

VILLAGE OF MANTUA

PORTAGE COUNTY, OHIO

REGULAR AUDIT

For the Years Ended December 31, 2020 and 2019





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Village Council
Village of Mantua
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We have reviewed the *Independent Auditor's Report* of the Village of Mantua, Portage County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Mantua is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

June 15, 2021

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VILLAGE OF MANTUA
PORTAGE COUNTY, OHIO
Regular Audit
For the Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

Village of Mantua
Portage County
4650 West High Street
Mantua, OH 44255

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 Mantua, Portage County, Ohio (the Village).

Management's Responsibility for the Financial Statements

Management is responsible for preparation and fair presentation of these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this includes the design, implementation and maintenance of internal control relevant to the preparation and fairly presentation of 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 have obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 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 its 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 18 to the 2020 financial statements and Note 15 in the 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinions regarding this matter.

As discussed in Note 17 to the 2020 financial statements, the Village made several changes to its reporting model. We did not modify our opinions regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
April 10, 2021

**VILLAGE OF MANTUA
PORTAGE 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					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts						
Property and Other Local Taxes	\$ 52,416	\$ 94,493	\$ -	\$ -	\$ -	\$ 146,909
Municipal Income Tax	667,554	-	-	-	-	667,554
Intergovernmental	68,223	296,941	-	7,210	-	372,374
Charges for Services	141,069	6,813	-	22,511	-	170,393
Fines, Licenses and Permits	30,639	-	-	-	-	30,639
Earnings on Investments	8,228	1,295	-	421	-	9,944
Miscellaneous	31,913	27,263	-	18,030	-	77,206
<i>Total Cash Receipts</i>	<u>1,000,042</u>	<u>426,805</u>	<u>-</u>	<u>48,172</u>	<u>-</u>	<u>1,475,019</u>
Cash Disbursements						
Current:						
Security of Persons and Property	504,735	32,809	-	-	-	537,544
Public Health Services	7,436	80,512	-	-	-	87,948
Leisure Time Activities	37,058	-	-	-	-	37,058
Community Environment	270	-	-	-	-	270
Transportation	55,493	210,877	-	-	-	266,370
General Government	191,412	-	-	-	-	191,412
Capital Outlay	-	-	-	76,297	-	76,297
Debt Service:						
Principal Retirement	14,184	7,111	34,851	-	-	56,146
Interest & Fiscal Charges	1,495	727	8,847	-	-	11,069
<i>Total Cash Disbursements</i>	<u>812,083</u>	<u>332,036</u>	<u>43,698</u>	<u>76,297</u>	<u>-</u>	<u>1,264,114</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	187,959	94,769	(43,698)	(28,125)	-	210,905
Other Financing Receipts (Disbursements)						
Transfers In	-	-	43,700	12,000	-	55,700
Transfers Out	(55,700)	-	-	-	-	(55,700)
Advances In	20,000	-	-	12,920	-	32,920
Advances Out	(32,920)	-	-	-	-	(32,920)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(68,620)</u>	<u>-</u>	<u>43,700</u>	<u>24,920</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	119,339	94,769	2	(3,205)	-	210,905
<i>Fund Cash Balances, January 1</i>	<u>499,099</u>	<u>292,560</u>	<u>14,731</u>	<u>103,945</u>	<u>34,000</u>	<u>944,335</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 618,438</u>	<u>\$ 387,329</u>	<u>\$ 14,733</u>	<u>\$ 100,740</u>	<u>\$ 34,000</u>	<u>\$ 1,155,240</u>

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

**VILLAGE OF MANTUA
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES - REGULATORY CASH BASIS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Proprietary Fund Types Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$ 954,748
Miscellaneous	4,671
	959,419
Operating Cash Disbursements	
Personal Services	49,593
Fringe Benefits	19,531
Contractual Services	458,909
Supplies and Materials	33,548
	561,581
<i>Total Operating Cash Receipts</i>	959,419
<i>Total Operating Cash Disbursements</i>	561,581
<i>Operating Income (Loss)</i>	397,838
Non-Operating Receipts (Disbursements)	
Intergovernmental	9,807
Special Assessments	94,062
Miscellaneous	6,111
Capital Outlay	(53,201)
Principal Retirement	(345,120)
Interest and Other Fiscal Charges	(10,398)
Other Financing Sources	200
	(298,539)
<i>Total Non-Operating Receipts (Disbursements)</i>	(298,539)
<i>Income (Loss) before Transfers and Advances</i>	99,299
Transfers In	329,301
Transfers Out	(329,301)
Advances In	20,000
Advances Out	(20,000)
	99,299
<i>Net Change in Fund Cash Balance</i>	99,299
<i>Fund Cash Balances, January 1</i>	227,511
<i>Fund Cash Balances, December 31</i>	\$ 326,810

