



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF HARTVILLE
STARK COUNTY
DECEMBER 31, 2020 AND 2019**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Hartville
Stark County
202 West Maple
Hartville, Ohio 44632

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Hartville, Stark County, Ohio (the Village).

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 such 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.

Efficient • Effective • Transparent

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2020 and 2019, and the respective changes in financial position or cash flows 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 for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village, 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2021, 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.



Keith Faber
Auditor of State
Columbus, Ohio

November 1, 2021

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Village of Hartville, Ohio
Stark County
Combined Statement of Receipts, Disbursements and Changes in Fund
Balances - (Regulatory Cash Basis) All Governmental Fund Types
For the Year Ended December 31, 2020

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$150,541	\$416,463	\$0	\$567,004
Municipal Income Taxes	1,730,172	0	0	1,730,172
Intergovernmental	151,377	492,147	0	643,524
Charges for Services	554	0	0	554
Fines, Licenses and Permits	50,496	1,022	26,246	77,764
Earnings on Investments	10,946	0	0	10,946
Miscellaneous	15,540	2,532	0	18,072
<i>Total Cash Receipts</i>	<u>2,109,626</u>	<u>912,164</u>	<u>26,246</u>	<u>3,048,036</u>
Cash Disbursements				
Current:				
Security of Persons and Property	722,207	655,181	0	1,377,388
Public Health Services	24,037	0	0	24,037
Leisure Time Activities	18,543	0	0	18,543
Basic Utility Services	4,211	0	0	4,211
Community Environment	29,537	0	0	29,537
Transportation	0	444,859	0	444,859
General Government	315,324	4,916	0	320,240
Capital Outlay	61,396	0	354,317	415,713
<i>Total Cash Disbursements</i>	<u>1,175,255</u>	<u>1,104,956</u>	<u>354,317</u>	<u>2,634,528</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>934,371</u>	<u>(192,792)</u>	<u>(328,071)</u>	<u>413,508</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	2,290	0	9,940	12,230
Advance In	7,866	10,500	0	18,366
Advance Out	(10,500)	(7,866)	0	(18,366)
Other Financing Sources	1,499	0	0	1,499
Other Financing Uses	(1,416)	0	0	(1,416)
Transfers In	0	211,500	0	211,500
Transfers Out	(211,500)	0	0	(211,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(211,761)</u>	<u>214,134</u>	<u>9,940</u>	<u>12,313</u>
<i>Net Change in Fund Cash Balances</i>	722,610	21,342	(318,131)	425,821
<i>Fund Cash Balances, January 1</i>	<u>879,503</u>	<u>126,403</u>	<u>753,997</u>	<u>1,759,903</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,602,113</u>	<u>\$147,745</u>	<u>\$435,866</u>	<u>\$2,185,724</u>

See accompanying notes to the basic financial statements

Village of Hartville, Ohio
Stark County
Statement of Receipts, Disbursements and Changes in Fund
Balances - (Regulatory Cash Basis) All Proprietary Fund Types
For the Year Ended December 31, 2020

	Proprietary Fund Type
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$1,263,033
Fines, Licenses and Permits	12,905
Miscellaneous	2,004
	<u>1,277,942</u>
<i>Total Operating Cash Receipts</i>	<u>1,277,942</u>
Operating Cash Disbursements	
Personal Services	258,358
Contractual Services	313,471
Supplies and Materials	87,024
	<u>658,853</u>
<i>Total Operating Cash Disbursements</i>	<u>658,853</u>
<i>Operating Income</i>	<u>619,089</u>
Non-Operating Receipts (Disbursements)	
Special Assessments	96,611
Earnings on Investments	8,520
Capital Outlay	(71,344)
Principal Retirement	(301,518)
Interest and Other Fiscal Charges	(85,028)
	<u>(352,759)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(352,759)</u>
<i>Net Change in Fund Cash Balances</i>	266,330
<i>Fund Cash Balances, January 1</i>	<u>1,970,109</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,236,439</u></u>

See accompanying notes to the basic financial statements

Village of Hartville, Ohio
Stark County
Statement of Additions, Deductions
and Changes in Fund Balances - (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2020

