
ALGER & ASSOCIATES, Inc.



PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES

VILLAGE OF MOGADORE

SUMMIT COUNTY

REGULAR AUDIT

A&A

FOR THE YEAR ENDED

DECEMBER 31, 2021

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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Mogadore
135 South Cleveland Avenue
Mogadore, Ohio 44260

We have reviewed the *Independent Auditor's Report* of the Village of Mogadore, Summit County, prepared by Alger & Associates, Inc., for the audit period January 1, 2020 through December 31, 2021. 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 Mogadore is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 05, 2022

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VILLAGE OF MOGADORE
SUMMIT COUNTY

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ALGER & ASSOCIATES, Inc.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Village of Mogadore
Summit County
135 S. Cleveland Avenue
Mogadore, OH 44260

To the Members of Council and the Mayor:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Mogadore, Summit County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and the fiduciary fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying 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, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.

Karen S Alger,
CPA

Digitally signed by Karen S Alger, CPA
DN: cn=Karen S Alger, CPA, o=Alger &
Associates, Inc, ou, email=ksalger46@att.net,
c=US
Date: 2022.09.28 11:45:52 -04'00'

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

September 18, 2022

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Village of Mogadore, Ohio
Summit County
Combined Statement of Receipts, Disbursements and Changes in Fund
Balances - (Regulatory Cash Basis) All Governmental Fund Types
For the Year Ended December 31, 2021

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$151,387	\$24,579			\$175,966
Municipal Income Taxes	3,168,417			\$781,607	3,950,024
Intergovernmental	143,860	496,078		666,311	1,306,249
Special Assessments	12,362				12,362
Charges for Services		178,735			178,735
Fines, Licenses and Permits	49,050	2,410			51,460
Miscellaneous	85,259	19,670			104,929
<i>Total Cash Receipts</i>	<u>3,610,335</u>	<u>721,472</u>	<u>-</u>	<u>1,447,918</u>	<u>5,779,725</u>
Cash Disbursements					
Current:					
Security of Persons and Property	1,724,504	259,442			1,983,946
Public Health Services		38,129			38,129
Leisure Time Activities		111,790			111,790
Community Environment	4,994				4,994
Basic Utility Services	12,326				12,326
Transportation		430,836			430,836
General Government	664,922	553		26,806	692,281
Capital Outlay	207,134	124,884		1,143,778	1,475,796
Debt Service:					
Redemption of Principal			96,776	51,740	148,516
Interest and Other Fiscal Charges			18,669	11,447	30,116
<i>Total Cash Disbursements</i>	<u>2,613,880</u>	<u>965,634</u>	<u>115,445</u>	<u>1,233,771</u>	<u>4,928,730</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>996,455</u>	<u>(244,162)</u>	<u>(115,445)</u>	<u>214,147</u>	<u>850,995</u>
Other Financing Receipts (Disbursements)					
Transfers In		411,013	65,500	63,247	539,760
Transfers Out	(539,760)				(539,760)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(539,760)</u>	<u>411,013</u>	<u>65,500</u>	<u>63,247</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	456,695	166,851	(49,945)	277,394	850,995
<i>Fund Cash Balances , January 1</i>	<u>1,210,655</u>	<u>353,219</u>	<u>325</u>	<u>1,328,719</u>	<u>2,892,918</u>
<i>Fund Cash Balances , December 31</i>	<u><u>\$1,667,350</u></u>	<u><u>\$520,070</u></u>	<u><u>(\$49,620)</u></u>	<u><u>\$1,606,113</u></u>	<u><u>\$3,743,913</u></u>

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

Village of Mogadore, Ohio
Summit County
Combined Statement of Additions, Deductions and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	Fiduciary Fund Type
	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$38,483
<i>Total Additions</i>	38,483
Deductions	
Distributions to Other Governments	5,632
Distributions to Other Funds (Primary Gov't)	27,363
<i>Total Deductions</i>	32,995
<i>Net Change in Fund Balances</i>	5,488
<i>Fund Cash Balances, January 1</i>	65,661
<i>Fund Cash Balances, December 31</i>	\$71,149
<i>See accompanying notes to the basic financial statements</i>	

Village of Mogadore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Mogadore (the Village), Summit 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 general government services including park operations, police services, and fire and emergency medical services to the residents of the Village.

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 additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

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

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

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

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

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

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:

Debt Service Fund The debt service fund accounts for resources received for the payment of a note used for various improvements and capital acquisitions.

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:

Village of Mogadore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies *(continued)*

Fund Accounting *(continued)*

Water/Sewer Construction Fund The water/sewer construction fund accounts for resources received from the Ohio Public Works Commission and income tax monies. These funds are being used for various replacement and reconstruction projects.

Prospect Ave OPWC Capital Improvement Fund The fund accounts for grant proceeds received from the Ohio Public Works Commission for reconstruction of roads and water and sewer lines.

Fire Capital Equipment Reserve This fund accounts for transfers from the general fund to accumulate reserves for future fire equipment purchases.

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 meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayor's court activities

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

Basis of Accounting

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

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

Budgetary Process

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

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

Village of Mogadore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies *(continued)*

Budgetary Process *(continued)*

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

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

A summary of 2021 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. The Village did not have any investments in 2021.

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

Village of Mogadore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies *(continued)*

Fund Balance *(continued)*

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,223,985	\$3,610,335	\$386,350
Special Revenue	1,528,093	1,132,485	(395,608)
Debt Service	65,725	65,500	(225)
Capital Projects	2,615,284	1,511,165	(1,104,119)
Total	\$7,433,087	\$6,319,485	(\$1,113,602)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,634,974	\$3,467,559	\$167,415
Special Revenue	1,237,831	1,052,946	184,885
Debt Service	65,150	115,726	(50,576)
Capital Projects	3,818,395	1,581,825	2,236,570
Total	\$8,756,350	\$6,218,056	\$2,538,294

Contrary to ORC 5705.41(B), the Village had expenditures exceed appropriations in the Capital Project Fund - Fire Capital Equipment Reserve fund and the Debt Service Fund at year end December 31, 2021.

Village of Mogadore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	<u>2021</u>
Demand deposits	<u>\$3,815,062</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, 20CY, the village is holding \$20,545 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Income Taxes

The Village levies a municipal income tax of 2.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

The Village has contracted with the Regional Income Tax Authority (RITA) for collection of income tax.

Village of Mogadore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Risk Management

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

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2021.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Village of Mogadore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

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

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
Various Purpose Improvement Notes, Series 2018	\$346,000	3.75%
Huntington Public Capital Corp Dump Truck Lease Purchase	96,657	2.95%
Huntington Public Capital Corp Fire Truck Lease Purchase	512,318	2.61%
Total	\$954,975	

Various Purpose Improvement Notes, Series 2018, was issued March 8, 2018 in the amount of \$480,000. The note matures March 8, 2028, at an interest rate of 3.75%. The note was issued in anticipation of the issuance of bonds to pay costs of constructing, furnishing, equipping, and otherwise improving a police station and its site and to pay costs of acquiring an ambulance.