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

VILLAGE OF MANTUA
PORTAGE COUNTY

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES - REGULATORY CASH BASIS
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Fiduciary Fund Type Custodial</u>
Deductions	
Distributions to Other Governments	<u>15</u>
<i>Net Change in Fund Cash Balance</i>	(15)
<i>Fund Cash Balances, January 1</i>	<u>4,362</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 4,347</u>

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

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

Note 1 - Reporting Entity

The Village of Mantua, Portage 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 water and sewer utilities, cemetery operations, park operations, and police services.

Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in one jointly governed organization, and a public entity risk pool and is associated with a related organization. Notes 7, 13 and 14 to the financial statements provides additional information for these entities. 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) fiduciary fund type 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.

Local Coronavirus Relief Fund- This fund receives grant funds relating to the corona virus pandemic and are restricted to expenses relating to safety and health of preventing spread of corona virus.

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

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

Village Hall Note Retirement Fund- The Village refinanced the General Obligation Bond Debt into a note retirement which reduced the interest rate from 4.4% to 3.25%.

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:

The Buchert Park Walking Trail Fund This fund is for an ODNR grant project that may consist to up to four phases each to be in separate years with separate applications.

The Orchard St. Widening Project Fund is an ODOT reimbursable grant with focus on jobs and commerce.

Police Capital Fund This fund receives proceeds from a contract for dispatch services to other communities. The proceeds are used to purchase equipment for the police department.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Village's programs (for the benefit of the Village or its citizenry). The Village had the following significant Permanent funds:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Village's cemetery.

Park Trust Fund This fund receives accumulated interest and is expended on park improvement activities.

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 Funds:

Water Operating Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

Water Debt Service Fund This fund receives monthly transfers from the Water Operating fund to meet the debt service requirements related to water operations.

Sewer Debt Service Fund This fund receives monthly transfers from the sewer operating fund to meet the Debt Service Requirements related to sewer operations.

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

Water Capital Improvements Fund- This fund is currently being used to fund a water meter replacement project.

Sewer Capital Improvements Fund- This fund is for and capital improvement relating to wastewater.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial 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. The Village has no trust funds.

Custodial Funds 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 funds account for the Shade Tree Commission and the Village membership in Tree City USA.

Basis of Accounting

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

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

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 re-appropriated.

A summary of 2020 budgetary activity appears in Note 3.

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

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. 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 and the nonexpendable portion of the corpus in permanent funds.

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

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

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.

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

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 15.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$967,250	\$1,020,042	\$52,792
Special Revenue	436,669	426,805	(9,864)
Debt Service	43,700	43,700	0
Capital Projects	115,550	73,092	(42,458)
Enterprise	1,383,319	1,418,900	35,581

2020 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,019,587	\$932,450	\$87,137
Special Revenue	461,464	414,265	47,199
Debt Service	43,700	43,698	2
Capital Projects	138,297	97,690	40,607
Enterprise	1,455,949	1,324,506	131,443

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

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:

	2020
Demand deposits	<u>\$1,452,397</u>
Certificates of deposit	<u>34,000</u>
Total deposits	<u><u>\$1,486,397</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the Village is holding \$6,707.96 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, or 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.

Note 5 – Taxes

Property Taxes

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

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 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. The Village has contracted with Regional Income Tax Agency for processing all Village tax transactions.

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

Employers within the Village withhold income tax on employee compensation and remit the tax owed 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

Advances

There was one outstanding advance at December 31, 2020. The General Fund advanced \$12,920 to the Buchert Park Walking Trail fund. The project is still in process and is expected to be completed in 2021.