	Fiduciary Fund Types
	<u>Custodial</u>
	<u>Other Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	<u>\$38,075</u>
<i>Total Additions</i>	<u>38,075</u>
Deductions	
Distributions to Other Governments	11,161
Distributions to Other Funds (Primary Gov't)	<u>27,281</u>
<i>Total Deductions</i>	<u>38,442</u>
<i>Net Change in Fund Balances</i>	(367)
<i>Fund Cash Balances, January 1</i>	<u>2,381</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,014</u></u>

See accompanying notes to the basic financial statements

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The Village of Hartville (the Village), Stark County, 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. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities, park operations, road maintenance, and police services. The Village contracts with Hartville Fire Department to receive fire protection services.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 7 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 all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

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

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

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

Street Construction, Maintenance and Repair The street construction, maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Fire Fund The fire fund accounts for property tax money collection for fire protection.

EMS Fund The EMS fund accounts for property tax money collection for EMS protection.

State Highway Fund The state highway fund accounts for a portion of the State gasoline tax and motor vehicle license registration fees for construction, maintaining and repairing state highways within the Village's boundaries.

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Coronavirus Aid Relief Fund The coronavirus aid relief fund accounts for assistance received to navigate the impact of the COVID-19 health emergency.

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:

Capital Improvement Fund The capital improvement fund accounts for cable franchise fees for the purpose of acquiring and constructing major capital projects.

Street Capital Equipment Reserve Fund The street capital equipment reserve fund accounts for transfers from the general fund to accumulate reserves for future street equipment purchases.

Building Reserve Fund The building reserve fund accounts for proceeds from sales of Village land to accumulate reserves for future building construction and improvements.

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

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the fines and fees collected and distribution of the Village's Mayor's Court.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

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

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

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Budgetary Process

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

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

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 2020 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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,168,432	\$2,113,415	(\$55,017)
Special Revenue	1,280,720	1,123,664	(157,056)
Capital Projects	212,062	36,186	(175,876)
Enterprise	1,415,757	1,383,073	(32,684)
Total	\$5,076,971	\$4,656,338	(\$420,633)

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,084,435	\$1,607,437	\$476,998
Special Revenue	1,232,784	1,157,496	75,288
Capital Projects	381,944	370,813	11,131
Enterprise	1,986,998	1,198,988	788,010
Total	\$5,686,161	\$4,334,734	\$1,351,427

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Village also has segregated accounts which include clearing accounts and amounts with fiscal and escrow agents that are not part of this pool. A summary of the Village’s deposit and investment accounts are as follows:

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$1,522,526
Total deposits	1,522,526
STAR Ohio	2,901,651
Total investments	2,901,651
Total carrying amount of deposits and investments held in the Pool	\$4,424,177
 <i>Segregated Accounts - Not held in the Pool:</i>	
Payroll Clearing Account	\$17,004
Third-Party Accounts	6,500
Total Outside Accounts	\$23,504

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statement reflect gross payroll. The balance in the Village’s payroll clearing account represent unremitted employee payroll withholdings.

The Village also has accounts held outside of the deposit pool for money held by a third-party administrator providing claims servicing for an insurance program.

Deposits

Deposits are collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Investments

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

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

Income Taxes

The Village levies a municipal income tax of one 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.

Note 6 – Interfund Balances

Outstanding advances at December 31, 2020, consisted of \$10,500 advanced to the Bullet Proof Vest fund from the General Fund to provide working capital until such time as the reimbursement money is received for such project.

Note 7 – Risk Management

Workers' Compensation

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 Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability;
- Cyber;
- Law enforcement liability;
- Vehicles;
- Property; and
- Equipment breakdown.

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$40,318,970
Actuarial liabilities	\$14,111,510

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Ohio Police and Fire Retirement System

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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wage. The Village has paid all contributions required through December 31, 2020.

Social Security

Several Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Note 9 – 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 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 10 – Debt

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
(OPWC) Ohio Public Works Commission Loan #CT710	\$173,279	0.00%
(OWDA) Ohio Water Development Authority Loan #3722	26,380	0.00%
(OWDA) Ohio Water Development Authority Loan #4414	1,244,051	0.00%
(OWDA) Ohio Water Development Authority Loan #6445	190,076	0.00%
USDA Loan	3,277,600	2.50%
Total	\$4,911,386	

The Ohio Public Works Commission CT710 relates to a sewer line replacement. The loan will be repaid with semiannual installments of \$6,418 until its maturity in 2034.

