cash Disbursements</i>	<i>331,124</i>	<i>824,742</i>	<i>29,380</i>	<i>1,185,246</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>687,368</i>	<i>(215,667)</i>	<i>(25,445)</i>	<i>446,256</i>
Other Financing Receipts (Disbursements)				
Transfers In		455,000	280,000	735,000
Transfers Out	(735,000)			(735,000)
Other Financing Uses	(332)	(2,838)		(3,170)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(735,332)</i>	<i>452,162</i>	<i>280,000</i>	<i>(3,170)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(47,964)</i>	<i>236,495</i>	<i>254,555</i>	<i>443,086</i>
<i>Fund Cash Balances, January 1</i>	<i>906,632</i>	<i>511,977</i>	<i>247,281</i>	<i>1,665,890</i>
<i>Fund Cash Balances, December 31</i>	<i><u>\$858,668</u></i>	<i><u>\$748,472</u></i>	<i><u>\$501,836</u></i>	<i><u>\$2,108,976</u></i>

See accompanying notes to the basic financial statements

Village of Burton
Geauga County, Ohio
Statement of Receipts, Disbursements and
Changes in Fund Balances (Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2021

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$938,258
Fines, Licenses and Permits	28,688
Miscellaneous	<u>11,983</u>
<i>Total Operating Cash Receipts</i>	<u>978,929</u>
Operating Cash Disbursements	
Personal Services	133,828
Employee Fringe Benefits	49,667
Contractual Services	73,001
Supplies and Materials	<u>200,863</u>
<i>Total Operating Cash Disbursements</i>	<u>457,359</u>
<i>Operating Income (Loss)</i>	<u>521,570</u>
Non-Operating Receipts (Disbursements)	
Earnings on Investments	4,684
Other Debt Proceeds	498,980
Principal Retirement	(651,048)
Capital Outlay	<u>(539,055)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(686,439)</u>
<i>Income (Loss) before Transfers</i>	(164,869)
Transfers In	595,000
Transfers Out	<u>(595,000)</u>
<i>Net Change in Fund Cash Balances</i>	(164,869)
<i>Fund Cash Balances, January 1</i>	<u>2,896,064</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,731,195</u>

See accompanying notes to the basic financial statements

Village of Burton
Geauga County, Ohio
Statement of Additions, Deductions and
Changes in Fund Balances (Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	Private Purpose Trust
Additions	
Earnings on Investments	<u>\$20</u>
<i>Total Additions</i>	<u>20</u>
<i>Net Change in Fund Balances</i>	20
<i>Fund Cash Balances, January 1</i>	<u>22,332</u>
<i>Fund Cash Balances, December 31</i>	<u>\$22,352</u>

See accompanying notes to the basic financial statements

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Burton, Geauga County, as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park and street operations, and police services. The Village contracts with Burton Volunteer Fire Department to receive fire protection services and appropriates Special Revenue fund money to pay for fire and rescue services. The Village established a Single Trash Hauler Program which is funded through resident's monthly utility bill, then paid by the Village per the Waste Management contract.

Jointly Governed Organizations

The Village of Burton has entered into a Joint Economic Development District Agreement (JEDD) with Berkshire Schools and the Burton Township Trustees to provide water and sewer service. See note 11 for more information.

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 (cash basis) for all governmental fund types, a statement of receipts, disbursements and changes in fund balances (cash basis) for its proprietary fund type, and a statement of additions, deductions and changes in fund balance (cash basis) for its 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 or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Operating Fund - This fund receives gasoline tax and motor vehicle tax money for maintaining, and repairing Village streets.

Police Operating Fund – This fund receives Police levy money for operation and support of protective services including vehicles, wages, and operating costs.

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fire and Rescue Fund - This fund receives Fire levy money for the purpose of contracting and supplying Fire, EMS and rescue support for the Village.

Street Light Assessment – This fund receives a special assessment from all property owners to pay for streetlights in the Village.

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

Equipment Capitalization Fund – This fund receives transfers from the General Fund to purchase or acquire new capital equipment (vehicles, tractors, machinery) for the Village.

Street Capitalization Fund – This fund receives advances from the General Fund to construct, maintain and repair streets, parking lots and storm sewers in the Village.

Facilities Capitalization Fund – This fund receives transfers from the General Fund to purchase, maintain and repair buildings and facilities owned and maintained by the Village.

