



**Auditor of State
Betty Montgomery**

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|---|------|
| Independent Accountants' Report | 1 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2002 | 3 |
| Notes to the Financial Statements | 5 |
| Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> | 11 |
| Schedule of Findings..... | 13 |
| Schedule of Prior Audit Findings..... | 16 |

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Reminderville
Summit County
3601 Glenwood Blvd.
Reminderville, Ohio 44202

To the Village Council:

We have audited the accompanying financial statements of the Village of Reminderville, Summit County, Ohio, (Village) as of and for the year ended December 31, 2002. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2002 and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2003, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 21, 2003

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

| | <u>Governmental Fund Types</u> | | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|-------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | |
| Cash Receipts: | | | | |
| Property Tax and Other Local Taxes | \$83,916 | \$78,839 | | \$162,755 |
| Municipal Income Tax | 508,989 | 250,696 | | 759,685 |
| Intergovernmental Receipts | 194,754 | 117,644 | | 312,398 |
| Special Assessments | | | \$38,821 | 38,821 |
| Charges for Services | | 10,276 | | 10,276 |
| Fines, Licenses, and Permits | 89,109 | | | 89,109 |
| Earnings on Investments | 902 | 161 | | 1,063 |
| Miscellaneous | 10,782 | 15,841 | | 26,623 |
| Total Cash Receipts | 888,452 | 473,457 | 38,821 | 1,400,730 |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Security of Persons and Property | 657,022 | 266,487 | | 923,509 |
| Public Health Services | 16,135 | 7,898 | | 24,033 |
| Community Environment | 58,986 | | | 58,986 |
| Transportation | 33,560 | 66,278 | | 99,838 |
| General Government | 232,456 | | | 232,456 |
| Miscellaneous | | | 3,140 | 3,140 |
| Debt Service: | | | | |
| Principal Payments | 12,316 | 9,139 | 49,302 | 70,757 |
| Interest Payments | 708 | 4,128 | 23,377 | 28,213 |
| Total Cash Disbursements | 1,011,183 | 353,930 | 75,819 | 1,440,932 |
| Total Receipts Over/(Under) Disbursements | (122,731) | 119,527 | (36,998) | (40,202) |
| Other Financing Receipts and (Disbursements): | | | | |
| Advances-In | 140,073 | 6,500 | 36,870 | 183,443 |
| Advances-Out | | (183,443) | | (183,443) |
| Total Other Financing Receipts/(Disbursements) | 140,073 | (176,943) | 36,870 | 0 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | 17,342 | (57,416) | (128) | (40,202) |
| Fund Cash Balances, January 1 | 6,829 | 82,903 | 16,661 | 106,393 |
| Fund Cash Balances, December 31 | \$24,171 | \$25,487 | \$16,533 | \$66,191 |
| Reserves for Encumbrances, December 31 | \$57,769 | \$96,040 | \$0 | \$153,809 |

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

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**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Reminderville, Summit County, (the Village) is a body corporate and politic established 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 publicly-elected six-member Council. The Village provides police and fire protection, emergency medical services, park operations, and road maintenance.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Overnight repurchase agreements are valued at cost. Money market mutual funds are recorded at share values reported by the mutual fund.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Fund

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

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

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire Income Tax -This fund receives one-third of the Village's municipal income tax collections for the purpose of expanding fire protection services provided to Village residents.

3. Debt Service Fund

This fund is used to accumulate resources for the payment of note indebtedness. The Village's only Debt Service Fund is the Ohio Water Development Authority (OWDA) Fund, which is used to accumulate resources, primarily in the form of special assessments, for the repayment of proceeds from debt issued in connection with various OWDA-funded projects.

E. Budgetary Process

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

1. 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 Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village did not encumber all commitments required by Ohio law. The budgetary presentations have been adjusted to include material items that should have been encumbered.

A summary of 2002 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Village maintained no investments at December 31, 2002. The carrying amount of cash at December 31, 2002 was \$66,191.

In addition to the above cash and investments pool, the Village held \$35,979 in escrow at December 31, 2002 that is not reflected in the financial statements. This money was confiscated in connection with a drug investigation. The Village has been directed to maintain this money in an agency capacity until the related court case is adjudicated.

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2002 follows:

| 2002 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$879,399 | \$888,452 | \$9,053 |
| Special Revenue | 579,646 | 473,457 | (106,189) |
| Debt Service | 16,701 | 38,821 | 22,120 |
| Total | \$1,475,746 | \$1,400,730 | (\$75,016) |

| 2002 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$750,000 | \$1,068,952 | (\$318,952) |
| Special Revenue | 447,978 | 449,970 | (1,992) |
| Debt Service | 32,000 | 75,819 | (43,819) |
| Total | \$1,229,978 | \$1,594,741 | (\$364,763) |

Contrary to Ohio Revised Code Section 5705.41 (B), budgetary expenditures exceeded appropriation authority in the General Fund, Fire Income Tax Fund, OWDA Fund, Road & Bridge Levy Fund, COPS Fast Fund, and Community Development Block Grant Fund by \$318,952, \$5,241, \$43,819, \$2,225, \$7,718, and \$7,898, respectively. Also, contrary to Ohio Revised Code Section 5705.41(D), the Village did not certify certain expenditures prior to commitment.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as substantially all income of residents earned outside of the Village. The Village contracts with the Regional Income Tax Agency (RITA) for the collection of taxes, including delinquencies, and monitoring of compliance with filing requirements.