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019 (the latest information available).

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>(11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

You can read the complete audited financial statements for OPRM at the Plan's website www.ohioplan.org.

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 healthcare and survivor and disability benefits.

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

Ohio Police and Fire Retirement System

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

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

Social Security

Three of the Village's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Village of Mantua, Ohio
Portage County
Notes to the Financial Statements
For the Year Ended 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% during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0% during calendar year 2020. OP&F contributes 0.5% to fund these benefits.

Note 10 – Debt

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Village Hall Note Retirement	\$249,483	3.25%
Ohio Public Works Loan CG46V	41,778	0.00%
Ram 5500 Service Truck Loan	33,616	3.78%
Chevrolet Tahoe Police Cruiser Loan	22,413	3.84%
Wastewater OWDA Loan 3413	608,161	0.68%
Waterline Loop & Reservoir OWDA Loan 3945	120,378	3.03%
WWTP Expansion OPWC Loan CG36D	30,000	0.00%
WTP & WWTP Upgrades OPWC Loan CG33S	21,401	0.00%
Water Meter Replacement Program Lease	154,441	3.17%
Total	<u>\$1,281,671</u>	

There is a Note which was to refinance the two General Obligation Bonds used to refurbish the Village Government Center. The Village was able to get a lower interest rate from Middlefield Bank by doing so. This note is paid in monthly installments and will be repaid by April 2027.

The Village has two vehicle loans from Middlefield Bank that were issued in 2019. The Service Department took out a loan towards a Ram 5500 service truck in the amount of \$52,594. This loan will be repaid in 2024. The Police Department purchased a Chevy Tahoe and borrowed \$35,868.70. This will be paid off in 2022.

There are three Ohio Public Works Commission (OPWC) loans. OPWC Loan CG46V is the West Prospect St. Roadway and Drainage project and is paid out of levied funds. The amount borrowed from the OPWC was \$45,164.90 and will be paid off in July of 2039. Loan # CG36D is a sewer plant expansion project. The amount borrowed from OPWC was \$150,000 which will be paid off in July 2025. Loan # CG33S is a loan for water treatment plant and wastewater treatment plant upgrades. The amount borrowed from OPWC was \$27,914 and will be paid off in January 2033. The OPWC approved a total of \$223,079 in loans.

There were two Ohio Water Development Authority (OWDA) loans. Loan # 3413 relates to a sewer plant construction project and will be paid off in December of 2022, and Loan # 3945 is the Franklin-Waterline loop and will be paid off in June of 2024. Both projects were mandated by the EPA. The OWDA approved up to \$5,939,549 in loans to the Village for these projects.

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

The Village also financed a lease through Tax-Exempt Leasing, Inc. for the water meter replacement program in the amount of \$183,892. This will be paid off June of 2023.

Amortization

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

Year Ending December 31:	OWDA Loans	OPWC Loans	Water Meter Lease	Village Hall Note	Middlefield Bank Vehicle Loans
2021	\$343,157	\$11,619	\$64,501	\$43,699	\$24,258
2022	343,157	11,619	64,501	43,699	22,145
2023	36,488	11,619	32,250	43,699	11,579
2024	18,244	11,619	-	43,699	965
2025	-	4,119	-	43,699	-
2026-2030	-	20,596	-	58,264	-
2031-2035	-	14,083	-	-	-
2036-2039	-	7,904	-	-	-
Total	<u>\$741,046</u>	<u>\$93,179</u>	<u>\$161,252</u>	<u>\$276,759</u>	<u>\$58,946</u>

Note 11 – Construction and Contractual Commitments

Phase 2 of the Buchert Park Walking Trail Project was approved in 2019 and is scheduled for completion in 2020. The total project cost is \$45,750 and is funded by a 75/25 ODNR Nature Works grant. The Village has donations to cover the \$11,437.50 local share. This project is still ongoing.

The Village was awarded an Ohio Small Government Capital Improvement Program grant by the Ohio Public Works Commission for the West Prospect St. Phase 2 for a total project cost of \$537,000. The grant award is \$337,000, and a loan is available up to \$50,000. The Village will provide the local share of \$150,000 from levied monies.

