

VILLAGE OF REMINDERVILLE

SUMMIT COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2015 and 2014





Dave Yost • Auditor of State

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

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

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

Dave Yost
Auditor of State

October 27, 2016

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VILLAGE OF REMINDERVILLE
SUMMIT COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of Reminderville
Summit County
3382 Glenwood Blvd.
Reminderville, Ohio 44202

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Reminderville, Summit County, (the Village) as of and for the years ended December 31, 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 the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1 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, to satisfy 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 of Reminderville, Summit County 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 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2016, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
July 25, 2016

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | <u>Governmental Fund Types</u> | | | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|-------------------------|-----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | |
| Cash Receipts | | | | | |
| Property and Other Local Taxes | \$ 185,886 | \$ 260,875 | \$ - | \$ - | \$ 446,761 |
| Municipal Income Tax | 1,224,382 | 611,964 | - | - | 1,836,346 |
| Intergovernmental | 106,088 | 1,278,651 | - | 1,639,174 | 3,023,913 |
| Special Assessments | 54,686 | - | - | - | 54,686 |
| Charges for Services | 14,602 | 45,774 | - | - | 60,376 |
| Fines, Licenses and Permits | 240,558 | 6,815 | - | - | 247,373 |
| Earnings on Investments | 484 | 963 | - | - | 1,447 |
| Miscellaneous | 11,169 | - | - | - | 11,169 |
| <i>Total Cash Receipts</i> | <u>1,837,855</u> | <u>2,205,042</u> | <u>-</u> | <u>1,639,174</u> | <u>5,682,071</u> |
| Cash Disbursements | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 1,048,856 | 891,709 | - | - | 1,940,565 |
| Public Health Services | 6,600 | 4,433 | - | - | 11,033 |
| Leisure Time Activities | - | 51,192 | - | - | 51,192 |
| Community Environment | 126,064 | 62,819 | - | - | 188,883 |
| Transportation | 163,627 | 483,310 | - | - | 646,937 |
| General Government | 371,397 | 182,161 | - | - | 553,558 |
| Capital Outlay | - | 6,360,608 | - | 1,631,772 | 7,992,380 |
| Debt Service: | | | | | |
| Principal Retirement | - | 6,315,000 | 45,425 | - | 6,360,425 |
| Interest and Fiscal Charges | - | 585,428 | 60,997 | - | 646,425 |
| <i>Total Cash Disbursements</i> | <u>1,716,544</u> | <u>14,936,660</u> | <u>106,422</u> | <u>1,631,772</u> | <u>18,391,398</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | 121,311 | (12,731,618) | (106,422) | 7,402 | (12,709,327) |
| Other Financing Receipts (Disbursements) | | | | | |
| Sale of Bonds | - | 8,200,000 | - | - | 8,200,000 |
| Premium and Accrued Interest on Debt | - | 559 | - | - | 559 |
| Discount on Debt | - | (123,121) | - | - | (123,121) |
| Transfers In | - | - | 102,422 | - | 102,422 |
| Transfers Out | (31,863) | (70,559) | - | - | (102,422) |
| Advances In | - | 305,753 | - | - | 305,753 |
| Advances Out | - | (305,753) | - | - | (305,753) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(31,863)</u> | <u>8,006,879</u> | <u>102,422</u> | <u>-</u> | <u>8,077,438</u> |
| <i>Net Change in Fund Cash Balances</i> | 89,448 | (4,724,739) | (4,000) | 7,402 | (4,631,889) |
| <i>Fund Cash Balances, January 1</i> | <u>(102,617)</u> | <u>7,517,310</u> | <u>15,418</u> | <u>1,137</u> | <u>7,431,248</u> |
| Fund Cash Balances, December 31 | | | | | |
| Nonspendable | 883 | - | - | - | 883 |
| Restricted | - | 2,877,870 | - | 8,539 | 2,886,409 |
| Committed | - | - | 11,418 | - | 11,418 |
| Assigned | 41,154 | - | - | - | 41,154 |
| Unassigned (Deficit) | (55,206) | (85,299) | - | - | (140,505) |
| <i>Fund Cash Balances, December 31</i> | <u>\$ (13,169)</u> | <u>\$ 2,792,571</u> | <u>\$ 11,418</u> | <u>\$ 8,539</u> | <u>\$ 2,799,359</u> |