Corporations (self-employed residents) and other individual taxpayers pay estimated taxes quarterly, if required, and file a declaration with RITA annually.

6. DEBT

Debt outstanding at December 31, 2002 was as follows:

| | <u>Principal</u> | <u>Interest Rate</u> |
|--|-------------------------|----------------------|
| Ohio Water Development Authority Loan # 1841 | \$119,661 | 9.48% |
| Ohio Water Development Authority Loan # 2939 | <u>5,365</u> | 6.58% |
| Total | <u><u>\$125,026</u></u> | |

Ohio Water Development Authority (OWDA) loan #1841 relates to the 1987 installation of approximately 11,000 feet of various sized water lines together with hydrant and house connections. This project was initiated by the petitions of the benefiting land owners and is accordingly repaid through special assessments collected by the County from these individuals. Ohio Water Development Authority (OWDA) loan #2939 relates to the 1995 installation of a trunk water line from Liberty Road to the Nautilus Trail intersection via Glenwood Boulevard, including any necessary connections. The loan is intended to be repaid with transfers from the General Fund. The loans are repaid in semiannual installments over 20 and 8 years, respectively.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

6. DEBT (Continued)

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

| Year ending December 31: | OWDA Loan # 1841 | OWDA Loan # 2939 |
|--------------------------|---------------------|---------------------|
| 2003 | \$18,662 | \$5,706 |
| 2004 | 37,324 | |
| 2005 | 37,324 | |
| 2006 | 37,324 | |
| 2007 | 18,661 | |
| | <u>18,661</u> | |
| Total | <u>\$149,295</u> | <u>\$5,706</u> |

7. CAPITAL LEASES

During 2000, the Village entered into capital leases for the acquisition of two cruisers for the Police Department and a dump truck for the Service Department at a total cost of \$121,000. During 2002, the Village made its final payment relative to the police cruisers.

The following is a schedule of the future long-term lease payments required under the dump truck capital lease and the present value of the minimum lease payments as of December 31, 2002:

| | |
|---|-----------------|
| Year ending December 31: | |
| 2003 | \$13,268 |
| 2004 | 13,268 |
| 2005 | 13,267 |
| 2006 | 13,268 |
| 2007 | 13,268 |
| Total minimum lease payments | <u>\$66,339</u> |
| Less amount representing interest | <u>(11,067)</u> |
| Present value of minimum lease payments | <u>\$55,272</u> |

8. RETIREMENT SYSTEMS

The Village's law enforcement officers and firefighters belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant and 24% of fire participant wages. OPERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2002. The Village has paid all contributions required through December 31, 2002.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

9. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Village also provides health insurance and dental and vision coverage to its employees through a private carrier.

10. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

11. JOINT VENTURE

The Village participates in the Twinsburg Township-Village of Reminderville Joint Economic Development District (the District), which is a statutorily created subdivision of the State. The purpose of the District is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the County, the Village, the Township and the District. This joint venture is considered a separate reporting entity by the Village's management. Accordingly, the joint venture has not been included in these financial statements.

12. SUBSEQUENT EVENT

In 2003, the Village received reimbursement of approximately \$135,000 related to improper transactions processed by the former Clerk/Treasurer prior to 2002.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Reminderville
Summit County
3601 Glenwood Blvd.
Reminderville, Ohio 44202

To the Village Council:

We have audited the accompanying financial statements of the Village of Reminderville, Summit County, Ohio, (the Village) as of and for the year ended December 31, 2002, and have issued our report thereon dated July 21, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2002-001 through 2002-003.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated July 21, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated July 21, 2003.

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Village of Reminderville
Summit County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 21, 2003

VILLAGE OF REMINDERVILLE
SUMMIT COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2002

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

FINDING NUMBER 2002-001

Finding for Recovery Repaid Under Audit – Overpayment of Police Captain

Due to a clerical error made by the Village Fiscal Officer, Linda Baker, in processing payroll, Police Captain, Jeffrey Buck, received two checks that included his regular pay for the pay period ended May 31, 2002. Additionally, one of these checks included overtime compensation that was incorrectly calculated. Mr. Buck was compensated for 61.25 hours of overtime worked during this same pay period despite the fact that the corresponding timesheet indicated that only 44.5 overtime hours had been worked. Both checks were cashed. The aggregate overpayment resulting from these errors was \$1,338.27.

