

# **Village of Glenwillow Cuyahoga County**

**Financial Statement  
For the Years Ended  
December 31, 2015 and December 31, 2014**





# Dave Yost • Auditor of State

Village Council  
Village of Glenwillow  
29555 Pettibone Rd  
Glenwillow, OH 44139

We have reviewed the *Independent Auditor's Report* of the Village of Glenwillow, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2014 through December 31, 2015. 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 Glenwillow is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 29, 2016

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# Village of Glenwillow

For the Years Ended December 31, 2015 and December 31, 2014

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## Independent Auditor's Report

Members of Village Council  
Glenwillow, Ohio

### Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Glenwillow, Ohio (the "Village") as of and for the years ended December 31, 2015 and 2014.

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

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

### *Auditor's Responsibility*

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Members of Village Council  
Glenwillow, Ohio

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2015 and 2014, or changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

*Ciuni + Panichi, Inc.*

Cleveland, Ohio  
June 29, 2016



# Village of Glenwillow

## Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances (Cash Basis) - All Governmental Fund Types

**For the Year Ended December 31, 2015**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash receipts:</b>					
Property and local taxes	\$ 188,099	\$ 3,449	\$ -	\$ -	\$ 191,548
Municipal income tax	2,924,146	259,925	64,981	-	3,249,052
Intergovernmental	19,685	89,858	-	-	109,543
Special assessments	-	-	85,144	-	85,144
Charges for services	12	-	-	51,888	51,900
Fines, licenses and permits	141,586	2,320	-	-	143,906
Earnings on investments	2,036	-	-	-	2,036
Miscellaneous	95,156	56,771	-	177,838	329,765
Total cash receipts	<u>3,370,720</u>	<u>412,323</u>	<u>150,125</u>	<u>229,726</u>	<u>4,162,894</u>
<b>Cash disbursements:</b>					
Current:					
Security of persons and property	1,114,128	2,600	-	-	1,116,728
Public health services	5,166	-	-	-	5,166
Leisure time activities	-	5,497	-	-	5,497
Community environment	50,004	37	-	-	50,041
Transportation	-	549,758	-	-	549,758
General government	1,566,405	35,853	1,117	-	1,603,375
Capital outlay	-	53,601	-	364,375	417,976
Debt service:					
Principal payments	-	184,546	167,000	261,332	612,878
Interest and fiscal charges	-	1,961	63,403	7,971	73,335
Total cash disbursements	<u>2,735,703</u>	<u>833,853</u>	<u>231,520</u>	<u>633,678</u>	<u>4,434,754</u>
Excess receipts over (under) disbursements	<u>635,017</u>	<u>(421,530)</u>	<u>(81,395)</u>	<u>(403,952)</u>	<u>(271,860)</u>
<b>Other financing receipts (disbursements):</b>					
Sale of notes	-	175,000	-	250,000	425,000
Sale of property, plant and equipment	4,703	-	-	-	4,703
Transfers-in	1,184	200,000	90,000	115,000	406,184
Transfers-out	(405,000)	-	-	(1,184)	(406,184)
Advances-in	130,000	-	-	70,000	200,000
Advances-out	(70,000)	-	-	(130,000)	(200,000)
Total other financing receipts (disbursements)	<u>(339,113)</u>	<u>375,000</u>	<u>90,000</u>	<u>303,816</u>	<u>429,703</u>
Excess of cash receipts and other financing receipts over (under) cash disbursements and other financing disbursements	295,904	(46,530)	8,605	(100,136)	157,843
Fund cash balance, January 1	<u>891,605</u>	<u>181,282</u>	<u>73,732</u>	<u>308,489</u>	<u>1,455,108</u>
Fund cash balance, December 31					
Restricted	-	134,752	82,337	54,062	271,151
Committed	-	-	-	154,291	154,291
Assigned	50,192	-	-	-	50,192
Unassigned	1,137,317	-	-	-	1,137,317
Fund cash balance, December 31	<u>\$ 1,187,509</u>	<u>\$ 134,752</u>	<u>\$ 82,337</u>	<u>\$ 208,353</u>	<u>\$ 1,612,951</u>

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

# Village of Glenwillow

## Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances (Cash Basis) – All Fiduciary Fund Types