Leases

The Village leases vehicles. In April 22, 2020, the Village entered into a Non-Renewal and Non-Appropriation of funds lease for a Dump Truck. Should the Village not renew the lease term of the lease or if sufficient funds are not appropriated or otherwise available the lease terminates. Upon completion of all lease payments the Village owns the vehicle. Annual lease payments are \$50,246 for 3 years to begin on April 1, 2021. Total payments will be \$150,738.

On December 16, 2020 the Village entered into a Non-Renewal and Non-Appropriation of funds lease for a fire engine. Should the Village not renew the lease term of the lease or if sufficient funds are not appropriated or otherwise available the lease terminates. Upon completion of all lease payments the Village owns the vehicle. Annual lease payments are \$63,188 for ten years to begin on December, 2021. Total payments will be \$631,880.

Village of Mogadore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt *(continued)*

Amortization

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

Year Ending December 31:	Dump Truck Lease	Fire Truck Lease	Improvement Notes
2022	\$50,246	\$63,247	\$64,975
2023	50,245	63,247	65,025
2024		63,247	66,000
2025		63,247	65,863
2026		63,247	65,650
2027-2030		252,988	65,363
Total	<u>\$100,491</u>	<u>\$569,223</u>	<u>\$392,876</u>

Note 10 – Contingent Liabilities

The Village was not a part of any lawsuits in 2021.

Note 11 – Fund Balances

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

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Total
Nonspendable:					
Unclaimed Monies	\$23,830				\$23,830
Outstanding Encumbrances	313,919	87,312	281	348,054	749,566
<i>Total</i>	<u>\$337,749</u>	<u>\$87,312</u>	<u>\$281</u>	<u>\$348,054</u>	<u>\$773,396</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. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Village of Mogadore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – 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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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ALGER & ASSOCIATES, Inc.

Certified Public Accountants

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

Village of Mogadore
Summit County
135 S. Cleveland Avenue
Mogadore, OH 44260

To the Members of Council and the Mayor:

We have audited, 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements of the Village of Mogadore, Summit County, (the Village) and have issued our report thereon dated September 18, 2022, wherein we noted as described in Note 2 to the financial statements, the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. Furthermore, we noted as described in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes 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 Government'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2021-001 through 2021-006 that we consider to be material weaknesses.

Report on 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 its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2021-004 through 2021-006.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.

Karen S Alger,
CPA

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Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

September 18, 2022

SCHEDULE OF FINDINGS
December 31, 2021

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

FINDING NUMBER 2021-001

Material Weakness – Financial Reporting– Accounting Records

The Village does not retain an employee of the Village for the Clerk-Treasurer position however, they retain a CPA firm, located in Wadsworth Ohio to perform the financial activities for the Village. We began the audit beginning of April of 2022 for the audit period 1/1/2020 thru 12/31/2021. This audit was scheduled to be completed by June 30, 2022.

When we initially obtained the records, we found that there were very few files at the Village. According to the Firm's office employee most of the records were in Wadsworth. We received a hand full of records along with the receipts for 2020. We did not receive the 2021 receipts until July (2 months later). We initially requested the reconciliations in April and did not receive them until September. (Over 5 months later).

In testing the receipts, we noted the following:

- Numerous reclassifications and adjustments were required to properly present the financial statements as noted in Finding 2 below.
- The Village receives property taxes from Portage County to be split between the General Fund and the Police Pension Fund. The Clerk-Treasurer's office posted the Police Pension Fund levy to the General Fund – Local Government account (rather than property tax account) for both tax settlements. The financial statements were adjusted along with the ledgers.
- Several adjustments/reclassifications were required and made by the Clerk-Treasurer staff (at year end) to the revenue ledger in order to correct the ledgers before submitting the financial statements to the Auditor of State's office for audit indicating the ledgers were not properly posted during the year.
- The beginning balances for the Special Revenue Fund and General fund did not agree with the prior audit report. The Clerk-Treasurer office indicated this was from error occurring in 2016 which had not been corrected by the Clerk-Treasurer for 7 years and not disclosed in the prior audit.
- The reconciliations provided did not include any support for the adjustments and/or outstanding checks. It took over 5 months for the Clerk-Treasurer to demonstrate they were reconciled and after several requests did not provide us with the support for the adjustments included (deemed immaterial) for the December 2021 reconciliations.
- The Clerk-Treasurer requested we utilize their email address for all request and consultations; however, this email address goes out to all the staff thus we were not sure if the Clerk-Treasurer was reading our emails as we rarely received any replies from him as to the requests made and serious issues which arose during the course of the audit. It also appeared there was not any monitoring of the replies or lack thereof we received from the staff.

Because of all the weaknesses noted and the numerous delays in obtaining information and documents for the audit we had to request two extensions from the State for the report due date along with an audit cost increase of \$5,840. The report is due by June 30 of the succeeding audit period. We were not able to complete the audit until September, 2022 due to the delays.

Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2021

FINDING NUMBER 2021-001 *(continued)*

Material Weakness – Financial Reporting *(continued)*

We recommend the following:

- Council and/or the finance committee should ensure the Village is properly reconciled each month along with all the support for the adjustments required in order to reconcile. Council should scrutinize the reconciliation and any possible errors or irregularities along with ensuring there is concrete support for each amount listed on the reconciliation. The reconciliation balance should agree with the ledgers and any financial statement fund balances and/or cash statement provided.
- Council and/or the finance committee should assign a person to oversee the financial activities being performed by the Firm. A review should be performed of the ledgers to ensure that what is being posted is correctly performed and in the proper fund. As noted in Finding 2, there were several postings to the wrong fund along with the wrong account. Keep in mind when there are several adjustments to the ledgers this is an indicator that there may be weaknesses in financial position and Council may be making decisions on financial information which is not correct.
- Council should develop a policy and procedures for how the records should be maintained at the Village and in a well-defined organizational manner. This will help ensure when a request from a concerned citizen is made the Clerk-Treasurer will be able to fulfill the request on a timelier manner.
- Council should ensure that the Clerk-Treasurer is available to answer questions for the audit team.
- The Clerk-Treasurer should monitor their staff more closely to ensure what is being posted is posted timely and to the correct fund and/or account thus eliminating all the corrections required at year end in order to complete the financial statements.

By instituting these controls this will help to ensure that there are no errors or irregularities occurring in the financial process of the Village along with the financial reports. This will also help eliminate any delays in future audits along with additional audit costs.

Officials' Response: Procedures will be changed and staff assignments to clean up these issues going forward.

FINDING NUMBER 2021-002

Material Weakness – Adjustments and Reclassifications

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs; A14 & A16.