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

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH FUND BALANCES
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | Fiduciary Fund Types |
|---|-----------------------|
| | Agency |
| Operating Cash Receipts | |
| Income Taxes | \$ 3,361,485 |
| Miscellaneous | 99,706 |
| | <u>3,461,191</u> |
| Operating Cash Disbursements | |
| Personal Services | 2,482 |
| Contractual Services | 157,280 |
| Supplies and Materials | 73,930 |
| Other | 114,913 |
| Payments to Another Government | 3,163,819 |
| | <u>3,512,424</u> |
| <i>Net Change in Fund Cash Balances</i> | (51,233) |
| <i>Fund Cash Balances, January 1</i> | <u>220,179</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 168,946</u> |

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

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Governmental Fund Types | | | | Totals (Memorandum Only) |
|---|-------------------------|---------------------|------------------|---------------------|--------------------------------|
| | General | Special Revenue | Debt Service | Capital Projects | |
| Cash Receipts | | | | | |
| Property and Other Local Taxes | \$ 173,834 | \$ 245,064 | \$ - | \$ - | \$ 418,898 |
| Municipal Income Tax | 1,168,312 | 795,124 | - | - | 1,963,436 |
| Intergovernmental | 233,448 | 2,838,121 | - | 647 | 3,072,216 |
| Special Assessments | 53,656 | 145,006 | - | - | 198,662 |
| Charges for Services | 18,714 | 52,730 | - | - | 71,444 |
| Fines, Licenses and Permits | 340,539 | 4,622 | - | - | 345,161 |
| Earnings on Investments | 1,958 | 253 | - | - | 2,211 |
| Miscellaneous | 39,615 | - | - | 98 | 39,713 |
| <i>Total Cash Receipts</i> | <u>2,030,076</u> | <u>4,080,920</u> | <u>-</u> | <u>745</u> | <u>6,111,741</u> |
| Cash Disbursements | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 1,281,613 | 1,166,926 | - | - | 2,448,539 |
| Public Health Services | 6,300 | 595 | - | - | 6,895 |
| Leisure Time Activities | 450 | 11,744 | - | - | 12,194 |
| Community Environment | 127,041 | 31,485 | - | - | 158,526 |
| Transportation | 190,877 | 727,421 | - | - | 918,298 |
| General Government | 536,355 | 1,112 | - | - | 537,467 |
| Capital Outlay | - | 1,914,269 | - | 467,317 | 2,381,586 |
| Debt Service: | | | | | |
| Principal Retirement | - | - | 74,074 | - | 74,074 |
| Interest and Fiscal Charges | - | - | 73,644 | - | 73,644 |
| <i>Total Cash Disbursements</i> | <u>2,142,636</u> | <u>3,853,552</u> | <u>147,718</u> | <u>467,317</u> | <u>6,611,223</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (112,560) | 227,368 | (147,718) | (466,572) | (499,482) |
| Other Financing Receipts (Disbursements) | | | | | |
| Other Debt Proceeds | - | 6,285,000 | - | - | 6,285,000 |
| Premium and Accrued Interest on Debt | - | 807 | - | - | 807 |
| Sale of Capital Assets | - | 5,000 | - | - | 5,000 |
| Transfers In | - | 43,127 | 189,757 | 14,788 | 247,672 |
| Transfers Out | (247,672) | - | - | - | (247,672) |
| Advances In | 6,500 | 6,500 | - | - | 13,000 |
| Advances Out | (6,500) | (6,500) | - | - | (13,000) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(247,672)</u> | <u>6,333,934</u> | <u>189,757</u> | <u>14,788</u> | <u>6,290,807</u> |
| <i>Net Change in Fund Cash Balances</i> | (360,232) | 6,561,302 | 42,039 | (451,784) | 5,791,325 |
| <i>Fund Cash Balances, January 1</i> | <u>257,615</u> | <u>956,008</u> | <u>(26,621)</u> | <u>452,921</u> | <u>1,639,923</u> |
| Fund Cash Balances, December 31 | | | | | |
| Nonspendable | 883 | - | - | - | 883 |
| Restricted | - | 2,686,850 | - | 1,137 | 2,687,987 |
| Committed | - | 4,830,460 | 15,418 | - | 4,845,878 |
| Assigned | 60,153 | - | - | - | 60,153 |
| Unassigned (Deficit) | (163,653) | - | - | - | (163,653) |
| <i>Fund Cash Balances, December 31</i> | <u>\$ (102,617)</u> | <u>\$ 7,517,310</u> | <u>\$ 15,418</u> | <u>\$ 1,137</u> | <u>\$ 7,431,248</u> |