### For the Year Ended December 31, 2015

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	<u>Agency</u>
<b>Operating cash receipts:</b>	
Charges for services	\$ 41,595
Fines, licenses, and permits	<u>57,874</u>
Total operating cash receipts	<u>99,469</u>
<b>Operating cash disbursements:</b>	
Contractual services	35,056
Other	<u>111,674</u>
Total operating cash disbursements	<u>146,730</u>
Operating loss	(47,261)
Fund cash balances, January 1	<u>108,261</u>
Fund cash balances, December 31	\$ <u><u>61,000</u></u>

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

# Village of Glenwillow

## Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances (Cash Basis) - All Governmental Fund Types

**For the Year Ended December 31, 2014**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash receipts:</b>					
Property and local taxes	\$ 187,173	\$ 3,174	\$ -	\$ -	\$ 190,347
Municipal income tax	2,698,965	239,899	59,975	-	2,998,839
Intergovernmental	16,700	82,257	-	540,317	639,274
Special assessments	-	-	93,353	-	93,353
Charges for services	109	-	-	32,453	32,562
Fines, licenses and permits	262,032	4,194	-	-	266,226
Earnings on investments	2,551	-	-	-	2,551
Miscellaneous	<u>272,645</u>	<u>189,089</u>	<u>-</u>	<u>143,918</u>	<u>605,652</u>
Total cash receipts	<u>3,440,175</u>	<u>518,613</u>	<u>153,328</u>	<u>716,688</u>	<u>4,828,804</u>
<b>Cash disbursements:</b>					
Current:					
Security of persons and property	1,124,706	10,552	-	-	1,135,258
Public health services	7,743	-	-	-	7,743
Leisure time activities	-	4,721	-	-	4,721
Community environment	127,627	530	-	-	128,157
Transportation	-	945,924	-	-	945,924
General government	1,688,287	23,635	945	-	1,712,867
Capital outlay	-	50,092	-	856,958	907,050
Debt service:					
Principal payments	-	-	197,000	312,938	509,938
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>71,091</u>	<u>2,094</u>	<u>73,185</u>
Total cash disbursements	<u>2,948,363</u>	<u>1,035,454</u>	<u>269,036</u>	<u>1,171,990</u>	<u>5,424,843</u>
Excess receipts over (under) Disbursements	<u>491,812</u>	<u>(516,841)</u>	<u>(115,708)</u>	<u>(455,302)</u>	<u>(596,039)</u>
<b>Other financing receipts (disbursements):</b>					
Sale of notes	-	175,000	-	250,000	425,000
Transfers-in	7,062	295,000	125,000	150,000	577,062
Transfers-out	(570,000)	-	-	(7,062)	(577,062)
Advances-in	50,500	-	-	90,000	140,500
Advances-out	(90,000)	-	-	(50,500)	(140,500)
Other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,178</u>	<u>2,178</u>
Total other financing receipts (disbursements)	<u>(602,438)</u>	<u>470,000</u>	<u>125,000</u>	<u>434,616</u>	<u>427,178</u>
Excess of cash receipts and other financing receipts under cash disbursements and other financing disbursements	<u>(110,626)</u>	<u>(46,841)</u>	<u>9,292</u>	<u>(20,686)</u>	<u>(168,861)</u>
Fund cash balance, January 1	<u>1,002,231</u>	<u>228,123</u>	<u>64,440</u>	<u>329,175</u>	<u>1,623,969</u>
Fund cash balance, December 31					
Restricted	-	181,282	73,732	191,933	446,947
Committed	-	-	-	116,556	116,556
Assigned	438	-	-	-	438
Unassigned	<u>891,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>891,167</u>
Fund cash balance, December 31	<u>\$ 891,605</u>	<u>\$ 181,282</u>	<u>\$ 73,732</u>	<u>\$ 308,489</u>	<u>\$ 1,455,108</u>

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

# Village of Glenwillow

## Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances (Cash Basis) - All Fiduciary Fund Types

### For the Year Ended December 31, 2014

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	<u>Agency</u>
<b>Operating cash receipts:</b>	
Charges for services	\$ 69,246
Fines, licenses, and permits	<u>73,075</u>
Total operating cash receipts	<u>142,321</u>
<b>Operating cash disbursements:</b>	
Contractual services	34,024
Other	<u>132,060</u>
Total operating cash disbursements	<u>166,084</u>
Operating loss	(23,763)
Fund cash balances, January 1	<u>132,024</u>
Fund cash balances, December 31	\$ <u><u>108,261</u></u>

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

# Village of Glenwillow

## Notes to the Financial Statements

### For the Years Ended December 31, 2015 and December 31, 2014

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#### **Note 1: Summary of Significant Accounting Policies**

##### **A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Glenwillow, Cuyahoga County, (the Village) as a body corporate and politic. The Village provides general governmental and police services. The Village contracts with the Village of Oakwood to receive fire protection, emergency EMS services, and dispatch services. The Village is directed by a publicly-elected six-member Council.

