

***VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 1998 & 1999

Charles E. Harris and Associates, Inc.
Certified Public Accountants



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Mayor and Members of Council
Village of Reminderville

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, 1998 through December 31, 1999. 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

August 29, 2000

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, OHIO
Audit Report
For the Years Ended December 31, 1998 & 1999

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VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, OHIO
Audit Report
For the Years Ended December 31, 1998 & 1999

ELECTED OFFICIALS

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>SURETY PERIOD</u>
Palmer F. Peterson 3709 Nautilus Trail Reminderville, Ohio 44632	Mayor	12/2/98 to 12/31/99	(A)	12/2/98 - 12/31/99
Albert E. Williams	Council President	1/1/98 to 12/31/01		
Anita Williamson	Council	1/1/98 to 12/31/01		
Gregory A. Galaska	Council	1/1/98 to 12/31/01		
Jane R. Ank	Council	1/1/98 to 12/31/01		
Bridget J. Cunningham	Council	1/1/96 to 12/31/99		
Sam Alonso	Council	1/6/99 to 12/31/99		
Linda J. Peterson	Clerk/ Treasurer	1/1/96 to 12/31/99	(B)	1/1/96 - 12/31/99

Statutory Legal Council

Paul E. Carpenter
Village Solicitor
17645 North Hampton Court
Chagrin Falls, Ohio 44023

(A) Ohio Government Risk Management Plan \$10,000

(B) Ohio Casualty Insurance Company \$50,000.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, OHIO
Audit report
For Years Ended December 31, 1998 and 1999

APPOINTED OFFICIALS

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>SURETY PERIOD</u>
Richard Wilk	Police Chief	Continuous		
Harry L. Rockwood	Fire Chief	Continuous		
Robert A. Rodic	Building Inspector	Continuous		
Lawrence Fulton	Income Tax Administrator	Continuous		
Venetian Leon	Administrative Assistant	Continuous		
Rosita C. Algeri	Clerk of Courts	Continuous	(A)	(C)
Barbara E. Fischer	Administrative Secretary	Continuous	(B)	(C)
Mary Jo Kiss	Village Administrator	Continuous	(B)	(C)
Ona G. Magill	Administrative Assistant	Continuous	(B)	(C)

- (A) Ohio Casualty Insurance Company \$20,000.
- (B) Ohio Casualty Insurance Company \$25,000.
- (C) Concurrent with term.

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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REPORT OF INDEPENDENT ACCOUNTANTS

**The Honorable Mayor and Members
of Village Council
Village of Reminderville
Reminderville, Ohio**

We have audited the accompanying financial statements of the Village of Reminderville (the Village), as of and for the years ended December 31, 1998 and 1999, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on a basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash, investments and fund cash balances of the Village, as of December 31, 1998 and 1999, and the combined receipts, disbursements, and changes in fund cash balances, its combined statements of receipts-budget and actual and combined statements of disbursements and encumbrances compared with expenditure authority for the years then ended in conformity with the basis of accounting referred to above.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 12, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Charles E. Harris & Associates, Inc.
June 12, 2000

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF CASH, INVESTMENTS AND FUND CASH
BALANCES - ALL FUND TYPES
As of December 31, 1998 and 1999

	<u>1998</u> <u>Balances</u>	<u>1999</u> <u>Balances</u>
Cash and Cash Equivalents	\$ 179,792	\$ 82,603
Investments	<u>215,000</u>	<u>201,135</u>
	<u>\$ 394,792</u>	<u>\$ 283,738</u>

Cash Balances By Fund Class

Governmental Fund Types:

General Fund	\$ 27,955	\$ 44,117
Special Revenue Funds	131,012	144,164
Debt Service Funds	14,719	22,063

Proprietary Fund Types:

Enterprise Funds	<u>221,106</u>	<u>73,394</u>
Total	<u>\$ 394,792</u>	<u>\$ 283,738</u>

See accompanying Notes to the Financial Statements.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 1998

	Governmental Fund Types				(Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Total
Receipts:					
Taxes	\$ 455,778	\$ 196,580	-	\$ 2,291	\$ 654,649
Intergovernmental	160,049	62,600	-	-	222,649
Special Assessments	-	-	\$ 34,141	-	34,141
Charges for Services	30	12,210	-	-	12,240
Fines, Licenses, and Permits	15,872	1,355	-	-	17,227
Other	78,909	201	-	-	79,110
Total Receipts	710,638	272,946	34,141	2,291	1,020,016
Disbursements:					
Security of Persons & Property	394,411	75,669	-	-	470,080
Public Safety	13,966	10,527	-	-	24,492
Community Environment	8,425	-	-	-	8,425
Transportation	83,023	110,943	-	-	193,965
General Government	219,824	47,627	1,774	-	269,225
Capital Outlay	11,754	40,519	-	2,291	54,563
Debt Service:					
Principal	-	-	8,259	-	8,259
Interest and Fiscal Charges	-	-	10,403	-	10,403
Total Disbursements	731,403	285,283	20,436	2,291	1,039,413
Excess of Receipts Over/(Under) Disbursements	(20,765)	(12,337)	13,705	-	(19,397)
Other Financing Sources/(Uses)					
Transfers-In	-	-	1,014	-	1,014
Transfers-Out	(1,014)	-	-	-	(1,014)
Total Other Financing Sources/(Uses)	(1,014)	-	1,014	-	-
Excess of Receipts & Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	(21,779)	(12,337)	14,719	-	(19,397)
Fund Balance January 1, 1998	49,734	143,349	-	-	193,083
Fund Balance December 31, 1998	\$ 27,955	\$ 131,012	\$ 14,719	\$ -	\$ 173,686

See accompanying Notes to the Financial Statements.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 1999

	Governmental Fund Types			(Memorandum Only)
	General	Special Revenue	Debt Service	Total
Receipts:				
Taxes	\$ 513,226	\$ 229,509	-	\$ 742,735
Intergovernmental	167,527	66,802	-	234,328
Special Assessments	-	-	\$ 43,419	43,419
Charges for Services	110	14,973	-	15,083
Fines, Licenses, and Permits	21,179	530	-	21,709
Other	130,762	92,650	-	223,412
Total Receipts	832,804	404,463	43,419	1,280,686
Disbursements:				
Security of Persons & Property	472,211	198,667	-	670,878
Public Safety	13,996	748	-	14,744
Community Environment	8,427	-	-	8,427
Transportation	79,517	115,988	-	195,505
General Government	222,682	18,571	2,607	243,860
Capital Outlay	19,809	57,338	-	77,147
Debt Service:				
Principal	-	-	17,301	17,301
Interest and Fiscal Charges	-	-	20,110	20,110
Total Disbursements	816,642	391,311	40,018	1,247,972
Excess of Receipts Over/(Under) Disbursements	16,162	13,152	3,401	32,715
Other Financing Sources/(Uses)				
Transfers-In	-	-	3,943	3,943
Transfers-Out	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	3,943	3,943
Excess of Receipts & Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	16,162	13,152	7,344	36,658
Fund Balance January 1, 1999	27,955	131,012	14,719	173,686
Fund Balance December 31, 1999	\$ 44,117	\$ 144,164	\$ 22,063	\$ 210,344

See accompanying Notes to the Financial Statements.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES
For the Year Ended December 31, 1998

	<u>Enterprise</u>	<u>(Memorandum Only) Total</u>
Receipts:		
Charges for Services	-	-
Total Receipts	-	-
Disbursements:		
Personal Services	-	-
Contractual Services	-	-
Material and Supplies	-	-
Capital Outlay	\$ 46,929	\$ 46,929
Total Disbursements	<u>46,929</u>	<u>46,929</u>
Excess Receipts Over/(Under) Disbursements:	(46,929)	(46,929)
Non-Operating Receipts/(Disbursements)		
Other Non-Operating Receipts	9,063	9,063
Principal	(23,770)	(23,770)
Interest & Fiscal Charges	<u>(20,732)</u>	<u>(20,732)</u>
Total Non-Operating Receipts/(Disbursements)	<u>(35,439)</u>	<u>(35,439)</u>
Net Receipts Over/(Under) Disbursements	(82,368)	(82,368)
Fund Balance January 1, 1998	<u>303,474</u>	<u>303,474</u>
Fund Balance December 31, 1998	<u>\$ 221,106</u>	<u>\$ 221,106</u>

See accompanying Notes to the Financial Statements.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES
For the Year Ended December 31, 1999

		(Memorandum Only)
	<u>Enterprise</u>	<u>Total</u>
Receipts:		
Charges for Services	-	-
Total Receipts	-	-
Disbursements:		
Personal Services	-	-
Contractual Services	-	-
Material and Supplies	-	-
Capital Outlay	-	-
Total Disbursements	-	-
Operating Income/(Loss)	-	-
Non-Operating Disbursements:		
Principal	\$ (32,319)	\$ (32,319)
Interest & Fiscal Charges	(9,581)	(9,581)
Other Non-Operating Disbursements	<u>(101,869)</u>	<u>(101,869)</u>
Total Non-Operating Receipts/(Disbursements)	<u>(143,769)</u>	<u>(143,769)</u>
Excess of Receipts Over/(Under)		
Disbursements Before Interfund Transfers	(143,769)	(143,769)
Transfers-In	-	-
Transfers-Out	<u>(3,943)</u>	<u>(3,943)</u>
Net Receipts Over/(Under) Disbursements	(147,712)	(147,712)
Fund Balance January 1, 1999	<u>221,106</u>	<u>221,106</u>
Fund Balance December 31, 1999	<u>\$ 73,394</u>	<u>\$ 73,394</u>

See accompanying Notes to the Financial Statements.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
For the Year Ended December 31, 1998

<u>Fund Types/Funds:</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<u>Governmental Fund Types:</u>			
General Fund	\$ 830,292	\$ 710,638	\$ (119,654)
Special Revenue	268,626	272,946	4,320
Debt Service	40,200	35,155	(5,045)
Capital Projects	-	2,291	2,291
 <u>Proprietary Fund Types:</u>			
Enterprise Funds	<u>-</u>	<u>9,063</u>	<u>9,063</u>
Total (Memorandum Only)	\$ <u>1,139,118</u>	\$ <u>1,030,093</u>	\$ <u>(109,025)</u>

See accompanying Notes to the Financial Statements.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
For the Year Ended December 31, 1999

<u>Fund Types/Funds:</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<u>Governmental Fund Types:</u>			
General Fund	\$ 841,056	\$ 832,804	\$ (8,252)
Special Revenue	455,413	404,463	(50,950)
Debt Service	<u>43,419</u>	<u>47,362</u>	<u>3,943</u>
Total (Memorandum Only)	\$ <u>1,339,888</u>	\$ <u>1,284,629</u>	\$ <u>(55,259)</u>

See accompanying Notes to the Financial Statements.

VILLAGE OF REMINDERVILLE
 SUMMIT COUNTY, OHIO
 COMBINED STATEMENT OF DISBURSEMENTS AND
 ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY
 For the Year Ended December 31, 1998

Fund Types/Funds	Carryover Appropriation	Year Ending 1998 Appropriations	Total	Actual 1998 Disbursements	Encumbrances as of 12/31/98	Total	Variance Favorable/ (Unfavorable)
Governmental Funds:							
General Fund	\$ -	\$ 823,601	\$ 823,601	\$ 732,417	-	\$ 732,417	\$ 91,184
Special Revenue Funds	-	282,577	282,577	285,283	-	285,283	(2,706)
Debt Service Fund	-	34,141	34,141	20,436	-	20,436	13,705
Capital Project Funds	-	2,291	2,291	2,291	-	2,291	-
Proprietary Fund:							
Enterprise Fund	-	94,293	94,293	91,431	-	91,431	2,862
Total (Memorandum Only)	\$ -	\$ 1,236,903	\$ 1,236,903	\$ 1,131,858	\$ -	\$ 1,131,858	\$ 105,045

See accompanying Notes to the Financial Statements.