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

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH FUND BALANCES
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014

| | <u>Fiduciary Fund Types</u> |
|---|-----------------------------|
| | <u>Agency</u> |
| Operating Cash Receipts | |
| Income Taxes | \$ 3,012,177 |
| Miscellaneous | 92,371 |
| | <hr/> |
| <i>Total Operating Cash Receipts</i> | 3,104,548 |
| | <hr/> |
| Operating Cash Disbursements | |
| Personal Services | 1,408 |
| Contractual Services | 118,276 |
| Other | 120,454 |
| Payments to Another Government | 3,719,566 |
| | <hr/> |
| <i>Total Operating Cash Disbursements</i> | 3,959,704 |
| | <hr/> |
| <i>Net Change in Fund Cash Balances</i> | (855,156) |
| | <hr/> |
| <i>Fund Cash Balances, January 1</i> | 1,075,335 |
| | <hr/> |
| <i>Fund Cash Balances, December 31</i> | \$ 220,179 |
| | <hr/> <hr/> |

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

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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 Reminderville, Summit County, (the Village) as a body corporate and politic. The Village is directed by a six-member Council with three members elected at large and three elected from separate voting districts each with four year terms. The Mayor is elected to a four year term and serves as the chief executive officer and does not have a vote. The Village provides general government services, maintenance of Village roads and bridges, park operations and police and fire service.

The Village participates in one jointly governed organization: Twinsburg Township – Village of Reminderville Joint Economic Development District (the JEDD), which was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare within the District. Note 11 to the financial statements provides additional information for this entity.

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

B. Accounting Basis

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.

During 2015 and 2014, the Village pooled all money into demand deposits.

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:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)**

1. Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

2. Special Revenue Funds

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

Parks and Recreation Fund - This fund receives bond proceeds and reports the associated capital outlay for the Athletic Complex project.

Fire Income Tax Fund - This fund receives income tax money for the cost associated with providing fire protection services.

Joint Economic Development District Fund - This fund receives the Village's allocation of income tax money levied by the JEDD for projects specific to the economic development of the Village.

Road Levy Fund - This fund receives property tax money to pay for constructing, maintaining and repairing Village roads.

3. Debt Service Funds

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

USDA Bond Retirement Fund - This fund is supported by general fund transfers for the retirement of debt.

Street Dedication Fund - This fund is supported by general fund transfers for the retirement of debt.

4. Capital Project Funds

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

Street Rehabilitation Fund - This fund receives grant monies for constructing and repairing Village roads and bridges.

Waterline Replacement and Repair Fund - This fund receives payments from Cleveland Water to pay for the waterline repair and replacement costs associated with constructing and repairing Village roads.

5. Fiduciary Funds

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

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)**

1. Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

5. Fiduciary Funds (continued)

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for JEDD income tax amounts collected and remitted to the Village by the Regional Income Tax Authority (RITA) and contractor deposits.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

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

2. 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.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

F. Fund Balance

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

1. Nonspendable

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

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)**

1. Summary of Significant Accounting Policies (continued)

F. Fund Balance (continued)

2. 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.

3. Committed

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

4. 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 the Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. 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.