Note 12 – Contingent Liabilities

The Village is currently not involved in any lawsuits.

Note 13 – Jointly Governed Organizations

The Village participates in one jointly governed organization. The Village is a member of the Mantua-Shalersville Fire District, which provides fire protection and EMS services to Village residents. District members include Mantua Village, Mantua Township, and Shalersville Township. The District is governed by a three-member Board consisting of one official from each members elected governing body. The District is solely funded by voter approved tax levies. No funding is received from District members.

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

Note 14 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 15 – 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 and the unexpendable corpus of the permanent funds. 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	Permanent	Total
Nonspendable:					
Corpus	\$ -	\$ -	\$ -	\$ 34,000	\$ 34,000
Outstanding Encumbrances	31,747	82,229	21,393	-	135,369
<i>Total</i>	<u>\$31,747</u>	<u>\$82,229</u>	<u>\$21,393</u>	<u>\$34,000</u>	<u>\$169,369</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted, committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 16- Subsequent Events

Ownership of the Village’s water and wastewater utilities has been transferred to Portage County. All assets and debt has been assumed by Portage County. This was a ballot issue that was approved by the voters of Mantua Village.

Note 17 – 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 Governmental Fund Types.

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

Note 18 – 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. 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.

During 2020, the Village received CARES Act funding. Of the amounts received, \$7,000 was sub-granted to other governments and organizations and \$422.43 was returned to the granting agency. The sub-grants are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements. The amounts returned to the granting agency are reflected as a reduction of intergovernmental revenue in the Coronavirus Relief Special Revenue Fund.

VILLAGE OF MANTUA
PORTAGE COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES - REGULATORY CASH BASIS
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts						
Property and Other Local Taxes	\$ 29,027	\$ 92,202	\$ 21,850	\$ -	\$ -	\$ 143,079
Municipal Income Tax	684,006	-	-	-	-	684,006
Intergovernmental	68,624	157,060	-	80,622	-	306,306
Charges for Services	139,399	6,178	-	21,855	-	167,432
Fines, Licenses and Permits	27,360	-	-	-	-	27,360
Earnings on Investments	4,790	998	-	420	-	6,208
Miscellaneous	20,952	24,855	-	29,823	-	75,630
<i>Total Cash Receipts</i>	<u>974,158</u>	<u>281,293</u>	<u>21,850</u>	<u>132,720</u>	<u>-</u>	<u>1,410,021</u>
Cash Disbursements						
Current:						
Security of Persons and Property	506,319	500	-	-	-	506,819
Public Health Services	673	22,252	-	-	-	22,925
Leisure Time Activities	37,370	-	-	-	-	37,370
Transportation	46,470	193,832	-	-	-	240,302
General Government	244,137	-	-	-	-	244,137
Capital Outlay	-	4,000	-	177,847	-	181,847
Debt Service:						
Principal Retirement	4,190	5,420	33,756	-	-	43,366
Interest & Fiscal Charges	673	822	9,943	-	-	11,438
<i>Total Cash Disbursements</i>	<u>839,832</u>	<u>226,826</u>	<u>43,699</u>	<u>177,847</u>	<u>-</u>	<u>1,288,204</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	134,326	54,467	(21,849)	(45,127)	-	121,817
Other Financing Receipts (Disbursements)						
Loans Issued	-	-	-	88,463	-	88,463
Transfers In	-	-	21,850	21,377	-	43,227
Transfers Out	(43,227)	-	-	-	-	(43,227)
Advances In	46,341	-	-	-	-	46,341
Advances Out	-	-	-	(32,462)	-	(32,462)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>3,114</u>	<u>-</u>	<u>21,850</u>	<u>77,378</u>	<u>-</u>	<u>102,342</u>
<i>Net Change in Fund Cash Balances</i>	137,440	54,467	1	32,251	-	224,159
<i>Fund Cash Balances, January 1</i>	<u>361,659</u>	<u>238,093</u>	<u>14,730</u>	<u>71,694</u>	<u>34,000</u>	<u>720,176</u>
Fund Cash Balances, December 31						
Nonspendable	-	-	-	-	34,000	34,000
Restricted	-	292,560	14,731	103,945	-	411,236
Assigned	61,863	-	-	-	-	61,863
Unassigned	437,236	-	-	-	-	437,236
<i>Fund Cash Balances, December 31</i>	<u>\$ 499,099</u>	<u>\$ 292,560</u>	<u>\$ 14,731</u>	<u>\$ 103,945</u>	<u>\$ 34,000</u>	<u>\$ 944,335</u>

