

VILLAGE OF REMINDERVILLE

SUMMIT COUNTY

Audit Report

For the Years Ended December 31, 2017 and 2016





Dave Yost • Auditor of State

Village Council
Village of Reminderville
3382 Glenwood Blvd
Reminderville, OH 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, 2016 through December 31, 2017. 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 26, 2018

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Village of Reminderville
Summit County
 For the Years Ended December 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Reminderville, Summit County, (the Village) as of and for the years ended December 31, 2017 and 2016.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating of the overall presentation of the financial statements.

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2017 and 2016, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Reminderville, Summit County, as of December 31, 2017 and 2016, 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 July 30, 2018, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
July 30, 2018

Village of Reminderville
Summit County
Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2017

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$ 201,430	\$ 279,510	\$ -	\$ -	\$ 480,940
Municipal Income Tax	1,407,054	722,797	-	-	2,129,851
Intergovernmental	124,094	1,311,625	-	614,328	2,050,047
Special Assessments	85,887	-	-	-	85,887
Charges for Services	7,683	911,657	-	-	919,340
Fines, Licenses and Permits	314,236	2,958	-	-	317,194
Earnings on Investments	381	-	17,915	-	18,296
Miscellaneous	3,640	10,327	-	-	13,967
<i>Total Cash Receipts</i>	2,144,405	3,238,874	17,915	614,328	6,015,522
Cash Disbursements					
Current:					
Security of Persons and Property	1,216,586	963,606	-	-	2,180,192
Public Health Services	41,579	2,895	-	-	44,474
Leisure Time Activities	-	618,801	-	-	618,801
Community Environment	128,139	87,232	-	-	215,371
Transportation	139,502	385,792	-	-	525,294
General Government	363,718	219,756	-	-	583,474
Capital Outlay	27,270	978,452	-	143,140	1,148,862
Debt Service:					
Principal Retirement	-	62,700	15,531	-	78,231
Interest and Fiscal Charges	-	149,944	399,566	-	549,510
<i>Total Cash Disbursements</i>	1,916,794	3,469,178	415,097	143,140	5,944,209
<i>Excess of Receipts Over (Under) Disbursements</i>	227,611	(230,304)	(397,182)	471,188	71,313
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	465	-	-	-	465
Transfers In	1,045	255,000	464,948	-	720,993
Transfers Out	(8,731)	(711,262)	-	(1,000)	(720,993)
Advances In	-	200,000	-	-	200,000
Advances Out	-	(200,000)	-	-	(200,000)
<i>Total Other Financing Receipts (Disbursements)</i>	(7,221)	(456,262)	464,948	(1,000)	465
<i>Net Change in Fund Cash Balances</i>	220,390	(686,566)	67,766	470,188	71,778
<i>Fund Cash Balances, January 1</i>	353,607	2,539,906	816,655	973,093	4,683,261
Fund Cash Balances, December 31					
Restricted	-	1,853,340	884,421	1,443,281	4,181,042
Assigned	45,350	-	-	-	45,350
Unassigned	528,647	-	-	-	528,647
<i>Fund Cash Balances, December 31</i>	\$ 573,997	\$ 1,853,340	\$ 884,421	\$ 1,443,281	\$ 4,755,039

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

Village of Reminderville
Summit County
Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2017

	Fiduciary Fund Type
	Agency
Operating Cash Receipts	
Charges for Services	\$ 112,933
Fines, Licenses and Permits	23,143
Municipal Income Tax	3,439,923
<i>Total Operating Cash Receipts</i>	3,575,999
Operating Cash Disbursements	
Personal Services	1,073
Contractual Services	199,819
Other	110,644
Payments to Another Government	3,270,226
<i>Total Operating Cash Disbursements</i>	3,581,762
<i>Net Change in Fund Cash Balances</i>	(5,763)
<i>Fund Cash Balances, January 1</i>	277,127
<i>Fund Cash Balances, December 31</i>	\$ 271,364

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

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

Jointly Governed Organization

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the fiduciary fund type which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

USDA Bond Retirement Fund The USDA bond retirement fund accounts for and reports the receipt of transfers committed for the purpose of debt service payments.

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

RPD & RSD Renovation Project Fund The RPD & RSD renovation project fund accounts for and reports the receipt of note proceeds restricted to the completion of the RPD & RSD renovation project.