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a proper public purpose. The above additional payment was not authorized by a duly enacted ordinance or resolution demonstrating a proper public purpose.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Corp., 120 Ohio St. 47 (1929); 1980 Op. Atty. Gen. No. 80-074; Ohio Rev. Code Section 9.39; State ex rel. Village of Linndale v. Masten, 18 Ohio St. 3d 228 (1985). Public officials who have control over public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Atty. Gen. No. 80-074.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Jeffrey Buck, Police Captain, and Linda Baker, Fiscal Officer, along with her bonding company, Fidelity and Deposit Company of Maryland, jointly and severally, in the amount of \$1,338.27 and in favor of the Village of Reminderville General Fund.

The Finding for Recovery was repaid to the Village on October 15, 2003.

FINDING NUMBER 2002-002

Ohio Rev. Code Section 5705.41(D) requires that no subdivision or taxing unit make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

**FINDING NUMBER 2002-002
 (Continued)**

This section also provides for two “exceptions” to the above requirements:

- Then and Now Certificates – If no certificate is furnished as required, upon receipt of the fiscal officer’s certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
- If the amount involved is less than \$1,000 (\$3,000 after April 7, 2003), the Fiscal Officer may authorize payment through a Then and Now Certificate without affirmation of Village Council, if such expenditure is otherwise valid.

During 2002, 56% of expenditures tested were not certified by the Fiscal Officer prior to incurring the obligation. Neither of the above exceptions were used for these transactions. The Village should certify the availability of funds prior to incurring the obligation for expenditures. All Village employees should be informed of the requirements of Ohio Rev. Code Section 5705.41(D). The Village should consider the use of Then and Now certificates and Blanket Certificates as further permitted by Ohio Rev. Code Section 5705.41(D) to avoid future noncompliance.

FINDING NUMBER 2002-003

Ohio Rev. Code Section 5705.41(B) requires that no subdivision or taxing unit is to expend money unless it has been appropriated.

At December 31, 2002, expenditures plus encumbrances exceeded appropriations within the following funds:

| Fund | <u>Expenditures plus Encumbrances</u> | <u>Appropriations</u> | <u>Variance</u> |
|--|--|------------------------------|------------------------|
| General Fund | \$ 1,068,952 | \$ 750,000 | \$ 318,952 |
| Fire Income Tax | 250,986 | 245,745 | 5,241 |
| Ohio Water Development Authority (OWDA) | 75,819 | 32,000 | 43,819 |
| Road & Bridge Levy | 105,525 | 103,300 | 2,225 |
| COPS Fast | 7,718 | 0 | 7,718 |
| Community Development Block Grant (CDBG) | 7,898 | 0 | 7,898 |

The excess that existed in the CDBG Fund was caused by the fact that the Village did not budget for this fund.

**FINDING NUMBER 2002-003
 (Continued)**

In addition to the above, throughout the year, we noted that expenditures exceeded appropriations within the following departments, functions or funds:

| <u>Fund</u> | <u>Date/Period Exceeded</u> | <u>Amount Exceeded</u> |
|-------------------------|--|-----------------------------------|
| General: | | |
| Lands & Buildings | 10/30/02 - 12/31/02 | \$ 42,303 |
| Council | 11/27/02 - 12/31/02 | 24,304 |
| Mayor's Court | 1/18/02 - 12/31/02 | 24,263 |
| Building | 9/11/02 - 12/31/02 | 29,767 |
| Police Law Enforcement | 11/7/02 - 12/31/02 | 103,839 |
| Special Revenue: | | |
| Road & Bridge Levy | 1/14/02 - 12/9/02 | \$ 14,268 |
| Drug Law Enforcement | 1/29/02 - 12/9/02 | 170 |
| Law Enforcement Ed. | 1/18/02 - 12/9/02 | 50 |
| COPS Fast | 1/14/02 - 12/9/02 | 13,157 |
| CDBG | 1/14/02 - 12/31/02 | 7,898 |
| Debt Service: | | |
| OWDA | 6/21/02 - 12/31/02 | \$ 43,819 |

Additionally, the Village did not record reserves for encumbrances for each of the respective funds. This fact would have further compounded the above noncompliance issue.

The Fiscal Officer should frequently compare actual expenditures plus outstanding encumbrances to appropriations at the legal level of control to avoid overspending. In addition, the Fiscal Officer should periodically review the Village's Appropriations Reports to ensure appropriation amounts are posted accurately and timely to the accounting system.

**VILLAGE OF REMINDERVILLE
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i> |
|----------------|--|------------------|---|
| 2001-R-001 | Ohio Rev. Code Section 5705.39(B), appropriations exceed estimated resources | No | Partially corrected. This matter has been included in the management letter. |
| 2001-R-002 | Ohio Rev. Code Section 5705.10(B), existence of deficit cash fund balances | No | Partially corrected. Noncompliance is not as significant as prior audit. |
| 2001-R-003 | Material weakness regarding inability to reconcile bank balances | Yes | Fully corrected. |



**Auditor of State
Betty Montgomery**

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VILLAGE OF REMINDERVILLE

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 13, 2003**