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

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

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

Sewer Tap In Fees Fund – This fund receives funds from Sewer tap in fees and Sewer Fund Transfer to cover initial costs of design and improvement of the Village wastewater treatment plant.

Water Distributions Systems Capital Fund – This fund receives transfers from the Water Operating Fund to cover maintenance and repair of the water infrastructure in the Village.

Waterworks Replace and Improvement Fund – This fund receives transfers from the Water Fund to cover future painting and maintenance or replacement of the water tower.

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

The Village's private purpose trust funds are for the benefit of the cemetery endowment, Ford Memorial and the Village of Burton.

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object 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.

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 canceled, and re-appropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

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.

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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:

Non-spendable The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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

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

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

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 - Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$1,158,208	\$1,018,492	(\$139,716)
Special Revenue	\$878,890	\$1,064,075	\$185,185
Debt Service			\$0
Capital Projects	\$185,500	\$283,935	\$98,435
Enterprise	\$1,438,485	\$2,077,593	\$639,108
Internal Service			
Permanent			
Fiduciary	<u>\$70,294</u>	<u>\$20</u>	<u>(\$70,274)</u>
Total	<u>\$3,731,377</u>	<u>\$4,444,115</u>	<u>\$712,738</u>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$1,763,704	\$1,066,456	\$697,248
Special Revenue	\$1,043,244	\$827,580	\$215,664
Debt Service			
Capital Projects	\$205,500	\$29,380	\$176,120
Enterprise	\$2,260,195	\$2,242,462	\$17,733
Internal Service			
Permanent			
Fiduciary	<u>\$73,000</u>		<u>\$73,000</u>
Total	<u>\$5,345,643</u>	<u>\$4,165,878</u>	<u>\$1,179,765</u>

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments

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

	<u>2021</u>
Demand deposits	<u>\$4,862,523</u>
Total deposits	<u>4,862,523</u>
Total deposits and investments	<u>\$4,862,523</u>

Deposits

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

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

All of the Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

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

Social Security

Several of the Village's elected officials contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The elected officials 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, 2021.

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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. OPERS contributes 4 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Note 9 – Debt

Debt outstanding December 31, 2021 was as follows:

The Ohio Water Development Authority Loan relates to a sewer plant expansion project to provide needed capacity prior to any Ohio Environmental Protection Agency mandate for the planning and design costs. The OWDA approved up to \$247,184 in loans for engineer planning to the Village for this project. There were several payments made toward this loan but it was incorporated into another loan for the construction of the sewer plant expansion project. The other Ohio Water Development Authority Loan relates to a sewer plant expansion project to provide needed capacity prior to any Ohio Environmental Protection Agency mandate for the construction costs. The OWDA approved up to \$13,087,575 in loans to the Village for this project. The Village began making payments on the 30-year loan in 2021. The loan agreement, with the schedule of payments will be provided to the Village after the project is complete. We have approved substantial completion of the project and we are anticipating final completion by the end of 2021. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The current outstanding loan balance as of December 31, 2021 is \$12,215,070.

The Ohio Public Works Commission provided the Village of Burton with a \$300,000 grant in 2020 for road, infrastructure, utility and storm water improvements on Goodwin Avenue. The village also received \$200,000 for a 0% interest, 20-year OPWC loan. Payments began in 2021 and village taxes will collateralize the loan. The current outstanding loan balance as of December 31, 2021 is \$195,000.

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Amortization

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

Year ending December 31:	OWDA Loan	OPWC Loan
2022	\$436,253	\$10,000
2023	436,253	10,000
2024	436,253	10,000
2025	436,253	10,000
2026	436,253	10,000
2027	436,253	10,000
2028-2032	2,181,265	50,000
2033-2037	2,181,265	50,000
2038-2042	2,181,265	35,000
2043-2047	2,181,265	0
2048-2049	872,492	0
Total	<u><u>\$12,215,070</u></u>	<u><u>\$195,000</u></u>

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Jointly Governed Organizations

The Village of Burton, Burton Township and Berkshire Schools entered into a JEDD Agreement on February 25, 2021.

As part of the JEDD agreement, the village is providing the new school location with water and sewer service, although it is located in the township. In return, the village will receive 70% of income tax earned from the Berkshire School employees. Burton Township will receive the remaining 30%. The collection will begin when the school opens, which is expected in 2022, and a JEDD Board of six members was created to oversee the finances.