The Ohio Water Development Authority (OWDA) loan 3722 relates to a project for the construction of a sanitary sewer to connect to the existing Sunnyside lift station. The loan will be repaid with semiannual installments of \$5,276 until its maturity in 2023. The loan is secured by special assessment sewer receipts.

The Ohio Water Development Authority (OWDA) loan 4414 was obtained to construct Woodland Street sanitary sewer lines. The loan will be repaid with semiannual installments of \$103,671 until its maturity in 2027. The loan is secured by special assessment sewer receipts.

The Ohio Water Development Authority (OWDA) loan 6445 was obtained for a sewer line replacement project. The loan will be repaid in semiannual installments of \$7,603 until its maturity in 2033. The loan is secured by sewer receipts.

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Village entered into a loan agreement with the United States Department of Agriculture (USDA) which is in the form of three sewer system mortgage revenue bonds of the Village. The Bonds were issued on March 11, 2013 in the amount of \$3,580,000 and purchased by the USDA. The Bonds have a stated interest of 2.5% and mature in 2053. The loan was used to upgrade the sanitary sewer plant.

Amortization

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

Year Ending December 31:	OPWC CT710	OWDA 3722	OWDA 4414	OWDA 6445	USDA Loan
2021	\$12,836	\$10,552	\$207,342	\$15,206	\$147,040
2022	12,836	10,552	207,342	15,206	147,013
2023	12,836	5,276	207,342	15,206	147,045
2024	12,836	0	207,342	15,206	147,035
2025	12,836	0	207,342	15,206	146,983
2026-2030	64,180	0	207,341	76,030	735,155
2031-2035	44,919	0	0	38,016	735,188
2036-2040	0	0	0	0	735,133
2041-2045	0	0	0	0	735,220
2046-2050	0	0	0	0	735,148
2051-2053	0	0	0	0	441,068
Total	<u>\$173,279</u>	<u>\$26,380</u>	<u>\$1,244,051</u>	<u>\$190,076</u>	<u>\$4,852,028</u>

Note 11 – Contingent Liabilities

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

Note 12 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Unclaimed Monies	\$3,112	\$0	\$0	\$3,112
Outstanding Encumbrances	219,266	52,540	16,496	288,302
<i>Total</i>	<u>\$222,378</u>	<u>\$52,540</u>	<u>\$16,496</u>	<u>\$291,414</u>

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects fund are restricted, committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – Change in Accounting Principles

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) -- All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary and Fiduciary Fund Types.

Note 14 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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Village of Hartville, Ohio
Stark County
Combined Statement of Receipts, Disbursements and Changes in Fund
Balances - (Cash Basis) All Governmental Fund Types
For the Year Ended December 31, 2019

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$147,298	\$320,915	\$0	\$468,213
Municipal Income Taxes	1,492,537	0	0	1,492,537
Intergovernmental	76,271	267,300	0	343,571
Charges for Services	0	0	0	2,726
Fines, Licenses and Permits	68,191	1,380	25,038	94,609
Earnings on Investments	31,725	0	0	31,725
Miscellaneous	5,749	7,927	0	13,676
<i>Total Cash Receipts</i>	<u>1,824,497</u>	<u>597,522</u>	<u>25,038</u>	<u>2,447,057</u>
Cash Disbursements				
Current:				
Security of Persons and Property	827,109	404,120	0	1,231,229
Public Health Services	31,706	0	0	31,706
Leisure Time Activities	38,532	0	0	38,532
Community Environment	29,280	0	0	29,280
Transportation	0	372,305	0	372,305
General Government	368,473	1,845	0	370,318
Capital Outlay	74,197	159,704	81,363	315,264
<i>Total Cash Disbursements</i>	<u>1,369,297</u>	<u>937,974</u>	<u>81,363</u>	<u>2,388,634</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>455,200</u>	<u>(340,452)</u>	<u>(56,325)</u>	<u>58,423</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	15,120	0	34,567	49,687
Advance In	0	6,788	0	6,788
Advance Out	(6,788)	0	0	(6,788)
Other Financing Sources	782	0	0	782
Other Financing Uses	(711)	0	0	(711)
Transfers In	15,000	331,711	120,000	466,711
Transfers Out	(451,711)	0	0	(451,711)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(428,308)</u>	<u>338,499</u>	<u>154,567</u>	<u>64,758</u>
<i>Net Change in Fund Cash Balances</i>	26,892	(1,953)	98,242	123,181
<i>Fund Cash Balances, January 1</i>	<u>852,611</u>	<u>128,356</u>	<u>655,755</u>	<u>1,636,722</u>
Fund Cash Balances, December 31				
Nonspendable	3,028	0	0	3,028
Restricted	0	79,454	0	79,454
Committed	57,018	46,949	639,464	743,431
Assigned	101,841	0	114,533	216,374
Unassigned	717,616	0	0	717,616
<i>Fund Cash Balances, December 31</i>	<u>\$879,503</u>	<u>\$126,403</u>	<u>\$753,997</u>	<u>\$1,759,903</u>