SCHEDULE OF FINDINGS
December 31, 2021

FINDING NUMBER 2021-002 *(continued)*

Material Weakness – Adjustments and Reclassifications *(continued)*

The Village does not have sufficient internal controls in place to help ensure receipts, expenditures, and fund balances are properly classified on the financial statements. As a result, below are descriptions of the reclassifications and adjustments that were deemed material and required posting to the Village's December 31, 2021 financial statement.

Note: Adjustments are required when the Clerk-Treasurer are posting transactions to the wrong fund. **Reclassifications** are required when the Clerk-Treasurer is posting transactions to the wrong account.

Adjustments:

- An adjustment was required of revenue from OPWC for Prospect St. in the amount of \$139,944 improperly posted to the Miscellaneous Receipts in the General Fund rather than Capital Project – Prospect St Fund Intergovernmental Receipts.
- An adjustment was required of revenue from license tax in the amount of \$6,913 improperly posted to the General Fund rather than split between Special Revenue Street Fund in the amount of \$6,347 and State Hwy Fund in the amount of \$566.
- An adjustment was required of revenue from Mayor's Court in the amount of \$3,725 improperly posted to the Miscellaneous Receipts in the General rather than Fines, License and Permits Receipts in the Mayor's Court Fund.
- An adjustment was required of revenue from permissive tax in the amount of \$2,616 improperly posted to the General Fund's Miscellaneous Receipts rather than Street Fund's Intergovernmental Receipts.
- An adjustment was required of revenue from property tax in the amount of \$3,544 improperly posted to the General Fund Intergovernmental receipts rather than Special Revenue – Police Pension Fund Property Tax Receipts.
- An adjustment was required of revenue from property tax in the amount of \$3,724 improperly posted to the General Fund Miscellaneous Receipts rather than the Special Revenue – Police Pension Fund Property Tax Receipt.

Reclassifications:

- Reclassification of the lease payment of the fire truck in the amount of \$63,187 improperly posted to the Capital Outlay expenditure rather than Principal payment for \$51,740 and Interest payment for \$11,447 in the Capital Project Fund – Fire Capital Equipment Rescue Fund.
- Reclassification of the local revenue in the amount of \$55,088 improperly posted to the Income Tax Receipts rather than Intergovernmental Receipts in the Capital Project Fund – Water/Sewer Main Project.
- Reclassification of revenue from municipal tax in the amount of \$4,666 improperly posted to the Intergovernmental Receipts rather than Muni Income Tax Receipts in the General Fund.
- Reclassification of revenue from municipal tax in the amount of \$15,923 improperly posted to the Miscellaneous Receipts rather than Muni Income Tax Receipts in the General Fund.
- Reclassification of revenue from Summit County for reclaimed youth services in Miscellaneous receipts rather than Intergovernmental receipts in the General Fund.
- Reclassification of revenue from property tax in the amount of \$21,857 improperly posted to the Intergovernmental Receipts rather than Property Tax Receipts in the General Fund.

Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2021

FINDING NUMBER 2021-002 *(continued)*

Material Weakness – Adjustments and Reclassifications *(continued)*

- Reclassification of revenue from property tax in the amount of \$22,788 improperly posted to the Miscellaneous Receipts rather than Property Tax Receipts in the General Fund.
- Reclassification of receipts from license tax in the amount of \$828 improperly posted all to Street Fund Miscellaneous receipts rather than Intergovernmental Receipts.
- Reclassification of revenue from State of Ohio Local Government in the amount of \$1,282 improperly posted to the Miscellaneous Receipts rather than Intergovernmental Receipts in the General Fund.

Not posting receipts and disbursements accurately results in the financial statements requiring several adjustments and reclassifications. The Village has recorded these reclassifications and adjustments to the financial statements and accounting records.

We recommend the Village implement additional procedures to provide assurance over the completeness and accuracy of information recorded in their accounting records and reported within the financial statements. The Clerk-Treasurer should more closely monitor their staff's posting of transactions on a timely manner rather than waiting until year end to make all the appropriate adjustments. By more closely monitors the ledgers to ensure transactions are posted correctly provides Council with more meaningful financial information in their decision-making process.

Council should appoint a person to oversee the financial postings of the Village and/or include additional reviews of the ledgers and the monthly reports and an analytical comparison of the monthly reports to the prior year and/or prior months for obvious errors or omissions.

Officials' Response: A review of postings to the system will be performed monthly by the Clerk Treasurer/Senior Staff to assure postings are accurate.

FINDING NUMBER 2021-003

Material Weakness – Budgetary Information – Accounting System

Accurate budgetary information within the Village's accounting system is pertinent to ensure that the Village has accurate and complete information for decision-making processes. Upon testing the budgetary compliance, we noted the accounting system's estimated receipts did not agree to County Auditor Certificate of Estimated Receipts in the following funds.

<u>Fund Name</u>	<u>Fund #</u>	<u>Co Auditor Certificate</u>	<u>Acct'g System</u>	<u>Variance</u>
General Fund	100	\$3,223,985	\$3,191,596	\$32,389
Mog Coronavirus Relief	250	\$400,254	\$200,127	\$200,127

In addition, upon testing the budgetary compliance, we noted the accounting system's Appropriations did not agree to Council approved permanent appropriations plus amendments in the following funds.

Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2021

FINDING NUMBER 2021-003 (continued)

Material Weakness – Budgetary Information – Accounting System (continued)

<u>Fund Name</u>	<u>Fund #</u>	<u>Amount Authorized</u>	<u>Acct'g System</u>	<u>Variance</u>
Prospect OPWC	326	\$0	\$644,000	(\$644,000)
Sunrise Blvd OPWC	327	\$974,742	\$330,742	\$644,000

Council and/or the finance committee along with the Clerk-Treasurer should compare amounts recorded in Appropriations Status Report to the amounts recorded on the Board approved appropriations to assure they agree. If the amounts do not agree, the Board may be using inaccurate information for budgeting and monitoring purposes.

In addition, Council and/or the finance committee along with the Clerk-Treasurer should periodically compare amounts recorded in Appropriations Status Report to the amounts recorded on the Board approved appropriations to assure they agree. If the amounts do not agree, Council may be using inaccurate information for budgeting and monitoring purposes.

Officials' Response: Periodic reviews will be made to assure the accounting system agrees with the County Auditor Certification of Estimated Resources and Council approved Appropriations.

FINDING NUMBER 2020-004

Material Weakness/ Noncompliance Citation – Beginning Fund Balances

Ohio Rev. Code § 117-2-01(D)(5), states that when public offices are designing their system of internal control that they should ensure the accounting records are properly designed and also verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

In accordance with **Ohio Rev. Code § 117.43**, the Village contracted with Alger & Associates CPA firm to perform the audit for the 2016-2017 of the Village's financial statements. During the course of the audit, there were no adjustments proposed to the Village; however, the Clerk-Treasurer made adjustments to the 2020 beginning fund balance to the Special Revenue Fund and the General Fund which therefore did not agree to the 2019 audited financial statements' ending fund balances. Which effects 2021 beginning balances within the General Fund and Special Revenue Fund.