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

**VILLAGE OF MANTUA
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES - REGULATORY CASH BASIS
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Proprietary Fund Types</u> <u>Enterprise</u>	<u>Fiduciary Fund Types</u> <u>Agency</u>	<u>Totals (Memorandum Only)</u>
Operating Cash Receipts			
Charges for Services	\$ 805,675	\$ -	\$ 805,675
Fines, Licenses and Permits	400	-	400
Miscellaneous	15,046	-	15,046
<i>Total Operating Cash Receipts</i>	821,121	-	821,121
Operating Cash Disbursements			
Personal Services	47,892	-	47,892
Fringe Benefits	17,780	-	17,780
Contractual Services	264,693	-	264,693
Supplies and Materials	29,886	-	29,886
<i>Total Operating Cash Disbursements</i>	360,251	-	360,251
<i>Operating Income (Loss)</i>	460,870	-	460,870
Non-Operating Receipts (Disbursements)			
Intergovernmental Receipts	24,808	-	24,808
Special Assessments	21,046	-	21,046
Other Debt Proceeds	45,167	-	45,167
Miscellaneous	247	-	247
Capital Outlay	(89,179)	(85)	(89,264)
Principal Retirement	(341,838)	-	(341,838)
Interest and Other Fiscal Charges	(13,430)	-	(13,430)
Other Financing Sources	133	-	133
<i>Total Non-Operating Receipts (Disbursements)</i>	(353,046)	(85)	(353,131)
<i>Income (Loss) before Transfers and Advances</i>	107,824	(85)	107,739
Transfers In	329,301	-	329,301
Transfers Out	(329,301)	-	(329,301)
Advances Out	(13,879)	-	(13,879)
<i>Net Change in Fund Cash Balance</i>	93,945	(85)	93,860
<i>Fund Cash Balances, January 1</i>	133,566	4,447	138,013
<i>Fund Cash Balances, December 31</i>	<u>\$ 227,511</u>	<u>\$ 4,362</u>	<u>\$ 231,873</u>

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

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

Note 1 - Reporting Entity

The Village of Mantua, Portage 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 water and sewer utilities, cemetery operations, park operations, and police services.

Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in one jointly governed organization, and a public entity risk pool and is associated with a related organization. Notes 7, 13 and 14 to the financial statements provides additional information for these entities. 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 Fund:

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.

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

Village Hall Note Retirement Fund- The Village refinanced the General Obligation Bond Debt into a note retirement which reduced the interest rate from 4.4% to 3.25%.

Village of Mantua, Ohio
Portage 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:

West Prospect Street Fund This fund is for a roadway and drainage improvement project.

Police Capital Fund This fund receives proceeds from a contract for dispatch services to other communities. The proceeds are used to purchase equipment for the police department.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Village's programs (for the benefit of the Village or its citizenry). The Village had the following significant Permanent funds:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Village's cemetery.

Park Trust Fund This fund receives accumulated interest and is expended on park improvement activities.

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 Funds:

Water Operating Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

Water Debt Service Fund This fund receives monthly transfers from the Water Operating fund to meet the debt service requirements related to water operations.

Sewer Debt Service Fund This fund receives monthly transfers from the sewer operating fund to meet the Debt Service Requirements related to sewer operations.

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. The Village has no trust funds.

Agency Funds Agency 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 agency fund accounts for the Shade Tree Commission.

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

Basis of Accounting

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

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.

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

Fund Balance

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

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

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

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

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. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the general fund.