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

Village of Hartville, Ohio
Stark County
Combined Statement of Receipts, Disbursements and Changes in Fund
Balances - (Cash Basis) All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2019

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$1,295,329	\$0	\$1,295,329
Fines, Licenses and Permits	15,325	0	15,325
Miscellaneous	2,419	0	2,419
<i>Total Operating Cash Receipts</i>	<u>1,313,073</u>	<u>0</u>	<u>1,313,073</u>
Operating Cash Disbursements			
Personal Services	254,479	0	254,479
Contractual Services	340,309	0	340,309
Supplies and Materials	82,721	0	82,721
<i>Total Operating Cash Disbursements</i>	<u>677,509</u>	<u>0</u>	<u>677,509</u>
<i>Operating Income</i>	<u>635,564</u>	<u>0</u>	<u>635,564</u>
Non-Operating Receipts (Disbursements)			
Special Assessments	124,083	0	124,083
Earnings on Investments	26,734	0	26,734
Capital Outlay	(369,640)	0	(369,640)
Principal Retirement	(308,101)	0	(308,101)
Interest and Other Fiscal Charges	(85,078)	0	(85,078)
Transfers Out	(15,000)	0	(15,000)
Other Financing Sources	0	30,067	30,067
Other Financing Uses	(2,432)	(35,828)	(38,260)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(629,434)</u>	<u>(5,761)</u>	<u>(635,195)</u>
<i>Net Change in Fund Cash Balances</i>	6,130	(5,761)	369
<i>Fund Cash Balances, January 1</i>	<u>1,963,979</u>	<u>8,142</u>	<u>1,972,121</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,970,109</u>	<u>\$2,381</u>	<u>\$1,972,490</u>

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

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Village of Hartville (the Village), Stark County, 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. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities, park operations, and police services. The Village contracts with the Hartville Fire Department to receive fire protection services.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 7 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 all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

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

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

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

Street Construction, Maintenance and Repair The street construction, maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Fire Fund The fire fund accounts for property tax money collection for fire protection.

EMS Fund The EMS fund accounts for property tax money collection for EMS protection.

State Highway Fund The state highway fund accounts for a portion of the State gasoline tax and motor vehicle license registration fees for constructing, maintaining and repairing state highways within the Village's boundaries.

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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:

Capital Improvement Fund The capital improvement fund accounts for cable franchise fees, royalties, and lease fees relating to the Village's industrial park for acquiring and constructing major capital projects.

Street Capital Equipment Reserve Fund The street capital equipment reserve fund accounts for transfers from the general fund to accumulate reserves for future street equipment purchases.

Building Reserve Fund The building reserve fund accounts for proceeds from sales of Village land to accumulate reserves for future building construction.

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

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

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.

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 the fines and fees collected and costs of the Village's Mayor's Court.

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

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

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

A summary of 2019 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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

The 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 (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,566,950	\$1,855,399	\$288,449
Special Revenue	1,095,775	929,233	(166,542)
Capital Projects	158,000	179,605	21,605
Enterprise	1,739,000	1,463,890	(275,110)
Total	\$4,559,725	\$4,428,127	(\$131,598)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,103,296	\$1,923,560	\$179,736
Special Revenue	1,122,334	1,034,352	87,982
Capital Projects	139,001	122,092	16,909
Enterprise	2,032,671	1,797,353	235,318
Total	\$5,397,302	\$4,877,357	\$519,945

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments

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

	<u>2019</u>
Demand deposits	\$850,208
STAR Ohio	2,882,185
Total deposits and investments	<u>\$3,732,393</u>

Deposits

Deposits are collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

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

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

Income Taxes

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

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

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 – Interfund Balances

Advances

Outstanding advances at December 31, 2019, consisted of \$85,714 advanced to the Market Avenue Fund during 2015, \$20,000 advanced to the Market Avenue Fund during 2016 and \$6,788 advanced to the Bullet Proof Vest Fund during 2019. All advances were to provide working capital for projects and were advanced from the General Fund.