VILLAGE OF REMINDERVILLE
 SUMMIT COUNTY, OHIO
 COMBINED STATEMENT OF DISBURSEMENTS AND
 ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY
 For the Year Ended December 31, 1999

Fund Types/Funds	Carryover Appropriation	Year Ending 1999 Appropriations	Total	Actual 1999 Disbursements	Encumbrances as of 12/31/99	Total	Variance Favorable/ (Unfavorable)
Governmental Funds:							
General Fund	\$ -	\$ 867,286	\$ 867,286	\$ 816,642	\$ -	\$ 816,642	\$ 50,644
Special Revenue Funds	-	413,845	413,845	391,311	-	391,311	22,534
Debt Service Fund	-	36,200	36,200	40,018	-	40,018	(3,818)
Proprietary Fund:							
Enterprise Fund	-	154,545	154,545	147,712	-	147,712	6,833
Total (Memorandum Only)	\$ -	\$ 1,471,876	\$ 1,471,876	\$ 1,395,683	\$ -	\$ 1,395,683	\$ 76,193

See accompanying Notes to the Financial Statements.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Village of Reminderville, Summit County, (the Village) is a body corporate and politic established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected, six-member Council. The Village provides general governmental services, including water, sewer, and electric utilities, park operations (leisure time activities), and police, fire and ambulance services.

The Village's management believes these financial statements included in this report represent all of the funds of the Village over which the Village has the ability to exercise direct operating control.

B. REPORTING ENTITY

In evaluating how to define the Village for financial reporting purposes, management has considered all agencies, departments and organizations making up the Village of Reminderville (the primary government) and its potential component units consistent with Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." There were no significant changes in the reporting entity related to the implementation of this statement for the current audit period.

Component units are legally separate organizations for which the Village, as the primary government, is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and 1) the Village is able to significantly influence the programs or services performed or provided by the organization; or 2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village approves the budget, the issuance of debt, or the levying of taxes.

Based on the above definitions, the Village has determined that there were no component units required to be included the financial statements.

C. BASIS OF ACCOUNTING

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

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

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (continued)

D. **INVESTMENTS AND INACTIVE FUNDS**

Investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments are valued at purchase cost. Interest earned is recognized and recorded when received. See Note 2 for further description.

E. **FUND ACCOUNTING**

The Village maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds: To account for the proceeds of specific revenue sources that are legally restricted to disbursements for specified purposes.

Debt Service Fund: This fund is used to accumulate resources for the payment of bond and note debt.

Capital Project Funds: This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise funds).

Proprietary Fund Types:

Enterprise Funds: These funds account for operations that are similar to private business enterprise where management intends that the significant costs of providing certain goods or services will be recovered through user charges.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

F. BUDGETARY PROCESS

1. Budget

A budget of estimated cash receipts and disbursements is prepared by the Clerk/Treasurer, approved by Council, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The county auditor calculates the estimated revenues available to the Village. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the Village. The certificate is approved by the county budget commission and sent to the Village Treasurer by September 1.

Prior to December 31, the Village must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Clerk/Treasurer sends the county auditor a certificate to which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Clerk/Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificates issued during 1998 and 1999.

Budget receipts, as shown in the accompanying financial statements, do not include the unencumbered fund balances as of January 1, 1998 and 1999. However, those fund balances are available for appropriations.

3. Appropriations

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

F. BUDGETARY PROCESS - (continued)

4. Encumbrances

The Village is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Unencumbered appropriations lapse at year end.

Encumbered appropriations are carried forward to the succeeding fiscal year without being re-appropriated. In the budgetary financial statements, encumbrances are added to budgetary expenditures and compared to current year appropriations plus prior year carry-over appropriations.

G. Property, Plant and Equipment

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

H. Unpaid Vacation and Sick Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities on the accompanying financial statements.

I. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Village maintains a cash and investment pool used by all funds. The balance of this pool is displayed on the "Combined Statement of Cash, Investments, and Fund Cash Balances - All Fund Types, As of December 31, 1998 and 1999."

Legal Requirements

State statutes classify monies held by the Village into three categories.

"Active deposits" are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Village Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

2. **EQUITY IN POOLED CASH AND CASH EQUIVALENTS** - (continued)

Legal Requirements - (continued)

"Inactive deposits" are public deposits that Council has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

"Interim deposits" are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts. Interim monies may be invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligations or security issued by the United States treasury or any other obligations guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency services shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities, subject to the repurchase agreement, must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio;
5. No -load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in the is division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

2. **EQUITY IN POOLED CASH AND CASH EQUIVALENTS** - (continued)

Legal Requirements - (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and be purchased within the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Clerk/Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The following information classifies deposits and investments by categories of risk as defined by GASB Statement No.3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At year end, the carrying amount of the Village's deposits were \$19,792 in 1998 and (\$7,397) in 1999 and the bank balance was \$39,020 in 1998 and \$688 in 1999. Of the bank balance, all deposits for both years were covered by federal depository insurance.