When brought to the Clerk-Treasurer attention they revised the financial statements without identifying the transactions causing the differences in fund balances showing the beginning balances for 2020 agreeing with the ending balances for 2019. Thus, the financial statements would not agree with the ledgers. This would cause any succeeding financial statements to not reconcile with the ledgers.

We were unable to utilize the revised financial statement due to the fact they would not agree with the ledger's balances, keeping in mind, the financial statements have to agree with the reconciliation and also agree with the ledgers.

After further review the Clerk-Treasurer was able to identify \$14,064 they believe was misposted from 2015 to the Fire/EMS fund. They were unable to determine the remaining amount of \$16,776 but believe this transaction belongs to the Street Fund. (Deemed immaterial).

Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2021

FINDING NUMBER 2020-004 *(continued)*

Material Weakness/ Noncompliance Citation – Beginning Fund Balances *(continued)*

The Clerk-Treasurer needs to perform a thorough review of the 2015-2016 ledger postings to identify which transactions were misposted and ensure any corrections/adjustments are properly made and also that any errors are corrected on a more timely basis. The Clerk-Treasurer should never make any adjustments to the financial statements without a reciprocating adjustment to the ledgers. Council and/or the finance committee should periodically review the ledgers and compare to any financial reports (at the period in time) to ensure they are reconciled along with the monthly bank reconciliations.

Officials’ Response: A review will be made to try and identify the postings from years prior to 2017 causing a difference of \$16,776 and beginning balances will be compared to the prior audit to assure they agree.

FINDING NUMBER 2021-005

Material Weakness/ Noncompliance Citation - Negative Fund Balance

Ohio Rev. Code Section 5705.10 (I), states money paid into a fund shall be used only for the purposes for which such fund is established. A negative fund cash balance indicates that money from one fund was used to cover the expenses of another fund. The Village had negative fund balance at December 31, 2021 in the Debt Service fund of \$49,620 after beginning balance was adjusted through audit adjustment in the prior year for expenditure to be reported in the proper Debt fund.

A negative cash fund balance is an indication that revenues from other sources were used to pay obligations of this fund. Fund activity should be monitored to prevent future expenditures in excess of available resources.

In those cases where additional funds are required, the resources should either be transferred or advanced to the fund in accordance with the Ohio Revised Code.

We recommend the Village monitor their fund balances to ensure that money from various funds is not used to pay obligations of other funds.

Officials’ Response: Funds will be advances/transferred in situations where a negative fund balance exists.

FINDING NUMBER 2021-006

Noncompliance Citation/Material Weakness – Expenditures Exceed Appropriations

Ohio Rev. Code § 5705.41 (B) prohibits a subdivision or taxing unit from making any expenditures of money unless it has been appropriated. During 2021, expenditures exceeded appropriations for Debt Service fund #410 by \$50,576 and Capital Project - Fire Capital Equipment Reserve fund #350 by \$1,470 after expenditures were adjusted through audit adjustments.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2021

FINDING NUMBER 2021-006 (continued)

Noncompliance Citation/Material Weakness – Expenditures Exceed Appropriations (continued)

The Clerk-Treasurer and/or Council/Finance Committee should closely monitor expenditures and appropriations and make the necessary appropriations amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Clerk-Treasurer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditure.

We recommend the Clerk-Treasurer and/or Council/Finance Committee monitor their funds to ensure. That money from various funds is not used to pay obligations of other funds. In addition, Council/Finance Committee should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response: Appropriations will be monitored to assure expenditures do not exceed appropriations.

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Village of Mogadore, Ohio
Summit County

Schedule of Prior Audit Findings
December 31, 2021

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2020-001	Material Weakness – Financial Reporting Accounting Records	No	Not Corrected repeated as 2021-001
2020-002	Material Weakness - Adjustment and Reclassifications – Financial Reporting proper classification of receipts, expenditures and fund balances on financial statements	No	Not Corrected repeated as 2021-002
2020-003	Material Weakness – Budgetary Information – Accounting System Accurate posting of budgetary information to accounting system	No	Not Corrected repeated as 2021-003
2020-004	Material Weakness/ Noncompliance Citation – ORC §117-2-01(D)(5) Beginning Fund Balance financial statements does not agree to accounting system	No	Not Corrected repeated as 2021-004
2020-005	Material Weakness/ Noncompliance Citation – ORC §5705.10 (I) Negative Fund Balance	No	Not Corrected repeated as 2021-005
2020-006	Material Weakness/Noncompliance Citation ORC §5705.36(A)(3) & 5705.41(B) Lease Purchase understatement of revenue and expenditure and no amendments to budgetary requirement	No	No Longer Valid
2020-007	Noncompliance Citation ORC 5705.41(B) Expenditures Exceed Appropriations	No	Not Corrected repeated as 2021-006

ALGER & ASSOCIATES, Inc.



PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES

VILLAGE OF MOGADORE

SUMMIT COUNTY

REGULAR AUDIT

A&A

FOR THE YEAR ENDED

DECEMBER 31, 2020

6927 Burgundy Ave NW
North Canton, OH 44720
Phone (330) 353-5851
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VILLAGE OF MOGADORE
SUMMIT COUNTY

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ALGER & ASSOCIATES, Inc.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Village of Mogadore
Summit County
135 S. Cleveland Avenue
Mogadore, OH 44260

To the Members of Council and the Mayor:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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(C), 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(C) 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 the respective changes in financial position thereof for the year 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 fiduciary fund type, as of and for the year then ended December 31, 2020, and related notes of the Village of Mogadore, Summit County in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the Village made changes to its reporting model. We did not modify our opinion regarding this matter.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

**Karen S
Alger, CPA**

Digitally signed by Karen S Alger,
CPA
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Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