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

Basis of Accounting

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

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

Budgetary Process

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

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (continued)

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

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

A summary of 2017 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,165,507	\$ 2,145,915	\$ (19,592)
Special Revenue	3,468,176	3,493,874	25,698
Debt Service	544,202	482,863	(61,339)
Capital Projects	1,773,275	614,328	(1,158,947)

2017 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,132,869	\$ 1,970,875	\$ 161,994
Special Revenue	4,595,299	4,219,138	376,161
Debt Service	415,097	415,097	-
Capital Projects	1,320,353	536,686	783,667

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 4 – Deposits and Investments

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

	<u>2017</u>
Demand deposits	\$ 5,026,403

Deposits

Deposits are insured by the Federal Depository Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS).

Note 5 – Taxes

Property Taxes

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

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

Local Income Taxes

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

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

Note 6 – Risk Management

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 6 – Risk Management (continued)

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

Ohio Police and Fire Pension Fund

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2017.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 1% during calendar year 2017, and OP&F contributed 0.5% to fund these benefits.

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 9 – Debt

Debt outstanding at December 31, 2017 was as following:

	Principal	Interest Rate
General Obligation Bonds	\$ 884,200	4.125%
Street Improvement Bonds	535,000	3.00-4.75%
OPWC Loan	181,473	1.00%
Geis Bond Anticipation Notes	1,994,827	3.51-4.63%
Total	\$ 3,595,500	

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

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

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

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

Leases

The Village leases a vehicle and other equipment under noncancelable leases. The Village disbursed \$616,787 to pay lease costs for the year ended December 31, 2017.

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 9 – Debt (continued)

Amortization

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

Year Ending December 31:	Leases	OPWC Loan	General Obligation Bonds	Street Improvement Bonds	Geis General Obligation Notes
2018	\$ 616,787	\$ 17,463	\$ 70,573	\$ 60,200	\$ 74,821
2019	616,787	17,463	70,567	58,800	74,821
2020	616,787	17,463	70,594	57,225	145,408
2021	616,787	17,463	70,580	55,650	145,408
2022	588,213	17,463	70,592	59,075	145,408
2023-2027	2,454,065	87,315	352,741	276,125	736,811
2028-2032	2,403,750	17,463	353,018	159,013	829,210
2033-2037	2,403,750	-	211,739	-	761,339
2038-2042	2,403,750	-	-	-	-
2043-2047	1,682,625	-	-	-	-
Total	<u>\$ 14,403,301</u>	<u>\$ 192,093</u>	<u>\$ 1,270,404</u>	<u>\$ 726,088</u>	<u>\$ 2,913,226</u>

Note 10 – Contingent Liabilities

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

Note 11 – Jointly Governed Organizations

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

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 12 – Transfers

Transfers were made from the General Fund and JEDD Special Revenue Fund to various funds to subsidize operations and to make debt service payments. Also, transfers were made from various Capital Projects and Special Funds for funds that were no longer in use and closed. These transfers were made in accordance with the Ohio Revised Code.

Village of Reminderville
Summit County
Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$ 192,771	\$ 268,399	\$ -	\$ -	\$ 461,170
Municipal Income Tax	1,563,696	772,929	-	-	2,336,625
Intergovernmental	104,296	1,119,354	-	-	1,223,650
Special Assessments	83,586	-	-	-	83,586
Charges for Services	4,507	331,166	-	-	335,673
Fines, Licenses and Permits	304,817	3,555	-	-	308,372
Earnings on Investments	294	-	17,500	-	17,794
Miscellaneous	18,586	16	-	-	18,602
<i>Total Cash Receipts</i>	<i>2,272,553</i>	<i>2,495,419</i>	<i>17,500</i>	<i>-</i>	<i>4,785,472</i>
Cash Disbursements					
Current:					
Security of Persons and Property	1,095,188	975,162	-	-	2,070,350
Public Health Services	41,234	10,430	-	-	51,664
Leisure Time Activities	-	143,791	-	-	143,791
Community Environment	142,872	76,408	-	-	219,280
Transportation	142,400	315,787	-	-	458,187
General Government	366,329	196,386	-	-	562,715
Capital Outlay	28,000	6,114,581	-	119,446	6,262,027
Debt Service:					
Principal Retirement	-	30,000	46,678	-	76,678
Interest and Fiscal Charges	-	89,000	205,357	-	294,357
<i>Total Cash Disbursements</i>	<i>1,816,023</i>	<i>7,951,545</i>	<i>252,035</i>	<i>119,446</i>	<i>10,139,049</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>456,530</i>	<i>(5,456,126)</i>	<i>(234,535)</i>	<i>(119,446)</i>	<i>(5,353,577)</i>
Other Financing Receipts (Disbursements)					
Sale of Notes	-	735,672	175,156	1,084,000	1,994,828
Discount on Debt	-	-	(25,514)	-	(25,514)
Sale of Capital Assets	3,230	-	-	-	3,230
Transfers In	-	-	112,408	-	112,408
Transfers Out	(17,463)	(94,945)	-	-	(112,408)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(14,233)</i>	<i>640,727</i>	<i>262,050</i>	<i>1,084,000</i>	<i>1,972,544</i>
<i>Net Change in Fund Cash Balances</i>	<i>442,297</i>	<i>(4,815,399)</i>	<i>27,515</i>	<i>964,554</i>	<i>(3,381,033)</i>
<i>Fund Cash Balances, January 1, Restated</i>	<i>(88,690)</i>	<i>7,355,305</i>	<i>789,140</i>	<i>8,539</i>	<i>8,064,294</i>
Fund Cash Balances, December 31					
Nonspendable	883	-	-	-	883
Restricted	-	2,539,906	816,655	973,093	4,329,654
Assigned	177,652	-	-	-	177,652
Unassigned	175,072	-	-	-	175,072
<i>Fund Cash Balances, December 31</i>	<i>\$ 353,607</i>	<i>\$ 2,539,906</i>	<i>\$ 816,655</i>	<i>\$ 973,093</i>	<i>\$ 4,683,261</i>