The Village participates in a public entity risk pool and jointly governed organizations. Notes 9 and 10 to the financial statements provides additional information for these entities. The Village's public entity risk pool is with the Ohio Plan Risk Management, Inc. (OPRM). The Village's jointly governed organizations are with the Northeast Ohio Public Energy Council, the Chagrin/Southeast Council of Government, and the Valley Enforcement Regional Council of Government.

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

##### **B. 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 Village 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.

##### **C. 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.

STAR Ohio is recorded at share values reported by STAR Ohio.

##### **D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

*General Fund* – The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

# Village of Glenwillow

## Notes to the Financial Statements

### For the Years Ended December 31, 2015 and December 31, 2014

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#### Note 1: Summary of Significant Accounting Policies (continued)

##### D. Fund Accounting (continued)

*Special Revenue Funds* – These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

*Street Construction, Maintenance, and Repair Fund* – This fund receives income tax, gasoline tax, and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

*Debt Service Funds* – These funds are used for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Funds:

*Bond Street Storm Sewer and Street Special Assessment Fund* – This fund receives proceeds from real estate tax special assessments for bond payments.

*Land Debt Service Fund* – This fund receives income tax monies which are used to retire the bonds issued to acquire land.

*Capital Project Funds* – These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Funds:

*Sanitary Sewer Improvement Fund* – This fund receives fees and transfers for the improvement and maintenance of the Village's sanitary sewer.

*Pettibone Realignment S-Curve Fund* – This fund receives proceeds from state grants for the Pettibone Realignment project.

*Agency Funds* – These funds are purely custodial in nature and are used to hold resources for individuals, organizations, or other governments. The Village disburses these funds as directed by the individual, organization, or other governments. The Village had the following significant Agency Funds:

*Mayor's Court Fund* – This fund is used to account for the collection of fines, fees, and costs from the Village's Mayor's Court.

*Restricted Fund* – This fund is used to account for construction deposits and the engineer's review and inspection fees.

# Village of Glenwillow

## Notes to the Financial Statements

### For the Years Ended December 31, 2015 and December 31, 2014

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#### Note 1: Summary of Significant Accounting Policies (continued)

##### E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually. The Village budgets all agency funds except those funds related to the Mayor's Court. A summary of 2015 and 2014 budgetary activity appears in Note 3.

##### Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end except for capital project funds which may be subject to project-length budgeting pursuant to Ohio Revised Code § 9.34(B).

##### 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 also approve estimated resources.

##### Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. The Village cancels and re-appropriates in the subsequent year all outstanding year-end encumbrances with the exception of capital project funds which may be subject to project-length budgeting pursuant to Ohio Revised Code § 9.34(B), as noted above.

##### F. Property, Plant, and Equipment

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

##### G. 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.

##### H. Fund Balance

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

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

# Village of Glenwillow

## Notes to the Financial Statements

### For the Years Ended December 31, 2015 and December 31, 2014

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#### Note 1: Summary of Significant Accounting Policies (continued)

**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.

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

#### Note 2: Equity in Pooled Deposits and Investments

The Village maintains a deposit and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2015 and December 31, 2014 were as follows:

	December 31, <u>2015</u>	December 31, <u>2014</u>
Demand deposits, includes \$500 of petty cash	\$ 662,470	\$ 553,922
Investments – STAR Ohio	<u>1,011,481</u>	<u>1,009,447</u>
Total deposits and investments	\$ <u>1,673,951</u>	\$ <u>1,563,369</u>

**Deposits:** Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By Ohio law, financial institutions must collateralize all public deposits. Of the Village's 2015 bank balance of \$1,720,547, \$459,064 was uninsured and collateralized with securities held by the pledging financial institution's trust department, not in the Village's name. Of the Village's 2014 bank balance of \$1,739,075, \$479,628 was uninsured and collateralized with securities held by the pledging financial institution's trust department, not in the Village's name.



# Village of Glenwillow

## Notes to the Financial Statements

### For the Years Ended December 31, 2015 and December 31, 2014

#### Note 2: Equity in Pooled Deposits and Investments (continued)

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. STAR Ohio carries a rating of AAAM by Standards and Poor's.

#### Note 3: Budgetary Activity

Budgetary activity for the year ended December 31, 2015 follows:

Fund type:	Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,522,713	\$ 3,506,608	\$ (16,105)
Special revenue	777,200	787,321	10,121
Debt service	238,352	255,377	17,025
Capital projects	729,100	749,724	20,624
Fiduciary	162,000	99,469	(62,531)
Total	\$ <u>5,429,365</u>	\$ <u>5,398,499</u>	\$ <u>(30,866)</u>

Fund type:	Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation Authority	Actual Expenditures	Variance
General	\$ 3,352,500	\$ 3,210,704	\$ 141,796
Special revenue	882,051	833,851	48,200
Debt service	248,852	246,771	2,081
Capital projects	935,084	849,861	85,223
Fiduciary	207,000	146,729	60,271
Total	\$ <u>5,625,487</u>	\$ <u>5,287,916</u>	\$ <u>337,571</u>

Budgetary activity for the year ended December 31, 2014 follows:

Fund type:	Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,315,210	\$ 3,497,738	\$ 182,528
Special revenue	952,700	988,613	35,913
Debt service	259,100	278,327	19,227
Capital projects	1,409,725	1,405,008	(4,717)
Fiduciary	150,000	142,321	(7,679)
Total	\$ <u>6,086,735</u>	\$ <u>6,312,007</u>	\$ <u>225,272</u>

# Village of Glenwillow

## Notes to the Financial Statements

### For the Years Ended December 31, 2015 and December 31, 2014

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#### Note 3: Budgetary Activity (continued)

Fund type:	Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation Authority	Actual Expenditures	Variance
General	\$ 3,805,200	\$ 3,608,363	\$ 196,837
Special revenue	1,104,631	1,035,453	69,178
Debt service	271,800	269,036	2,764
Capital projects	1,653,603	1,425,693	227,910
Fiduciary	<u>230,000</u>	<u>166,083</u>	<u>63,917</u>
Total	\$ <u>7,065,234</u>	\$ <u>6,504,628</u>	\$ <u>560,606</u>

#### Note 4: Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 semi-annually, 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.

#### Note 5: Local Income Tax

The Village levies a municipal income tax of two 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 Regional Income Tax Agency (RITA) either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a final return annually. Taxes collected by RITA in one month are remitted to the Village on the 1<sup>st</sup> and the 15<sup>th</sup> of the following month.

# Village of Glenwillow

## Notes to the Financial Statements

### For the Years Ended December 31, 2015 and December 31, 2014

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#### Note 6: Debt

Debt outstanding at December 31, 2015 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Sanitary Sewer Special Assessment Bond	\$ 90,000	5.75%
Refunded Land Acquisition Bond	933,000	2.35%
Street Improvement Special Assessment Bond	515,000	4.40%
Recreation Facilities Improvement Bond	175,000	2.00%
Various Purpose Bond	425,000	2.70%
OPWC Loan #CA09O Richmond/Broadway Intersection	121,974	0%
OPWC Loan #CT02P Pergl Road Sanitary Sewer	163,334	0%
OPWC Loan #CT08O Pergl Road Sanitary Sewer	156,712	0%
OPWC Loan # CT06P Pettibone Road Reconstruction	<u>254,301</u>	0%
Total	<u>\$ 2,834,321</u>	

The Sanitary Sewer Assessment Bond issued in 2000 relates to the installation of sanitary sewer lines on Bond Street. The bond principal will be repaid in annual installments, ranging from \$5,000 to \$20,000, over 20 years with corresponding interest payments being paid semi-annually.

The Land Acquisition Bond was issued in 2004 for the acquisition of land. In 2012, the Village refunded \$1,095,000 of this outstanding bond for the purpose of obtaining a lower interest cost. The remaining unrefunded principal balance of \$100,000 outstanding was repaid in full in December 2014. The refunded balance will be repaid in annual installments, ranging from \$20,300 to \$111,000, over 13 years with corresponding interest payments being paid semi-annually.

The Street Improvement Special Assessment Bond issued in 2006 relates to improving Bond Street and Pettibone Road. The bond principal will be repaid in annual installments, ranging from \$15,000 to \$60,000, over 20 years with corresponding interest payments being paid semi-annually.