September 18, 2022

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

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$130,954	\$18,928			\$149,882
Municipal Income Taxes	2,863,290			\$693,066	3,556,356
Intergovernmental	155,181	596,917		695,996	1,448,094
Special Assessments	6,117				6,117
Charges for Services		128,977			128,977
Fines, Licenses and Permits	51,956	821			52,777
Miscellaneous	192,382	16,428			208,810
Total Cash Receipts	3,399,880	762,071	-	1,389,062	5,551,013
Cash Disbursements					
Current:					
Security of Persons and Property	1,487,238	413,745			1,900,983
Public Health Services		31,083			31,083
Leisure Time Activities		82,672			82,672
Basic Utility Services	14,306				14,306
Community Environment	5,304				5,304
Transportation		434,017			434,017
General Government	662,154			28,151	690,305
Capital Outlay	126,599	187,927		1,564,056	1,878,582
Debt Service:					
Redemption of Principal			49,000		49,000
Interest and Other Fiscal Charges			16,725		16,725
Total Cash Disbursements	2,295,601	1,149,444	65,725	1,592,207	5,102,977
Excess of Receipts Over (Under) Disbursements	1,104,279	(387,373)	(65,725)	(203,145)	448,036
Other Financing Receipts (Disbursements)					
Lease Purchase Loan Issue		142,432		564,059	706,491
Transfers In		230,000	\$66,000	200,000	496,000
Transfers Out	(496,000)				(496,000)
Other Financing Sources		100			100
Total Other Financing Receipts (Disbursements)	(496,000)	372,532	66,000	764,059	706,591
Net Change in Fund Cash Balances	608,279	(14,841)	275	560,914	1,154,627
Fund Cash Balances , January 1					
Restate (see Note 3)	602,376	368,060	50	767,805	1,738,291
Fund Cash Balances , December 31	\$1,210,655	\$353,219	\$325	\$1,328,719	\$2,892,918

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

Village of Mogadore, Ohio
Summit County
Combined Statement of Additions, Deductions and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2020

	Fiduciary Fund Type
	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$25,594
<i>Total Additions</i>	25,594
Deductions	
Distributions to Other Governments	4,764
Distributions to Other Funds (Primary Gov't)	18,928
<i>Total Deductions</i>	23,692
<i>Net Change in Fund Balances</i>	1,902
<i>Fund Cash Balances, January 1</i>	63,759
<i>Fund Cash Balances, December 31</i>	\$65,661

See accompanying notes to the basic financial statements

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

Note 1 – Reporting Entity

The Village of Mogadore (the Village), Summit 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 general government services including park operations, police services, and fire and emergency medical services to the residents of the Village.

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 type and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

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

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

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

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

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

Summit County COVID 19 PSGP The Summit County COVID 19PSGP fund accounts for a grant from Summit County to support employees substantially dedicated to mitigating or responding to the COVID-19 public health emergency. received in navigate the impact of the COVID-19 health emergency.

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:

Debt Service Fund The debt service fund accounts for resources received for the payment of a note used for various improvements and capital acquisitions.

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

Note 2 - Summary of Significant Accounting Policies *(continued)*

Fund Accounting *(continued)*

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:

Water/Sewer Construction Fund The water/sewer construction fund accounts for resources received from the Ohio Public Works Commission and income tax monies. These funds are being used for various replacement and reconstruction projects.

Prospect Ave OPWC Capital Improvement Fund The fund accounts for grant proceeds received from the Ohio Public Works Commission for reconstruction of roads and water and sewer lines.

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 meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayor's court activities.

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

Basis of Accounting

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

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

Budgetary Process

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

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

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

Note 2 - Summary of Significant Accounting Policies *(continued)*

Budgetary Process *(continued)*

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

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

A summary of 2020 budgetary activity appears in Note 4.

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. The Village did not have any investments in 2020.

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

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

Note 2 - Summary of Significant Accounting Policies *(continued)*

Fund Balance *(continued)*

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

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

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

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

Note 3 – Restatement of Fund Balance

In 2020, fund balance was understated in the General Fund and overstated in the Special Revenue Fund by \$14,064 due to a mis-posting EMS expenditures.

	General	Special Revenue	Debt Service	Capital Project	Total
Fund Cash Balance December 31, 2019	\$588,312	\$382,124	\$50	\$767,805	\$1,738,291
Prior Year Misposting	<u>14,064</u>	<u>(14,064)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Fund Cash Balance December 31, 2019	<u>\$602,376</u>	<u>\$368,060</u>	<u>\$50</u>	<u>\$767,805</u>	<u>\$1,738,291</u>

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

Note 4 – Budgetary Activity

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,201,745	\$3,399,880	\$198,135
Special Revenue	1,329,796	1,134,603	(195,193)
Debt Service	65,725	66,000	275
Capital Projects	1,638,327	2,153,121	514,794
Total	\$6,235,593	\$6,753,604	\$518,011

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,664,336	\$3,173,688	\$490,648
Special Revenue	1,358,368	1,248,702	109,666
Debt Service	65,150	65,725	(575)
Capital Projects	1,934,283	2,564,447	(630,164)
Total	\$7,022,137	\$7,052,562	(\$30,425)

Contrary to ORC 5705.41(B), the Village had expenditures exceed appropriations in the Special Revenue Fund – Street Construction/Maintenance, the Capital Project Fund - Sunrise Blvd OPWC fund and Fire Capital Equip Reserve fund at year end December 31, 2020.

Note 5 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

	2020
Demand deposits	\$2,958,579

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 \$17,673 in unremitted employee payroll withholdings.

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

Note 5 - Deposits and Investments *(continued)*

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 6 – Taxes

Property Taxes

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

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

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

Income Taxes

The Village levies a municipal income tax of 2.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

The Village has contracted with the Regional Income Tax Authority (RITA) for collection of income tax.

Note 7 – Risk Management

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

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2020.

Social Security

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

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

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

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

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

Note 10 – Debt

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

	Principal	Interest Rate
Various Purpose Improvement Notes, Series 2018	\$397,000	3.75%
Huntington Public Capital Corp Dump Truck Lease Purchase	142,432	2.95%
Huntington Public Capital Corp Fire Truck Lease Purchase	564,059	2.61%
Total	\$1,103,491	

Various Purpose Improvement Notes, Series 2018, was issued March 8, 2018 in the amount of \$480,000. The note matures March 8, 2028, at an interest rate of 3.75%. The note was issued in anticipation of the issuance of bonds to pay costs of constructing, furnishing, equipping, and otherwise improving a police station and its site and to pay costs of acquiring an ambulance.

Leases

The Village leases vehicles. On April 22, 2020, the Village entered into a Non-Renewal and Non-Appropriation of funds lease for a Dump Truck. Should the Village not renew the lease term of the lease or if sufficient funds are not appropriated or otherwise available the lease terminates. Upon completion of all lease payments the Village owns the vehicle. Annual lease payments are \$50,246 for 3 years to begin on April 1, 2021. Total payments will be \$150,738.

On December 16, 2020 the Village entered into a Non-Renewal and Non-Appropriation of funds lease for a fire engine. Should the Village not renew the lease term of the lease or if sufficient funds are not appropriated or otherwise available the lease terminates. Upon completion of all lease payments the Village owns the vehicle. Annual lease payments are \$63,188 for ten years to begin on December, 2021. Total payments will be \$631,880.

Amortization

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

Year Ending December 31:	Dump Truck Lease	Fire Truck Lease	Improvement Notes
2021	\$50,246	\$63,247	\$65,888
2022	50,246	63,247	64,975
2023	50,245	63,247	65,025
2024		63,247	66,000
2025		63,247	65,863
2026 - 2030		316,235	131,012
Total	\$150,737	\$632,470	\$458,763

Note 11 – Contingent Liabilities

The Village was not a part of any lawsuits in 2020.