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

Village of Reminderville
Summit County
Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2016

	Fiduciary Fund Type
	Agency
Operating Cash Receipts	
Charges for Services	\$ 180,030
Fines, Licenses and Permits	24,538
Municipal Income Tax	3,241,540
<i>Total Operating Cash Receipts</i>	3,446,108
Operating Cash Disbursements	
Personal Services	1,907
Contractual Services	227,692
Other	71,548
Payments to Another Government	3,036,780
<i>Total Operating Cash Disbursements</i>	3,337,927
<i>Net Change in Fund Cash Balances</i>	108,181
<i>Fund Cash Balances, January 1</i>	168,946
<i>Fund Cash Balances, December 31</i>	\$ 277,127

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 – Reporting Entity

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

Jointly Governed Organization

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the fiduciary fund type which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

USDA Bond Retirement Fund The USDA bond retirement fund accounts for and reports the receipt of transfers committed for the purpose of debt service payments.

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

RPD & RSD Renovation Project Fund The RPD & RSD renovation project fund accounts for and reports the receipt of note proceeds restricted to the completion of the RPD & RSD renovation project.

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

Basis of Accounting

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

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

Budgetary Process

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

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 2 – Summary of Significant Accounting Policies (continued)

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

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

A summary of 2016 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,051,998	\$ 2,275,783	\$ 223,785
Special Revenue	7,958,539	3,231,091	(4,727,448)
Debt Service	217,151	305,064	87,913
Capital Projects	1,084,000	1,084,000	-

2016 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,906,608	\$ 1,906,608	\$ -
Special Revenue	9,146,326	8,181,322	965,004
Debt Service	277,549	277,549	-
Capital Projects	157,500	119,446	38,054

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 4 – Deposits and Investments

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

	<u>2016</u>
Demand deposits	\$ 4,960,388
<i>Deposits</i>	

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

Note 5 – Taxes

Property Taxes

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

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

Local Income Taxes

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

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

Note 6 – Risk Management

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 6 – Risk Management (continued)

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

Ohio Police and Fire Pension Fund

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2016.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 2% during calendar year 2016, and OP&F contributed 0.5% to fund these benefits.

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 9 – Debt

Debt outstanding at December 31, 2016 was as following:

	Principal	Interest Rate
General Obligation Bonds	\$ 916,900	4.125%
Street Improvement Bonds	565,000	3.00-4.75%
OPWC Loan	197,004	1.00%
Geis Bond Anticipation Notes	1,994,827	3.51-4.63%
Total	\$ 3,673,731	

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

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

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

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

Leases

The Village leases a vehicle and other equipment under noncancelable leases. The Village disbursed \$50,315 to pay lease costs for the year ended December 31, 2016.