The Recreation Facilities Improvement Bond issued in 2011 relates to improving the recreation facilities of the Village by constructing the multi-purpose trail on Pettibone Road. The bond principal will be repaid in annual installments, ranging from \$25,000 to \$30,000, over 10 years with corresponding interest payments being paid semi-annually.

The Various Purpose Bond issued in 2015 relates to general sanitary sewer and street improvements in the Village. The bond principal will be repaid in annual installments, ranging from \$35,000 to \$50,000, over 10 years with corresponding interest payments being paid semi-annually.

The Ohio Public Works Commission (OPWC) Loan #CA09O finalized in 2013 relates to the financing of the Richmond/Broadway Intersection Realignment Project. The total amount disbursed to the Village was \$130,686. The loan is non-interest bearing and will be paid in semi-annual installments of \$2,178 over 30 years.

The Ohio Public Works Commission (OPWC) Loan #CT02P finalized in 2013 relates to the financing of the Pergl Road Sanitary Sewer Extension, Phase II Project. The total amount disbursed to the Village was \$175,000. The loan is non-interest bearing and will be paid in semi-annual installments of \$2,917 over 30 years.

# Village of Glenwillow

## Notes to the Financial Statements

### For the Years Ended December 31, 2015 and December 31, 2014

#### Note 6: Debt (continued)

The Ohio Public Works Commission (OPWC) Loan #CT08O finalized in 2014 relates to the financing of the Pergl Road Sanitary Sewer Extension Project. The total amount disbursed to the Village was \$164,961. The loan is non-interest bearing and will be paid in semi-annual installments of \$2,749 over 30 years.

The Ohio Public Works Commission (OPWC) Loan #CT06O finalized in 2015 relates to the funding of the Pettibone Road Reconstruction Project. The total amount disbursed to the Village was \$259,491. The loan is non-interest bearing and will be paid in semi-annual installments of \$5,190 over 25 years.

Amortization of the above bonded debt, including interest, as of December 31, 2015 is scheduled as follows:

<u>Year</u>	<u>Sanitary Sewer Special Assessment Bond</u>	<u>Refunded Land Acquisition Bond</u>	<u>Street Improvement Various Purpose Bond</u>	<u>Recreation Special Assessment Bond</u>	<u>Facilities Improvement Bond</u>
2016	\$ 20,400	\$ 116,926	\$ 46,474	\$ 60,575	\$ 30,436
2017	19,500	117,694	50,530	64,000	34,876
2018	23,600	117,390	49,450	62,000	34,050
2019	22,400	118,040	48,370	60,000	33,150
2020	21,200	112,620	47,290	63,000	32,174
2021-2025	-	462,824	248,900	309,500	31,126
2026-2030	-	-	-	63,000	-
2031-2035	-	-	-	-	-
2036-2040	-	-	-	-	-
2041-2045	-	-	-	-	-
Total	\$ <u>107,100</u>	\$ <u>1,045,494</u>	\$ <u>491,014</u>	\$ <u>682,075</u>	\$ <u>195,812</u>

<u>Year</u>	<u>OPWC Loan #CA09O Richmond/ Broadway Intersection</u>	<u>OPWC Loan #CT02P Pergl Rd. Sanitary Sewage</u>	<u>OPWC Pergl Rd. Sanitary Sewer Extension</u>	<u>OPWC Pettibone Rd. Reconstruction</u>	<u>Total</u>
2016	\$ 4,356	\$ 5,833	\$ 5,499	\$ 10,380	\$ 300,879
2017	4,356	5,833	5,499	10,380	312,668
2018	4,356	5,833	5,499	10,380	312,558
2019	4,356	5,833	5,499	10,380	308,028
2020	4,356	5,833	5,499	10,380	302,352
2021-2025	21,781	29,165	27,495	51,898	1,182,689
2026-2030	21,781	29,165	27,495	51,898	193,339
2031-2035	21,781	29,167	27,493	51,898	130,339
2036-2040	21,781	29,167	27,493	46,707	125,148
2041-2045	13,070	17,505	19,241	-	49,816
Total	\$ <u>121,974</u>	\$ <u>163,334</u>	\$ <u>156,712</u>	\$ <u>254,301</u>	\$ <u>3,217,816</u>

#### Note 7: Leases

The Village leased a vehicle and disbursed lease payments of \$24,454, which concluded the lease agreement at December 31, 2014.