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

Note 12 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years 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	Debt Service	Capital Projects	Total
Nonspendable:					
Unclaimed Monies	\$23,830				\$23,830
Outstanding Encumbrances	382,087	99,258	0	972,240	1,453,585
<i>Total</i>	<u>\$405,917</u>	<u>\$99,258</u>	<u>\$0</u>	<u>\$972,240</u>	<u>\$1,477,415</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. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – Change in Accounting Principles

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

Note 14 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The 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 \$248,509 from the State of Ohio and the activity is recorded in Corona Virus Relief Fund. Also, the Village received \$80,667 as an on-behalf of grant from Summit County. This activity is recorded in the Summit County COVID 19 PSGP Special Revenue Fund.

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ALGER & ASSOCIATES, Inc.

Certified Public Accountants

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

Village of Mogadore
Summit County
135 S. Cleveland Avenue
Mogadore, OH 44260

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and the related notes to the financial statements of the Village of Mogadore, Summit County, Ohio, (the Village) and have issued our report thereon dated September 18, 2022, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted as described in Note 13 to the financial statements, the Village made changes to its reporting model. Furthermore, we noted as described in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Report on Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Government's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion(s) on the financial statements, but not to the extent necessary to opine on the effectiveness of the Government's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2020-001 through 2020-007 to be material weaknesses.

Report on 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 its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2020-004 through 2020-007.

Village's Response to Findings

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

Purpose of this Report

This 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.

**Karen S
Alger, CPA**  Digitally signed by Karen S Alger, CPA
DN: cn=Karen S Alger, CPA, o=Alger &
Associates, Inc, ou,
email=ksalger46@att.net, c=US
Date: 2022.09.28 11:15:50 -04'00'

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

September 18, 2022

SCHEDULE OF FINDINGS
December 31, 2020

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

FINDING NUMBER 2020-001

Material Weakness – Financial Reporting – Accounting Records

The Village does not retain an employee of the Village for the Clerk-Treasurer position however, they retain a CPA firm, located in Wadsworth Ohio to perform the financial activities for the Village. We began the audit beginning of April of 2022 for the audit period 1/1/2020 thru 12/31/2021. This audit was scheduled to be completed by June 30, 2022.

When we initially obtained the records, we found that there were very few files at the Village. According to the Firm's office employee most of the records were in Wadsworth. We received a hand full of records along with the receipts for 2020. We did not receive the 2021 receipts and expenditures until July (2 months later). We initially requested the reconciliations and other documents in April and did not receive them until September. (Over 5 months later).

In testing the receipts, we noted the following:

- Numerous reclassifications and adjustments were required to properly present the financial statements as noted in Finding 2 below.
- The Village received OPWC monies in the amount of \$512,482. Of this amount \$67,488 was posted incorrectly to the General Fund rather than the Capital Projects fund – OPWC fund. This was ultimately corrected by the Clerk-Treasurer at year end, however, the \$444,994 was included on the financial statements but not included within the ledgers. Because of this the ledgers did not reconcile with the financial statements at year end.
- Several adjustments/reclassifications were required and made to the revenue ledger in order to correct the ledgers by the Clerk-Treasurer staff (at year end) before submitting the financial statements to the Auditor of State's office for audit indicating the ledgers were not properly posted during the year.
- The beginning balances for the Special Revenue Fund and General fund did not agree with the prior audit report. The Clerk-Treasurer office indicated this was from error occurring in 2016 which had not been corrected by the Clerk-Treasurer for 7 years and not disclosed in the prior audit.
- The reconciliations provided did not include any support for the adjustments and/or outstanding checks. It took over 5 months for the Clerk-Treasurer's office to demonstrate they were reconciled and provide us with the support for December 2020 reconciliations.
- The Clerk-Treasurer requested we utilize his email address for all request and consultations; however, this email address goes out to all the staff thus we were not sure if the Clerk-Treasurer was reading our emails as we rarely received any replies from him as to the requests made and serious issues which arose during the course of the audit. It also appeared there was not any monitoring of the replies or lack thereof we received from the staff.

Because of all the weaknesses noted and the numerous delays in obtaining information and documents for the audit we requested two extensions from the State for the report due date along with an audit cost increase of \$5,840. The report is due by June 30 of the succeeding audit period. We were not able to complete the audit until the end of September 2022 due to these delays.

Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2020

FINDING NUMBER 2020-001 *(continued)*

Material Weakness – Financial Reporting *(continued)*

We recommend the following:

- Council and/or the finance committee should ensure the Village is properly reconciled each month along with all the support for the adjustments required in order to reconcile. Council should scrutinize the reconciliation and any possible errors or irregularities along with ensuring there is concrete support for each amount listed on the reconciliation. The reconciliation balance should agree with the ledgers and any financial statement fund balances and/or cash statement provided.
- Council and/or the finance committee should assign a person to oversee the financial activities being performed by the Firm. A review should be performed of the ledgers to ensure that what is being posted is correctly performed and in the proper fund. As noted in Finding 2, there were several postings to the wrong fund along with the wrong account. Keep in mind when there are several adjustments to the ledgers this is an indicator that there may be weaknesses in financial position and Council may be making decisions on financial information which is not correct.
- Council should develop a policy and procedures for how the records should be maintained at the Village and in a well-defined organizational manner. This will help ensure when a request from a concerned citizen is made the Clerk-Treasurer will be able to fulfill the request on a timelier manner.
- Council should ensure that the Clerk-Treasurer is available to answer questions for the audit team.
- The Clerk-Treasurer should monitor their staff more closely to ensure what is being posted is posted timely and to the correct fund and/or account thus eliminating all the corrections required at year end in order to complete the financial statements.

By instituting these controls this will help to ensure that there are no errors or irregularities occurring in the financial process of the Village along with the financial reports. This will also help eliminate any delays in future audits along with additional audit costs.

Officials' Response: Procedures will be changed and staff assignments to clean up these issues going forward.

FINDING NUMBER 2020-002

Material Weakness – Adjustments and Reclassifications

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs; A14 & A16.

Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2020

FINDING NUMBER 2020-002 *(continued)*

Material Weakness – Adjustments and Reclassifications *(continued)*

The Village does not have sufficient internal controls in place to help ensure receipts, expenditures, and fund balances are properly classified on the financial statements. As a result, below are descriptions of the reclassifications and adjustments that were deemed material and required posting to the Village's December 31, 2020 financial statement.

Note: Adjustments are required when the Clerk-Treasurer are posting transactions to the wrong fund. Reclassifications are required when the Clerk-Treasurer is posting transactions to the wrong account.