Investments:

The Village's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Village. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or by its trust department but not in the Village's name.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

2. **EQUITY IN POOLED CASH AND CASH EQUIVALENTS** - (continued)

Investments - (continued)

The following list represents all investments of the Village, categorized by risk category using the definitions above as of December 31, 1998 and 1999.

<u>1998</u>		<u>Carrying Amount</u>	<u>Fair Value</u>
Treasury Bonds	Category 3	\$ 215,000	\$ 240,935
Repurchase Agreements	Category 3	\$ 160,000	\$ 160,000
	Total:	\$ 375,000	\$ 400,935

<u>1999</u>		<u>Carrying Amount</u>	<u>Fair Value</u>
Treasury Bonds	Category 3	\$ 201,135	\$ 201,135
Repurchase Agreements	Category 3	\$ 90,000	\$ 90,000
	Total:	\$ 291,135	\$ 291,135

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined to include investments with original maturities of three months or less and cash and investments of the cash management pool.

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB 3 is as follows:

<u>1998</u>	<u>Cash and Cash Equivalents</u>	<u>Investment</u>
GASB Statement 9	\$ 179,792	\$ 215,000
Repurchase Agreement	<u>(160,000)</u>	<u>160,000</u>
GASB Statement 3	<u>\$ 19,792</u>	<u>\$ 375,000</u>
<u>1999</u>	<u>Cash and Cash Equivalents</u>	<u>Investment</u>
GASB Statement 9	\$ 82,603	\$ 201,135
Repurchase Agreement	<u>(90,000)</u>	<u>90,000</u>
GASB Statement 3	<u>\$ (7,397)</u>	<u>\$ 291,135</u>

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999**

3. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35 percent of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 1997.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the years ended December 31, 1997 and 1998 (received in 1998 and 1999) were \$7.30 and \$5.20, respectively, per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$6.029957 and \$4.456963, respectively, per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$7.30 and \$5.20 for 1997 and 1998, respectively, per \$1,000 of assessed valuation for commercial property. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Village by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost.

The following represents the assessed property values for the revenues received during the years 1998 and 1999:

Real Property:	<u>1997</u>	<u>1998</u>
Residential/Agricultural	\$37,848,260	\$37,978,170
Commercial/Industrial	66,290	66,650
Tangible Personal Property:		
General	88,730	137,720
Public Utilities	<u>1,174,270</u>	<u>1,089,110</u>
Total Valuation	<u>\$39,177,550</u>	<u>\$39,271,650</u>

The Summit County Treasurer collects property tax on behalf of all taxing Villages within the county. The Summit County Auditor periodically remits to the taxing Villages their portions of the taxes collected.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999**

4. DEBT

Debt outstanding at December 31, 1998 was as follows:

	<u>Balance 1/1/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/98</u>
OWDA 3012 6.58% 7/1/03 maturity	\$ 49,600	-	\$ 3,770	\$ 45,830
OWDA 762 9.48% 1/1/07 maturity	219,468	-	8,259	211,209
Water Bond 12/31/00 maturity	<u>60,000</u>	<u>-</u>	<u>20,000</u>	<u>40,000</u>
Total Debt	<u>\$ 329,068</u>	<u>-</u>	<u>\$ 32,029</u>	<u>\$ 297,039</u>

Debt outstanding at December 31, 1999 was as follows:

	<u>Balance 1/1/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/99</u>
OWDA 3012 6.58% 7/1/03 maturity	\$ 45,830	-	\$ 12,319	\$ 33,511
OWDA 762 9.48% 1/1/07 maturity	211,209	-	17,301	193,908
Water Bond 12/31/00 maturity	<u>40,000</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total Debt	<u>\$ 297,039</u>	<u>-</u>	<u>\$ 49,620</u>	<u>\$ 247,419</u>

The OWDA loan from the Special Revenue Fund will be paid from special assessments. The OWDA loan and Water Bond from the Enterprise Fund will be paid from carryover cash balances.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

5. RISK MANAGEMENT

The Village is exposed to various risks of loss related torts, theft of, damage to, destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal years 1998 and 1999, the Village contracted with one insurance company for coverage of buildings and contents.