G. 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.

H. Accumulated Leave

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

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)**

2. Equity in Pooled Deposits

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

| | 2015 | 2014 |
|-----------------|--------------|--------------|
| Demand deposits | \$ 2,968,305 | \$ 7,651,427 |
| Total deposits | \$ 2,968,305 | \$ 7,651,427 |

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

| 2015 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|--------------|--------------|----------------|
| | Budgeted | Actual | |
| Fund Type | Receipts | Receipts | Variance |
| General | \$ 3,243,329 | \$ 1,837,855 | \$ (1,405,474) |
| Special Revenue | 10,500,285 | 10,405,601 | (94,684) |
| Debt Service | 147,719 | 102,422 | (45,297) |
| Capital Project | - | 1,639,174 | 1,639,174 |

| 2015 Budgeted vs. Actual Budgetary Basis Disbursements | | | |
|--|---------------|---------------|-------------|
| | Appropriation | Budgetary | |
| Fund Type | Authority | Disbursements | Variance |
| General | \$ 2,232,114 | \$ 1,789,561 | \$ 442,553 |
| Special Revenue | 15,759,905 | 15,822,185 | (62,280) |
| Debt Service | 106,422 | 106,422 | - |
| Capital Project | 535,000 | 1,631,772 | (1,096,772) |

| 2014 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|--------------|--------------|--------------|
| | Budgeted | Actual | |
| Fund Type | Receipts | Receipts | Variance |
| General | \$ 2,757,587 | \$ 2,030,076 | \$ (727,511) |
| Special Revenue | 13,837,953 | 10,414,854 | (3,423,099) |
| Debt Service | 116,719 | 189,757 | 73,038 |
| Capital Project | 693,000 | 15,533 | (677,467) |

| 2014 Budgeted vs. Actual Budgetary Basis Disbursements | | | |
|--|---------------|---------------|------------|
| | Appropriation | Budgetary | |
| Fund Type | Authority | Disbursements | Variance |
| General | \$ 3,361,222 | \$ 2,450,461 | \$ 910,761 |
| Special Revenue | 9,051,656 | 3,969,228 | 5,082,428 |
| Debt Service | 151,718 | 147,718 | 4,000 |
| Capital Project | 578,000 | 467,317 | 110,683 |

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)**

4. Property Tax

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

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

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

5. Local Income Tax

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. The Village contracts with the Regional Income Tax Agency (RITA) for the collection of taxes, including delinquencies and monitoring of compliance with filing requirements.

6. Debt

Debt outstanding at December 31, 2015 was as follows:

| | <u>Principal</u> | <u>Interest Rate</u> |
|-----------------------------------|---------------------|----------------------|
| General Obligation Bonds | \$ 948,200 | 4.125% |
| Street Improvement Bonds | 595,000 | 3.000 - 4.750% |
| Ohio Public Works Commission Loan | 212,381 | 1.000% |
| Total | <u>\$ 1,755,581</u> | |

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

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

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

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)**

6. Debt (continued)

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

| Year ending December 31: | OPWC Loan | General Obligation Bonds | Street Improvement Bonds |
|--------------------------|-------------------|--------------------------------|--------------------------------|
| 2016 | \$ 17,463 | \$ 70,520 | \$ 57,600 |
| 2017 | 17,463 | 70,522 | 56,400 |
| 2018 | 17,463 | 70,573 | 60,200 |
| 2019 | 17,463 | 70,567 | 58,800 |
| 2020 | 17,463 | 70,594 | 57,225 |
| 2021-2025 | 87,313 | 352,830 | 280,550 |
| 2026-2030 | 52,388 | 352,831 | 269,313 |
| 2031-2035 | - | 353,009 | - |
| Total | <u>\$ 227,016</u> | <u>\$ 1,411,446</u> | <u>\$ 840,088</u> |

7. Lease-Purchases

Leases outstanding at December 31, 2015 were as follows:

| | Principal | Interest Rate |
|-------------------------|------------|---------------|
| Fire Pumper Truck Lease | \$ 306,899 | 3.500% |

The Village entered into a lease for the purchase of a fire pumper truck on October 24, 2012. Principal and interest payments totaling \$50,315 are due annually on July 1.