Adjustments:

- An adjustment required to eliminate the \$150,000 transfer from the General Fund to the General Fund Stabilization Reserve Fund. The Village has two General Revenue Funds which are rolled up into one fund on the Financial Statements. The Clerk-Treasurer made this intra-fund transfer but did not eliminate this on the final financial statements.
- The Clerk-Treasurer made a transfer of \$50,000 from the General Fund to the Special Revenue – Street Fund. This same transfer was posted in 2019 financial statements. This adjustment was corrected on the 2020 financial statements.
- The financial statement notes loan principal of \$49,000 and interest payment of \$16,725 was improperly posted to General Fund rather than Debt Service Fund.
- An adjustment was required of \$25,000 from the Special Revenue Fund to the General Fund for a deleted transaction in which the Village sent Summit County Covid money from the General Fund. The County refunded the check and the Village posted the refund as a revenue to the Special Revenue – Summit County Covid Fund rather than to the General Fund which made the expenditure.
- An adjustment was required of revenue from license tax in the amount of \$2,648 improperly posted to the General Fund rather than split between Special Revenue Street Fund in the amount of \$2,449 and State Hwy Fund in the amount of \$199.
- An adjustment was required of revenue from Mayor's Court in the amount of \$702 improperly posted to the Fines, Licenses and Perms Receipts in the General rather than Fines, License and Permits Receipts in the Special Revenue – Court Computerization Fund.
- An adjustment was required of revenue from State's EMS grant in the amount of \$1,500 improperly posted to the Parks & Recreation Fund's Charges for Services Receipts rather than Fire/EMS Fund's Intergovernmental Receipts
- An adjustment was required of revenue from EMS receipts in the amount of \$2,757 improperly posted to the General Fund Miscellaneous receipts rather than Special Revenue – Fire/EMS Fund Charges for Services Receipts
- An adjustment was required of revenue from property tax in the amount of \$14,976 improperly posted to the General Fund Intergovernmental Receipts rather than the Special Revenue – Police Pension Fund Property Tax Receipt.

Reclassifications:

- Reclassification of the homestead and rollback revenue in the amount of \$7,379 improperly posted to the Property Tax Receipts rather than Intergovernmental Receipts in the General Fund.
- Reclassification of revenue from municipal tax in the amount of \$19,359 improperly posted to the Intergovernmental Receipts rather than Muni Income Tax Receipts in the General Fund.

Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2020

FINDING NUMBER 2020-002 *(continued)*

Material Weakness – Adjustments and Reclassifications *(continued)*

- Reclassification of revenue from property tax in the amount of \$57,149 improperly posted to the Intergovernmental Receipts rather than Property Tax Receipts in the General Fund. In addition, the reclassification includes the correction to post the property tax at “gross” rather than “net.”
- Reclassification of revenue from Summit County in the amount of \$6,059 improperly posted to the Miscellaneous Receipts rather than Intergovernmental Receipts in the General Fund.
- Reclassification of revenue from Mayor’s Court in the amount of \$873 improperly posted to the Miscellaneous Receipts rather than Fines, License and Permits Receipts in the General Fund.

Not posting receipts and disbursements accurately results in the financial statements requiring several adjustments and reclassifications. The Village has recorded these reclassifications and adjustments to the financial statements and where appropriate to the accounting records.

We recommend the Village implement additional procedures to provide assurance over the completeness and accuracy of information recorded in their accounting records and reported within the financial statements. The Clerk-Treasurer should more closely monitor their staff’s posting of transactions on a timely manner rather than waiting until year end to make all the appropriate adjustments. By more closely monitors the ledgers to ensure transactions are posted correctly provides Council with more meaningful financial information in their decision-making process.

Council should appoint a person to oversee the financial postings of the Village and/or include additional reviews of the ledgers and the monthly reports and an analytical comparison of the monthly reports to the prior year and/or prior months for obvious errors or omissions.

Officials’ Response: A review of postings to the system will be performed monthly by the Clerk Treasurer/Senior Staff to assure postings are accurate.

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Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2020

FINDING NUMBER 2020-003

Material Weakness – Budgetary Information – Accounting System

Accurate budgetary information within the Village’s accounting system is pertinent to ensure that the Village has accurate and complete information for decision-making processes. Upon testing the budgetary compliance, we noted the accounting system’s estimated receipts did not agree to County Auditor Certificate of Estimated Receipts in the following funds.

<u>Fund Name</u>	<u>Fund #</u>	<u>Co Auditor Certificate</u>	<u>Acct’g System</u>	<u>Variance</u>
General Fund	100	\$3,201,745	\$3,161,060	\$40,685
Fire/EMS	200	\$129,000	\$94,000	\$35,000
Street	215	\$532,750	\$472,662	\$60,088
Park & Recreation	220	\$185,500	\$160,500	\$25,000
Court Computerization	226	\$600	\$3,200	(\$2,600)
Mog Coronavirus Relief	250	\$284,672	\$0	\$284,672
Summit Co COVID-19 PSGP	251	\$80,667	\$0	\$80,667
Police Pension	815	\$25,956	\$15,195	\$10,761
Debt Service	410	\$65,725	\$0	\$65,725
Water/Sewer Main Proj	320	\$700,000	\$779,885	(\$79,885)
Prospect OPWC grant	326	\$637,000	\$438,947	\$198,052
Sunrise Blvd OPWC	327	\$301,327	\$636,101	(\$334,774)

In addition, the Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amount appropriated by Council are precisely stated and accurately posted to the appropriation ledger. Upon testing the budgetary compliance, we noted the accounting system’s Appropriations did not agree to Council approved permanent appropriations plus amendments in the following funds.

<u>Fund Name</u>	<u>Fund #</u>	<u>Amount Authorized</u>	<u>Acct’g System</u>	<u>Variance</u>
Summit Co Covid 19 PSGP	#250	\$90,668	\$80,667	\$10,001
Water/Sewer Main Project	#320	\$840,327	\$772,827	\$67,500

Council and/or the finance committee along with the Clerk-Treasurer should compare amounts recorded in Appropriations Status Report to the amounts recorded on the Board approved appropriations to assure they agree. If the amounts do not agree, the Board may be using inaccurate information for budgeting and monitoring purposes.

In addition, Council and/or the finance committee along with the Clerk-Treasurer should periodically compare amounts recorded in Appropriations Status Report to the amounts recorded on the Board approved appropriations to assure they agree. If the amounts do not agree, Council may be using inaccurate information for budgeting and monitoring purposes.

Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2020

FINDING NUMBER 2020-003 *(continued)*

Material Weakness – Budgetary Information – Accounting System *(continued)*

Officials’ Response: Periodic reviews will be made to assure the accounting system agrees with the County Auditor Certifications and Council approved appropriations.

FINDING NUMBER 2020-004

Material Weakness/ Noncompliance Citation – Beginning Fund Balances

Ohio Rev. Code § 117-2-01(D)(5), states that when public offices are designing their system of internal control that they should ensure the accounting records are properly designed and also verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

In accordance with **Ohio Rev. Code § 117.43**, the Village contracted with Alger & Associates CPA firm to perform the audit for the 2016-2017 of the Village’s financial statements. During the course of the audit, there were no adjustments proposed to the Village; however, the Clerk-Treasurer made adjustments to the 2020 beginning fund balance to the Special Revenue Fund and the General Fund which therefore did not agree to the 2019 audited financial statements’ ending fund balances.