The following is a list of insurance coverage of the Village and the deductibles associated with each:

<u>Type of Coverage</u>	<u>Limits</u>	<u>Deductible</u>
Property	\$ 541,840	\$ 250
General Aggregate Limit		
Products – Completed/ Operations Aggregate Limit	2,000,000	1,000
Fire Vehicle RC	377,495	100
Personal & Advertising Injury	2,000,000	1,000
Inland Marine	215,000	500

All employees of the Village are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The Village pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Also, the Village did not reduce its insurance coverages significantly during the year.

6. PENSION AND RETIREMENT PLANS

The employees of the Village of Reminderville are covered by either the Public Employees Retirement System of Ohio or the Police and Fireman's Disability and Pension Fund. The State of Ohio accounts for the activities of the retirement systems and the amounts of these funds are not reflected in the accompanying financial statements.

Public Employees Retirement System (PERS)

The Public Employees Retirement System (PERS) of Ohio is a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement. For local government employer units, the rate was 13.55% of covered payroll. The Village's contributions for pension obligations to PERS for the years ended December 31, 1997, 1998 and 1999 were \$19,001, \$17,692 and \$21,220; respectively. The full amount has been contributed for 1997 and 1998, and 74.6% has been contributed in 1999.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

6. PENSION AND RETIREMENT PLANS - (continued)

Police and Firemen's Disability and Pension Fund

The Village of Reminderville contributes to the Police and Firemen's Disability and Pension Fund (PFDPF), a cost-sharing, multiple-employer defined benefit pension plan. PFDPF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The PFDPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Police and Firemen's Disability and Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24% respectively for police officers and firefighters. There were no firefighters on the Villages' payroll for 1998 or 1999. The Village's contributions for the years ending December 31, 1997, 1998, 1999 were \$36,410, \$28,544, and \$39,388, respectively. The full amount has been contributed for 1997 and 1998, and 74.6% has been contributed in 1999.

7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Public Employees Retirement System

Public Employees Retirement System of Ohio provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio Service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1999 employer contribution rate for local employers was 13.55% of covered payroll; 4.2% was the portion that was used to fund health care.

Benefits are funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. During 1999, OPEB expenditures made by PERS were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The Village's actual contributions for 1999 that were used to fund OPEB were \$6,577.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - (continued)

Police and Firemen's Disability and Pension Fund

The Fund provides postretirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. The Ohio Revised Code provides the statutory authority allowing the Fund's Board of Trustees to provide health care coverage to all eligible individuals.

Health care funding an accounting is on a pay-as-you go basis. The total police employer contribution rate is 19.5% of covered payroll of which 7% of covered payroll was applied to the postemployment health care program during 1999. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The Village's actual contributions for 1999 that were used to fund postemployment benefits were \$14,103 for police. The number of participants eligible to receive health care benefits as of December 31, 1998 (the latest information available) was 11,424 for police and 9,186 for firefighters. The Fund's total health care expenses for the year ending December 31, 1998 (the latest information available) was \$78,596,790, which was net of member contributions of \$5,331,515.

8. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village Solicitor, the resolution of this matter will not have a material adverse effect on the financial condition of the government.

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**The Honorable Mayor and Members of Village Council
Village of Reminderville
Reminderville, Ohio**

We have audited the financial statements of the Village of Reminderville (the Village), as of and for the years ended December 31, 1998 and 1999, and have issued our report thereon dated June 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated June 12, 2000.

Internal Controls Over Financial Reporting

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

However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Village in a separate letter dated June 12, 2000.

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

Charles E. Harris & Associates, Inc.
June 12, 2000

STATUS OF PRIOR YEAR'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the years ended December 31, 1996 and 1997 did not include material citations or recommendations.



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF REMINDERVILLE

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 26, 2000**