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

| Year ending December 31: | Amount |
|--------------------------|-------------------|
| 2016 | \$ 50,315 |
| 2017 | 50,315 |
| 2018 | 50,315 |
| 2019 | 50,315 |
| 2020 | 50,315 |
| 2021-2025 | 100,631 |
| Total | <u>\$ 352,206</u> |

During 2015, the Village entered into a lease agreement with the Development Finance Authority of Summit County (DFA) for the repayment of a conduit bond issue facilitated by the DFA in the amount of \$8,200,000 for the completion of an Athletic Complex Project. The project is expected to be completed in 2017 and payments will commence at that point, due in monthly payments of \$40,062.50 through June 15, 2045. At the end of the lease, the Village may purchase the Athletic Complex for \$1.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)**

8. Retirement Systems

The Village's full-time police officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). Part time firefighters contribute to Social Security. OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For January – June 2014, OP&F participants contributed 10.75% of their wages. For July 2014 – June 2015, OP&F participants contributed 11.50% of their wages. For July 2015 – December 2015, OP&F participants contributed 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. For 2015 and 2014, part time fire fighters contributed to Social Security an amount equal to 6.2% and 4.2%, respectively of their gross salary. The Village has paid all contributions required through December 31, 2015.

9. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

There have been no settlements paid in excess of insurance coverage nor has insurance coverage been significantly reduced in the past three years.

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

10. Contingent Liabilities

Management believes there are no pending claims or lawsuits.

11. Jointly Governed Organizations

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

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Continued)**

11. Jointly Governed Organizations (continued)

The Board of Directors of the District consists of six members. Three members are appointed by the Mayor of the Village and three members are appointed by the Township's Board of Trustees. The District levies an income tax at 1.5 percent in the District which is collected by the Village. The District keeps up to 3 percent of the income tax revenues to operate the District. Revenues in excess of the expense are paid to the Village (30 percent) and the Township (70 percent).

12. Compliance

Contrary to Ohio Revised Code Section 5705.10(H), at December 31, 2015 and 2014, various funds had a negative fund balance.

Contrary to Ohio Revised Code Section 5705.41(B), various Village funds had expenditures which exceeded appropriations.

Contrary to Ohio Revised Code Section 5705.36(A)(1) the Village did not certify the correct beginning fund balances to the Summit County Auditor for 2015 and 2014.

13. Transfers

Transfers were made from the General Fund to various funds to subsidize operations and capital projects, and to make debt service payments. Transfers were made to correct negative fund balances noted during prior audit. There were no outstanding advances as of December 31, 2015.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

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

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

Village of Reminderville
Summit County
3382 Glenwood Blvd.
Reminderville, Ohio 44202

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the Village of Reminderville, Summit County (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 July 25, 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.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2015-001 through 2015-003 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2015-001, 2015-004 through 2015-006.

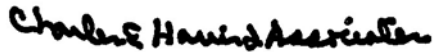
We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated July 25, 2016.

Entity's Responses to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

Purpose of this Report

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



Charles E. Harris and Associates, Inc.
July 25, 2016

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

| |
|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
|--|

Finding Number: 2015-001 – Noncompliance and Material Weakness

Law Enforcement Funds and Deposit of Public Monies

Ohio Revised Code Section 2981.13(B) provides in part, proceeds from the sale of contraband and forfeited property shall be disposed of in the following order:

- 1) to the payment of the costs incurred in the forfeiture proceedings;
- 2) to satisfy any restitution orders to the victim of the offense or satisfy any recovery ordered for the person harmed;
- 3) to the payment of the balance due on any security interest preserved under this chapter;
- 4) apply the remaining amounts as follows:

(b) if the forfeiture was ordered in a court other than a juvenile court, one hundred percent to the law enforcement fund if the municipal corporation.

In addition, Section(C)(1) provides in part, a law enforcement fund shall be established by the legislative authority of each municipal corporation.