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

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

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

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$863,000	\$1,020,499	\$157,499
Special Revenue	272,623	281,293	8,670
Debt Service	43,700	43,700	0
Capital Projects	612,425	242,560	(369,865)
Enterprise	1,152,419	1,241,823	89,404

2019 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,018,025	\$892,585	\$125,440
Special Revenue	327,681	251,270	76,411
Debt Service	43,700	43,699	1
Capital Projects	617,379	220,309	397,070
Enterprise	1,318,433	1,200,177	118,256

Village of Mantua, Ohio
Portage 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:

	2019
Demand deposits	<u>\$1,142,208</u>
Certificates of deposit	<u>34,000</u>
Total deposits	<u><u>\$1,176,208</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, or 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.

Note 5 – Taxes

Property Taxes

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

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 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. The Village has contracted with Regional Income Tax Agency for processing all Village tax transactions starting in 2020.

Employers within the Village withhold income tax on employee compensation and remit the tax owed 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 Mantua, Ohio
Portage County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 – Interfund Balances

Advances

There were no outstanding advances at December 31, 2019.

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018 (the latest information available).

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

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

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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Ohio Police and Fire Retirement System

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

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

Social Security

Three of the Village's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The employees contributed 6.2 percent of their gross salary. The Village contributed an amount equal to 6.2 percent of participants' gross salary. 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 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% 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% 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.

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

Note 10 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
Village Hall Note Retirement	\$284,335	3.25%
Ohio Public Works Loan CG46V	44,036	0.00%
Ram 5500 Service Truck Loan	43,688	3.78%
Chevrolet Tahoe Police Cruiser Loan	33,987	3.84%
Ohio Public Works Loan CG33S	23,262	0.00%
Ohio Public Works Loan CG36D	37,500	0.00%
Ohio Water Development Authority Loan 3413	909,159	0.68%
Ohio Water Development Authority Loan 3945	152,529	3.03%
Total	\$1,528,496	

There is a Note which was to refinance the two General Obligation Bonds used to refurbish the Village Government Center. The Village was able to get a lower interest rate from Middlefield Bank by doing so. This note is paid in monthly installments and will be repaid by April 2027.

There are three Ohio Public Works Commission (OPWC) loans. Loan # CG36D is a sewer plant expansion project and CG33S is a loan for water treatment plant and wastewater treatment plant upgrades. The OPWC approved a total of \$177,914 in loans for these projects which are collateralized by the Villages water and sewer receipts. Additionally, Loan CG46V is the West Prospect St. Roadway and Drainage project and is paid out of levied funds. The amount borrowed from the OPWC was \$45,164.90 will be paid off in July of 2039.

There are two Ohio Water Development Authority (OWDA) loans. Loan # 3413 relates to a sewer plant construction project, and Loan # 3945 is the Franklin-Waterline loop, both mandated by the EPA. The OWDA approved up to \$5,939,549 in loans to the Village for these projects. The Village will repay the sewer loan in semiannual installments of \$153,335, including interest, by 2023. The Waterline Loop project is paid in semiannual installments of \$36,488, including interest, and will be repaid by 2024. These projects are collateralized by the Villages water and sewer receipts. The Village has set utility rates sufficient to cover OWDA debt service requirements.

The Village has two vehicle loans from Middlefield Bank that were issued in 2019. The Service Department took out a loan towards a Ram 5500 service truck in the amount of \$51,594. This loan will be repaid in 2024. The Police Department purchased a Chevy Tahoe and borrowed \$35,868.70. this will be paid off in 2022.

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

Amortization

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

Year Ending December 31:	OWDA Loans	OPWC Loans	Village Hall Note	Middlefield Bank Vehicle Loans
2020	\$343,157	\$11,619	\$43,699	\$24,258
2021	343,157	11,619	43,699	24,258
2022	343,157	11,619	43,699	22,145
2023	36,488	11,619	43,699	11,579
2024	18,244	11,619	43,699	965
2025-2029	-	20,596	101,963	-
2030-2034	-	15,944	-	-
2035-2039	-	10,163	-	-
Total	<u>\$1,084,203</u>	<u>\$104,798</u>	<u>\$320,458</u>	<u>\$83,205</u>

Note 11 – Construction and Contractual Commitments

The Village was awarded an OPWC grant for the Reservoir Rehabilitation Improvement project for a total project cost of \$450,000. The grant award is \$300,000, and a loan is available up to \$150,000. The contract was to be awarded in June 2019. The project was temporarily put on hold and should be awarded and completed in 2020.