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 9 – Debt (continued)

Amortization

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

Year Ending December 31:	Leases	OPWC Loan	General Obligation Bonds	Street Improvement Bonds	Geis General Obligation Notes
2017	\$ 616,787	\$ 17,463	\$ 70,522	\$ 56,400	\$ 74,821
2018	616,787	17,463	70,573	60,200	74,821
2019	616,787	17,463	70,567	58,800	145,408
2020	616,787	17,463	70,594	57,225	145,408
2021	588,213	17,463	70,580	55,650	145,408
2022-2026	2,454,065	87,315	352,812	281,175	736,811
2027-2031	2,403,750	34,926	352,884	213,038	829,210
2032-2036	2,403,750	-	282,393	-	761,339
2037-2041	2,403,750	-	-	-	-
2042-2046	1,682,625	-	-	-	-
Total	<u>\$ 14,403,301</u>	<u>\$ 209,556</u>	<u>\$ 1,340,925</u>	<u>\$ 782,488</u>	<u>\$ 2,913,226</u>

Note 10 – Contingent Liabilities

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

Note 11 – Jointly Governed Organizations

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

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

Village of Reminderville
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 12 – Transfers

Transfers were made from the General Fund and JEDD Special Revenue Fund to various funds to subsidize operations and to make debt service payments.

Note 13 – Prior Period Adjustment

A prior period adjustment was necessary to include bank accounts not previously disclosed to the Village and adjustments necessary regarding the bond transaction associated with those accounts. The following table shows the changes to beginning fund balance:

	General	Special Revenue	Debt Service
Fund Balance, January 1, 2016	\$ (13,169)	\$ 2,792,571	\$ 11,418
Adjustments, Net	(75,521)	4,562,959	777,722
Restated Fund Balance, January 1, 2016	<u>\$ (88,690)</u>	<u>\$ 7,355,530</u>	<u>\$ 789,140</u>

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

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

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts and disbursements by fund type of the Village of Reminderville, Summit County (the Village) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated July 30, 2018, 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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider to be a material weakness. We consider finding 2017-001 to be a material weakness.

Village of Reminderville

Summit County

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

Page 2

Compliance and Other Matters

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

We noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated July 30, 2018.

Entity's Response to Finding

The Village's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the Village's response and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris and Associates, Inc.

July 30, 2018

Village of Reminderville
Summit County
Schedule of Findings
December 31, 2017 and 2016

Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS
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Finding Number: 2017-001 – Material Weakness

Audit Adjustments and Reclassifications

During 2017 and 2016, errors were noted in the Village’s financial statements that required audit adjustments and reclassifications, the most significant of which are as follows:

- The receipt of rollbacks was incorrectly allocated to funds during 2017.
- The receipt of property taxes was incorrectly posted at the net amount received instead of the gross amount collected and the corresponding collection fees during 2017 and 2016.
- The health district allocation recorded as a part of the semi-annual property tax settlement sheet was incorrectly posted as a general government expense instead of a public health expense.

Other immaterial posting errors were also noted and brought to the attention of management. The accompanying financial statements and the Village’s records have been adjusted to properly reflect these transactions.

Sound financial reporting is the responsibility of the Village and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Village adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the Village Officer’s Handbook, the Uniform Accounting Network Manual, and other Auditor of State guidance to aid in properly identifying account classifications and preparing annual financial statements.

Management’s Response:

See Corrective Action Plan on page 29.

Village of Reminderville
Summit County
Schedule of Prior Audit Findings (Prepared by Management)
December 31, 2017 and 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Law Enforcement Funds and Deposit of Public Monies	Corrective Action Taken and Finding is Fully Corrected	
2015-002	Mispostings and Misclassifications Resulting in Financial Statement Adjustments	Not Corrected	Repeated as Finding Number 2017-001. The Village has worked to correct the mispostings and misclassifications from prior years. All adjustments from this year are related to property tax postings which will be correctly allocated in future years.
2015-003	Cash Reconciliations	Corrective Action Taken and Finding is Fully Corrected	
2015-004	Negative Fund Balances	Corrective Action Taken and Finding is Fully Corrected	
2015-005	Disbursements Exceeding Appropriations	Corrective Action Taken and Finding is Fully Corrected	
2015-006	Certification of Available Revenue	Corrective Action Taken and Finding is Fully Corrected	

Village of Reminderville
Summit County
Corrective Action Plan
(Prepared by Management)
December 31, 2017 and 2016

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2017-001	While the Village of Reminderville has corrected a vast majority of posting errors, more caution will be used to better ensure all allocations are properly recorded.	Immediately	Deborah Wordell, Fiscal Officer

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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 8, 2018