The Guide to Equitable Sharing for State and Local Law Enforcement Agencies, issued by the U.S. Department of Justice Criminal Division Asset Forfeiture and Money Laundering Section provides in Section IX all participating state and local law enforcement agencies must implement standard accounting procedures and internal controls (e.g., tracking share requests and receipts, electronically depositing shares into a separate revenue account or accounting code) to track equitably shared monies and tangible property. Those procedures must be consistent with those set forth below.

A. Bookkeeping procedures and internal controls

The state of local participating law enforcement agency must:

1. Establish a separate revenue account or accounting code through the agency's finance department for the proceeds for the Department of Justice Equitable Sharing Program. This account or the accounting code will be used solely for funds from the Department of Justice Sharing Program. No other funds may be included in this account or with this accounting code.
2. Establish an internal procedure to recommend expenditures from the revenue account. In many small agencies, the chief of police determines the purpose for which the funds are used. The agency head must authorize all expenditures from the federal sharing revenue account.
3. Use tangible property placed into official use for a law enforcement purpose for at least two years following transfer. After two years, the property may be sold for the benefit of the law enforcement agency. All proceed from the sale of such property must be deposited into the agency's equitable sharing account.
4. Obtain approval for expenditures from the governing body, such as the town council.
5. Upon final approval, issue contracts or purchase orders to formally disburse deposited assets for goods or services. Deduct purchase orders and contracts from the account balance.
6. Maintain a record of all expenditures from the revenue account or accounting code. These expenditures must be in accordance with this Guide.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
SCHEDULE OF FINDINGS - CONTINUED
DECEMBER 31, 2015 AND 2014**

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| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - Continued |
|--|

Finding Number: 2015-001 – Noncompliance and Material Weakness (continued)

Ohio Revised Code Section 9.38 requires a person who is a public official other than a state officer, employee or agent shall deposit all public monies received by that person with the treasurer of the public office or properly designated depository on the business day next following the day of receipt, if the total amount of such monies received exceeds one thousand dollars. If the total amount of the public monies received does not exceed one thousand dollars, the person shall deposit the monies on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the monies until such time as the monies are deposited. The policy shall include provisions and procedures to safeguard the public monies until they are deposited. If the public office of which the person is a public official is governed by a legislative authority, only the legislative authority may adopt such a policy.

The police department maintains bank accounts for federal and state drug fine monies which are not under the control of the Fiscal Officer including receipts and disbursements from these bank accounts. In addition, this money and activity in these accounts are not recorded on the financial statements of the Village. As of December 31, 2014, the book balance of these accounts was \$360,963. Receipts for the year totaled \$852,034 and expenditures were \$549,522. As of December 31, 2015, the book balance of these accounts is \$361,735. Receipts for the year totaled \$70,368 and expenditures were \$69,596. This could allow for material financial activity under the control of the office of the Village to be unaccounted for and errors and irregularities to not be detected by management in a timely manner.

We recommend the Village record the cash accounts currently maintained by the police department as well as all receipts and expenditures relating to those accounts in the Village's financial ledgers. The bank accounts should be placed under the control of the Fiscal Officer in accordance with the requirements noted above. The financial statements and Village's records have been adjusted.

Official's Response: Mayor Alonso, Paul Carpenter, Council and Deborah Wordell are currently in discussion regarding this finding, while considering the past recommendations made by both the State Auditors and the federal administration that oversees the Federal Drug Funds.

Finding Number: 2015-002 – Material Weakness

Mispostings and Misclassifications Resulting in Financial Statement Adjustments

Ohio Administrative Code Section 117-2-02(A) provides that all local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance and finance-related legal and contractual requirements and prepare financial statements.