# Village of Glenwillow

## Notes to the Financial Statements

### For the Years Ended December 31, 2015 and December 31, 2014

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#### **Note 8: Retirement Systems**

The Village's full-time police officers belong to the Ohio Police and Fire Pension Fund (OP&F). All other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include post-retirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. From July 1, 2013 through June 30, 2014, OP&F participants were required to contribute 10.75% of their wages. From July 1, 2014 through June 30, 2015, OP&F participants were required to contribute 11.50% of their wages. From July 1, 2015 through December 31, 2015, OP&F participants were required to contribute 12.25% of their wages. For 2015 and 2014, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages.

For 2015 and 2014, 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, 2015.

#### **Note 9: Risk Pool Membership**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty.

Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2013 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

# Village of Glenwillow

## Notes to the Financial Statements

### For the Years Ended December 31, 2015 and December 31, 2014

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#### **Note 9: Risk Pool Membership (continued)**

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2013 and 2014 (the latest information available).

	<u>2013</u>	<u>2014</u>
	<u>OPRM</u>	<u>OPRM</u>
Assets	\$ 13,774,304	\$ 14,830,185
Liabilities	<u>(7,968,395)</u>	<u>(8,942,504)</u>
Members' Equity	\$ <u>5,805,909</u>	\$ <u>5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

#### **Note 10: Jointly Governed Organizations**

##### ***Northeast Ohio Public Energy Council***

The Village is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is currently comprised of 134 members in 200 communities in 13 counties who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The Village did not contribute to NOPEC during 2015 or 2014. Financial information can be obtained by contacting the Board Chairman at 1615 Clark Avenue, Cleveland, Ohio 44109.

##### ***Chagrin/Southeast Council of Government***

The Chagrin/Southeast Council of Government operates the Chagrin/Southeast HazMat Response Team. The team was formed in 1990 to assist local fire departments in responding to incidents involving industrial chemicals. The Council of Government has established two subsidiary organizations, the West Shore Hazardous Materials Committee which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team. During 2015 and 2014, the Village contributed \$3,500 and \$3,500, respectively, to the organization. The Chagrin/Southeast Council of Governments financial statements may be obtained by contacting the Finance Director of the Village of Glenwillow, Ohio.

# Village of Glenwillow

## Notes to the Financial Statements

### For the Years Ended December 31, 2015 and December 31, 2014

#### Note 10: Jointly Governed Organizations (continued)

##### *Valley Enforcement Regional Council of Government*

The Village is a member of Valley Enforcement Regional Council of Government (“VERCOG”), a jointly governed organization. VERCOG is a regional council of government formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (“VEG”), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is comprised of communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four or more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purposes. The Village paid VERCOG \$7,000 annually in 2015 and 2014.

#### Note 11: Interfund Transfers

The transfers among Village funds were made to provide additional resources for current operations. Transfers made during the year ended December 31, 2015 were as follows:

	<u>Transfer from</u>		<u>Total</u>
	<u>General</u>	<u>Capital Projects Funds</u>	
<u>Transfer to</u>			
General Fund	\$ -	\$ 1,184	\$ 1,184
Special Revenue Funds	200,000	-	200,000
Debt Service Funds	90,000	-	90,000
Capital Projects Funds	<u>115,000</u>	<u>-</u>	<u>115,000</u>
Total	<u>\$ 405,000</u>	<u>\$ 1,184</u>	<u>\$ 406,184</u>

Transfers made during the year ended December 31, 2014 were as follows:

	<u>Transfer from</u>		<u>Total</u>
	<u>General</u>	<u>Capital Projects Funds</u>	
<u>Transfer to</u>			
General Fund	\$ -	\$ 7,062	\$ 7,062
Special Revenue Funds	295,000	-	295,000
Debt Service Funds	125,000	-	125,000
Capital Projects Funds	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total	<u>\$ 570,000</u>	<u>\$ 7,062</u>	<u>\$ 577,062</u>

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

Members of Village Council  
Glenwillow, Ohio

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the Village of Glenwillow, Ohio (the "Village"), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2016 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, as described in Note 2.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Members of the Village Council  
Glenwillow, Ohio

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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*.

### **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 result 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.

*Ciuni + Panichi, Inc.*

Cleveland, Ohio  
June 29, 2016



# Dave Yost • Auditor of State

VILLAGE OF GLENWILLOW

CUYAHOGA 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  
OCTOBER 11, 2016