The Orchard Street Widening Project was approved in 2019 and is a 50/50 grant from ODOT. The total project cost is \$62,500. The Village is committing a total of \$31,250 from donations and the Capital Project fund.

Phase 2 of the Buchert Park Walking Trail Project was approved in 2019 and is scheduled for completion in 2020. The total project cost is \$45,750 and is funded by a 75/25 ODNR Nature Works grant. The Village has donations to cover the \$11,437.50 local share.

Note 12 – Contingent Liabilities

The Village is currently not involved in any lawsuits.

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

Note 13 – Jointly Governed Organizations

The Village participates in one jointly governed organization. The Village is a member of the Mantua-Shalersville Fire District, which provides fire protection and EMS services to Village residents. District members include Mantua Village, Mantua Township, and Shalersville Township. The District is governed by a three-member Board consisting of one official from each members elected governing body. The District is solely funded by voter approved tax levies. No funding is received from District members.

Note 14 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 15 – 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. 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.

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

Village of Mantua
Portage County
4650 West High Street
Mantua, OH 44255

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements 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 Mantua, Portage County, (the Village), and the related notes to the financial statements, and have issued our report thereon dated April 10, 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 ensuing emergency measures will impact subsequent periods of the Village and several changes to its reporting model.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider to be a material weakness. We consider finding 2020-01 to be a material weakness.

Compliance and Other Matters

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

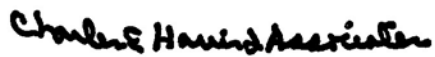
We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated April 10, 2021.

Village's Response to Finding

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

Purpose of this Report

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



Charles E. Harris and Associates, Inc.
April 10, 2021

**VILLAGE OF MANTUA
PORTAGE COUNTY
SCHEDULE OF FINDINGS
December 31, 2020 and 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2020-001 - Material Weakness

During 2020 and 2019, the Village erroneously recorded several transactions. The more significant adjustments are as follows:

- Recorded various refunds, rebates and reimbursements as other financing sources instead of miscellaneous revenues.
- Did not record the proceed of one pass through grant payment and the related capital outlay therefore, understating receipts and disbursements.
- Did not record the issuance of two pass-through loans.
- Did not account for the excess of appropriations over estimated receipts as assigned fund balance in the General Fund for 2019.
- Significant changes were made to the client prepared notes to the financial statements for both 2019 and 2020.

The accompanying financial statements and the Village's records have been adjusted to properly reflect these transactions.

Failure to report transactions correctly results in the financial statements not being accurately presented. We recommend that the Fiscal Officer follow Governmental Accounting Standards Board Statement No. 54, Audit Bulletin 2011-004, the Village Officer's Handbook, the Uniform Accounting Network (UAN) manual and other Auditor of State guidance to properly classify its transactions. In addition, we recommend the Fiscal Officer review all financial reports compiled by UAN to ensure their accuracy.

Management Response:

See corrective action plan.

**VILLAGE OF MANTUA
PORTAGE COUNTY, OHIO
Summary Schedule of Prior Audit Findings-Prepared by management
For the Years Ended December 31, 2019 and 2020**

Finding Number	Finding Summary	Status	Additional Information
2018-001	Material Weakness – Improper Posting of Transactions	Not corrected	See Corrective Action Plan

**VILLAGE OF MANTUA
PORTAGE COUNTY, OHIO
Corrective Action Plan-Prepared by management
For the Years Ended December 31, 2019 and 2020**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	<p>-The Clerk-Treasurer will utilize the Village Officers Handbook when creating new appropriations and revenue codes.</p> <p>-She will also check the OPWC website for pass-through payments that may have been made late in the year and post them before closing the books at year end.</p> <p>-The Clerk-Treasurer will also be more diligent in making certain that the revenue and appropriations are equal to the Portage County Auditor Certificates.</p> <p>-When doing the Notes to the Financial Statements, the Clerk-Treasurer will follow the Auditor of State template and use the instructions provided when pulling the numbers together. If Council chooses to, they can hire an audit firm to do the Notes at a cost to the Village.</p>	Immediately	Jenny August, Clerk-Treasurer

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF MANTUA

PORTAGE 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 6/29/2021

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