The Village Officers' Handbook (revised March 2016) provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example). Using these classifications and the aforementioned accounting records will provide the Village with information required to monitor compliance and with the budget and prepare annual reports in the format required by the Auditor of State.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
SCHEDULE OF FINDINGS - CONTINUED
DECEMBER 31, 2015 AND 2014**

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| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - Continued |
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Finding Number: 2015-002 – Material Weakness (continued)

Our testing revealed numerous instances where errors were made with respect to the posting and reporting of various transactions. The more significant of these misclassifications included the following:

- During 2015 and 2014, Homestead and Rollback monies were misclassified as Property Tax revenue instead of Intergovernmental revenue.
- During 2015 and 2014, Special Assessment revenue was misclassified as Property Tax revenue instead of Special Assessments.
- During 2015 and 2014, various receipts were misclassified as Special Items and Extraordinary Items. The postings did not qualify as special or extraordinary therefore adjustments were made to reclassify these items.
- During 2015, Capital Road Project monies received from Cleveland Water were misclassified as Miscellaneous revenue instead of Intergovernmental revenue in the Waterline Replacement/Repair Fund – Capital Projects.
- During 2014, various unnecessary fund balance adjustments regarding outstanding items were misposted affecting the beginning fund balances. These postings were reversed.
- During 2015 and 2014, Contractor Deposits were misclassified as Fines, Licenses and Permits and Charges for Services revenue, respectively instead of Miscellaneous revenue.
- During 2015, the Village received Bond Proceeds and repaid an outstanding Bond Anticipation Note. The postings necessary to record these transactions were adjusted.
- During 2015 and 2014, the Village did not record activity in the police LETF accounts as referenced in Finding 2015-001. An adjustment was made to reflect these transactions.

Management agrees with these adjustments and they were adjusted in the Village's records and the accompanying financial statements.

We recommend the Village use more caution to ensure all activities of the Village are recorded accurately. The Village's Fiscal Officer should refer to the Village Officers' Handbook and the UAN Handbook to ensure proper fund and account classification. We also recommend that management review the draft financial statements to help ensure that they are supported by sufficient and accurate documentation and free of obvious errors and omissions.

Official's Response: While the Village of Reminderville has corrected some of the misclassification errors from the past, more caution will be used to better ensure that the receipts and expenditures are recorded accurately.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
SCHEDULE OF FINDINGS - CONTINUED
DECEMBER 31, 2015 AND 2014**

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| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - Continued |
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Finding Number: 2015-003 – Material Weakness

Cash Reconciliations

A bank to book reconciliation should be performed monthly and reviewed and approved by an individual with appropriate fiscal authority. The reconciliation of the Village's bank accounts with its cash ledgers is a necessary control procedure to adequately safeguard cash and to provide an accurate financial picture of the Village. As part of the bank reconciliation, all differences between the balance appearing on the financial statements and the balance of cash according to the Village's records should be accounted for.

The Village's bank accounts and fund balances were not reconciled during fiscal year 2015 and 2014. The Village Fiscal Officer contracted with an external consultant with governmental experience to perform a proof-of-cash reconciliation for the two year audit period. Upon conclusion of the reconciliations being performed, the Village's books were overstated by \$548,583 and \$43,508 for 2015 and 2014, respectively.

The audit adjustments were posted to the Village's financial accounting system and to the audited financial statements.

We recommend the Village implement procedures to help ensure that bank statements are reconciled to the Village's books in a timely manner. We further recommend the bank reconciliations be presented to the Finance Committee so they can sign off on them and present to the entire Council for approval on a monthly basis within the minute records. All reconciling amounts should be easily identifiable and explained.

Official's Response: Beginning in January of 2016, the Village of Reminderville Finance Committee has signed off on the reconciled bank statements on a monthly basis.

Finding Number: 2015-004 – Noncompliance

Negative Fund Balances

Ohio Revised Code Section 5705.10(H) states that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

The General and the Parks and Recreation funds had deficit fund balances as of December 31, 2015 of \$13,169 and \$85,299, respectively. As of December 31, 2014 the General fund had a deficit fund balance of \$102,617. These deficit balances were a result of various mispostings corrected during the audit.

We recommend the Fiscal Officer review transactions and financial reports monthly. We also recommend that the Finance Committee review and sign off on all monthly reconciliations and maintain vigilance over each fund and its respective balance from this point forward.