When brought to the Clerk-Treasurer attention they revised the financial statements without identifying the transactions causing the differences in fund balances showing the beginning balances for 2020 agreeing with the ending balances for 2019. Thus, the financial statements would not agree with the ledgers. This would cause any succeeding financial statements to not reconcile with the ledgers.

We were unable to utilize the revised financial statement due to the fact they would not agree with the ledger’s balances, keeping in mind, the financial statements have to agree with the reconciliation and also agree with the ledgers and the financial statements being audited are what the Village submitted to the Hinkle system.

After further review the Clerk-Treasurer was able to identify \$14,064 they believe was misposted from 2015 to the Fire/EMS fund. They were unable to determine the remaining amount of \$16,776 but believe this transaction belongs to the Street Fund. (deemed immaterial).

The Clerk-Treasurer needs to perform a thorough review of the 2015-2016 ledger postings to identify which transactions were misposted and ensure any corrections/adjustments are properly made and also that any errors are corrected on a more timely basis. The Clerk-Treasurer should never make any adjustments to the financial statements without a reciprocating adjustment to the ledgers. Council and/or the finance committee should periodically review the ledgers and compare to any financial reports (at the period in time) to ensure they are reconciled along with the monthly bank reconciliations.

Officials’ Response: A review will be made to try and identify the postings from years prior to 2017 causing a difference of \$16,776 and beginning balances will be compared to the prior audit to assure they agree.

Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2020

FINDING NUMBER 2020-005

Material Weakness/ Noncompliance Citation - Negative Fund Balance

Ohio Rev. Code § 5705.10 (I), states money paid into a fund shall be used only for the purposes for which such fund is established. A negative fund cash balance indicates that money from one fund was used to cover the expenses of another fund. The Village had a negative fund balance at December 31, 2020 in the Capital Project - Prospect St.-OWDA fund of \$16,942.

A negative cash fund balance is an indication that revenues from other sources were used to pay obligations of this fund. Fund activity should be monitored to prevent future expenditures in excess of available resources.

In those cases where additional funds are required, the resources should either be transferred or advanced to the fund in accordance with the Ohio Revised Code.

We recommend Clerk-Treasurer monitor the fund balances regularly and bring this to the attention of Council and/or the Finance Committee to ensure that money from various funds is not used to pay obligations of other funds.

Officials' Response: In the future, funds will be advanced to the OPWC/OWDA projects to cover expenses until reimbursements are received.

FINDING NUMBER 2020-006

Material Weakness/ Noncompliance Citation – Lease Purchase

Ohio Revised Code § 5705.36(A)(3) Upon a determination by the Clerk-Treasurer of a subdivision that the revenue to be collected by the subdivision will be greater than the amount included in an official certificate and the legislative authority intends to appropriate and expend the excess revenue, the Clerk-Treasurer shall certify the amount of the excess to the commission, and if the commission determines that the Clerk-Treasurer's certification is reasonable, the commission shall certify an amended official certificate reflecting the excess.

Ohio Revised Code § 5705.41(B) prohibits a subdivision or taxing unit from making expenditures unless they have been properly appropriated; therefore, appropriations should be recorded in accordance with the terms and conditions of the loan. **Ohio Revised Code § 5705.40** requires the legislative authority to pass a resolution amending its appropriation measure prior to recording the appropriations.

The Village obtain two lease purchase agreements on April 22, 2020 through Huntington Public Capital Corporation in the amount of \$142,432 to finance the purchase of a new dump truck with an interest rate of 2.95% and another lease on December 16, 2020 for \$564,059 for a Fire Pumper Truck. The interest rate of 2.61%. The Village did not record the receipt and expenditure transactions relating to the loan, resulting in an understatement of loans proceeds receipts and the capital outlay expenditures in the Special Revenue Street Fund. The activity is to be recorded as a memo transaction. The proceeds are to be recorded as an "other financing source," and the expenditure is to be recorded as capital outlay for the purchase.

There are also several budgetary compliance requirements associated with the recording of such program receipts and disbursements.

An audit adjustment and related notes for the loan, was necessary to the 2020 financial statements to reflect the loan proceeds and related expenditures.

Village of Mogadore, Ohio
Summit County

SCHEDULE OF FINDINGS
December 31, 2020

FINDING NUMBER 2020-006 (continued)

Material Weakness/ Noncompliance Citation – Lease Purchase (continued)

These adjustments were made to the Village's financial statements and related notes for the year ending December 31, 2020.

In addition, the Village did not amend their estimated resources and appropriations to properly budget for the loan receipts and expenditures. **Ohio Revised Code § 5705.41(B)** budgetary violation for expenditures exceeding appropriations were noted for the capital outlay expenditure in 2020 in the General Fund.

The presentation of materially correct financial statements is the responsibility of management. Properly presented financial statements demonstrate the Village's financial accountability to the public and to the Village Council. Council should implement internal control procedures that enable management to identify, prevent, detect and correct potential misstatements in the financial statements.

Officials' Response: For future Lease Purchase Agreements entered into by the Village, a revenue and corresponding expenditure will be recognized at the time of entering into the agreement. Estimated receipts and appropriations will be amended accordingly.

FINDING NUMBER 2020-007

Noncompliance Citation/Material Weakness – Expenditures Exceed Appropriations

In addition, **Ohio Rev. Code § 5705.41 (B)** prohibits a subdivision or taxing unit from making any expenditures of money unless it has been appropriated. During 2020, expenditures exceeded appropriations for Capital Project - Sunrise Blvd OPWC Fund - #327 by \$391,079 and Capital Project - Fire Capital Equip Reserve Fund - #350 by \$564,059 after expenditures were adjusted through audit adjustments for the new lease and the OWPC expenditures not posted to the books however posted to the financial statements.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Clerk-Treasurer and/or Council/Finance Committee should closely monitor expenditures and appropriations and make the necessary appropriations amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Clerk-Treasurer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditure.

We recommend the Clerk-Treasurer and/or Council/Finance Committee monitor their funds to ensure. That money from various funds is not used to pay obligations of other funds. In addition, Council/Finance Committee should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response: In the future, upon entering into a Lease Purchase Agreement and recording the total cost at that time, Appropriations will be amended to cover the Memo Entry.

Village of Mogadore, Ohio
Summit County

Schedule of Prior Audit Findings
 December 31, 2020

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2019-001	Noncompliance/Material Weakness - Ohio Revised Code §5705.39, Appropriations Limited By Estimated Revenue.	Partial	Refer to Management Letter

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF MOGADORE

SUMMIT 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 10/18/2022

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

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