The village nominated a member of Village Council and Berkshire School Teacher to serve on the JEDD Board. This Board is responsible for preparing and maintaining the accounting records and related documents for the Burton Village/Burton Township JEDD.

Village of Burton, Ohio
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – Fund Balances

The fund balance of special revenue and capital projects funds are either restricted, committed or assigned. The fund balance of the general fund is either assigned or unassigned. As of December 31, 2021, the Village does not have any non spendable funds or outstanding encumbrances.

Note 13 – COVID-19

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

The 2021 activity includes \$75,997 in revenue, which the village plans to utilize in a 2022 project for a waterline. These amounts are reflected as intergovernmental revenue/expenditures in the applicable Special Revenue Fund on the accompanying financial statements.

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65 East State Street
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800-282-0370

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

Village of Burton
Geauga County
14588 West Park Street
Burton, Ohio 44021

To the Village Council:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental, proprietary and fiduciary fund combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Burton, Geauga County, Ohio (the Village) and have issued our report thereon dated January 16, 2026, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Village of Burton
Geauga County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the finding identified in our audit and described in the accompanying schedule of findings. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 16, 2026

**VILLAGE OF BURTON
GEauga COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

FINDING NUMBER 2022-001

Material Weakness - Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

As part of the audit of the financial statements for the years ended December 31, 2022 and 2021, classification errors were identified and adjusted to the accompanying financial statements and accounting records, as approved by management. The errors were attributable to insufficient internal controls and resulted in the following misstatements:

2022

- In the General Fund, Charges for Services, Property Tax Receipts, General Government Cash Disbursements, and Other Financing Sources were overstated by \$31,151, \$3,406, \$3,406, and \$11,000, respectively, while Fines, Licenses, and Permits and Intergovernmental Revenue were understated by \$38,514 and \$3,637, respectively;
- In the Special Revenue Funds, Other Financing Sources, Property Tax Receipts, Security of Persons and Property Disbursements, and General Government Disbursements were overstated by \$76,604, \$7,802, \$5,728, and \$2,074, respectively, while Intergovernmental Revenue was understated by \$76,604;
- In the Capital Projects Funds, Other Financing Sources was overstated by \$3,950, with a corresponding understatement of Special Assessments of \$3,950; and
- In the Enterprise Funds, Capital Outlay was overstated by \$446,253, with a corresponding understatement of Principal Retirement of \$446,253.

2021

- In the General Fund, Charges for Services, Property Tax Receipts, General Government Disbursements, Other Financing Sources, and Miscellaneous Revenue were overstated by \$35,807, \$551,158, \$551,158, \$1,358, and \$14,339, respectively, while Fines, Licenses, and Permits and Intergovernmental Revenue were understated by \$42,497 and \$9,007, respectively;
- In the Special Revenue Funds, Other Financing Sources and Earnings on Investments were overstated by \$75,997 and \$1,720, respectively, while Intergovernmental Revenue, Property Tax Receipts, Other Financing Uses, General Government Disbursements, and Security of Persons and Property Disbursements were understated by \$77,729, \$4,521, \$12, \$3,321, and \$1,200, respectively;
- In the Capital Projects Funds, Principal Retirement and Other Financing Sources were overstated by \$480 and \$3,935, respectively, while Capital Outlay and Special Assessments were understated by \$480 and \$3,935, respectively; and
- In the Enterprise Funds, Capital Outlay and Miscellaneous Revenue were overstated by \$183,005 and \$30,937, respectively, while Principal Retirement and Other Debt Proceeds were understated by \$651,048 and \$498,980, respectively.

Failure to establish, document, and consistently apply appropriate financial reporting procedures increases the risk of material misstatements in the financial statements. Such misstatements could result in the Village and financial statement users making decisions based on inaccurate information, including misjudging the Village's financial position and available resources.

FINDING NUMBER 2022-001 – (Continued)

Management should review the financial statements to ensure they are supported by sufficient documentation, reconciled to the trial balances, free of obvious errors or omissions, and consistent with expected results. Implementing these procedures can reduce the risk of financial statement errors and promote accurate financial reporting.

Officials' Response: The Village of Burton has reviewed and acknowledged the finding and will take corrective action to address the issues noted in the future.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status
2020-001	Financial Statement Adjustments- Material Weakness Improperly classified funds and various material reclassifications.	Reissued as of finding 2022-001

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BURTON

GEauga 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 2/3/2026

65 East State 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