Official's Response: The Village of Reminderville has corrected the major issues that have caused negative fund balances in the past. Adjustments that a firm hired to reconcile the 2012-2013 books were incorrect and inflated the General Fund balance going into 2014. Expenditures and transfers were budgeted in 2014 and 2015 based on that inflated balance. The Village is projecting a carryover from 2016 to 2017 of over \$300,000 in the General Fund.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
SCHEDULE OF FINDINGS - CONTINUED
DECEMBER 31, 2015 AND 2014**

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| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - Continued |
|--|

Finding Number: 2015-005 – Noncompliance

Disbursements Exceeding Appropriations

Ohio Revised Code Section 5705.41(B) requires that budgetary disbursements shall not exceed appropriations. In 2015, budgetary disbursements exceeded appropriation authority as follows:

| <u>Fund</u> | <u>Appropriations</u> | <u>Disbursements</u> | <u>Variance</u> |
|---------------------------------|-----------------------|----------------------|-----------------|
| Law Enforcement | \$400 | \$69,660 | (\$69,260) |
| Police Vehicle Acquisition | \$0 | \$5,528 | (\$5,528) |
| Waterline Repair/Replacement | \$535,000 | \$1,631,772 | (\$1,096,772) |

In 2014, budgetary disbursements exceeded appropriation authority as follows:

| <u>Fund</u> | <u>Appropriations</u> | <u>Disbursements</u> | <u>Variance</u> |
|-----------------|-----------------------|----------------------|-----------------|
| Law Enforcement | \$400 | \$549,764 | (\$549,364) |

We recommend that the Village monitor its budget closely to prevent disbursements from exceeding appropriations. Also, we recommend that the Village post appropriations into the accounting system in a timely manner.

Official’s Response: While the Village of Reminderville has corrected the majority of the appropriation errors from the past, more caution will be used to better ensure that the budgetary disbursements do not exceed the appropriations.

Finding Number: 2015-006 – Noncompliance

Certification of Available Revenue

Ohio Rev. Code Section 5705.36(A)(1) indicates on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county fiscal officer the total amount from all sources available for expenditures from each fund in the tax budget along with any unencumbered balances existing at the end of the preceding year. Although, the Certificate of the Total Amount From All Sources Available for Expenditures, and Balances was filed with the Summit County Auditor for fiscal year 2015 and 2014, the beginning fund balances were incorrect. If the correct unencumbered beginning fund balances were certified it would have caused the total appropriations to exceed total certified resources contrary to Ohio Revised Code Section 5705.39.

We recommend the Village file on or about the first day of the fiscal year an accurate Certificate of the Total Amount From All Sources Available for Expenditures, and Unencumbered Balances existing at the end of the preceding year.

Management Response: While the Village of Reminderville has corrected the majority of the budgetary errors from the past, more caution will be used to better ensure that the appropriations do not exceed the total estimated resources.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2015 AND 2014**

| FINDING NUMBER | FUNDING SUMMARY | FULLY CORRECTED? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|-----------------------|--|-------------------------|--|
| 2013-01 | Law Enforcement Funds and Deposit of Public Monies | No | Repeated as 2015-001 |
| 2013-02 | Fiscal Officer's Certification of Expenditures | Yes | Finding No Longer Valid |
| 2013-03 | Negative Cash Fund Balances | No | Repeated as 2015-004 |
| 2013-04 | Certification of Available Resources | No | Repeated as 2015-006 |
| 2013-05 | Annual Appropriation Measure | Yes | Finding No Longer Valid |
| 2013-06 | Posting of Transfers and Advances without Approval | Yes | Finding No Longer Valid |
| 2013-07 | Mispostings and Misclassifications | No | Repeated as 2015-002 |
| 2013-08 | Cash Reconciliations | No | Repeated as 2015-003 |
| 2013-09 | JEDD Income Tax Revenue Allocation | Yes | Finding No Longer Valid |



Dave Yost • Auditor of State

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
NOVEMBER 10, 2016