Note 7 - Risk Management

Workers' Compensation

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.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability;
- Cyber;
- Law enforcement liability;
- Vehicles;
- Property; and
- Equipment breakdown.

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2019</u>
Cash and investments	\$38,432,610
Actuarial liabilities	\$14,705,917

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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, 2019.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

Social Security

Several of the Village's employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit post-employment 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 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Note 10 – Debt

Debt outstanding on December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
(OPWC) Ohio Public Works Commission Loan #CT710	\$179,697	0.00%
(OWDA) Ohio Water Development Authority Loan #3722	36,932	0.00%
(OWDA) Ohio Water Development Authority Loan #4414	1,451,393	0.00%
(OWDA) Ohio Water Development Authority Loan #6445	205,282	0.00%
USDA Loan	3,340,934	2.50%
Total	<u>\$5,214,238</u>	

The Ohio Public Works Commission CT710 relates to a sewer line replacement. The loan will be repaid with semiannual installments of \$6,418 until its maturity in 2033.

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

The Ohio Water Development Authority (OWDA) loan 3722 relates to a project for the construction of a sanitary sewer to connect to the existing Sunnyside lift station. The loan will be repaid with semiannual installments of \$5,276 until its maturity in 2023. The loan is secured by special assessment sewer receipts.

The Ohio Water Development Authority (OWDA) loan 4414 was obtained to construct Woodland Street sanitary sewer lines. The loan will be repaid with semiannual installments of \$103,671 until its maturity in 2027. The loan is secured by special assessment sewer receipts.

The Ohio Water Development Authority (OWDA) loan 6445 was obtained for a sewer line replacement project. The loan will be repaid in semiannual installments of \$7,603 until its maturity in 2033. The loan is secured by sewer receipts.

The Village entered into a loan agreement with the United States Department of Agriculture (USDA) which is in the form of three sewer system mortgage revenue bonds of the Village. The Bonds were issued on March 11, 2013, in the amount of \$3,580,000 and purchased by the USDA. The Bonds have a stated interest of 2.5% and mature in 2053. The loan was used to upgrade the sanitary sewer plant.

Amortization

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

Year ending December 31:	OPWC CT710	OWDA 3722	OWDA 4414
2020	\$12,836	\$10,552	\$207,342
2021	12,836	10,552	207,342
2022	12,836	10,552	207,342
2023	12,836	5,276	207,342
2024	12,836	0	207,342
2025-2029	64,177	0	414,683
2030-2033	51,340	0	\$0
Total	<u>\$179,697</u>	<u>\$36,932</u>	<u>\$1,451,393</u>

Year ending December 31:	OWDA 6445	USDA LOAN	TOTALS
2020	\$15,206	\$147,028	\$392,964
2021	15,206	147,040	392,976
2022	15,206	147,013	392,949
2023	15,206	147,045	387,705
2024	15,206	147,035	382,419
2025-2029	76,030	735,198	1,290,088
2030-2034	53,222	735,190	839,752
2035-2039	0	735,212	735,212
2040-2044	0	735,133	735,133
2045-2049	0	735,112	735,112
2050-2053	0	588,052	588,052
Total	<u>\$205,282</u>	<u>\$4,999,058</u>	<u>\$6,872,362</u>

Village of Hartville, Ohio
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 11 – Contingent Liabilities

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

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OHIO AUDITOR OF STATE KEITH FABER



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

Village of Hartville
Stark County
202 West Maple Street
Hartville, Ohio 44632

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 for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019 of the Village of Hartville, Stark County, (the Village) and the related notes to the financial statements, and have issued our report thereon dated November 1, 2021, 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. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 financial statements. 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 1, 2021

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF HARTVILLE

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/28/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov