



**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF GRAND RAPIDS
WOOD COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 1999	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary Fund Types – For the Year Ended December 31, 1999	7
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 1998	8
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary Fund Types – For the Year Ended December 31, 1998	11
Notes to the Financial Statements	13
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	21

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Grand Rapids
Wood County
17460 Sycamore Road
P.O. Box 309
Grand Rapids, Ohio 43522-0309

To the Village Council:

We have audited the accompanying financial statements of the Village of Grand Rapids, Wood County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end of the last name.

Jim Petro
Auditor of State

October 10, 2000

This page intentionally left blank.

**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types	
	General	Special Revenue
Cash Receipts:		
Property Tax and Other Local Taxes	\$22,657	\$30,883
Special Assessments		26,410
Intergovernmental Receipts	214,433	7,200
Charges for Services		
Fines, Licenses, and Permits	3,508	
Earnings on Investments	39,180	
Miscellaneous	32,887	
	312,665	64,493
Total Cash Receipts	312,665	64,493
Cash Disbursements:		
Current:		
Security of Persons and Property	51,991	9,649
Public Health Services	694	
Leisure Time Activities	64,218	
Community Environment	1,488	
Basic Utility Services	7,575	
Transportation		25,165
General Government	109,778	
Debt Service:		
Principal Payments		
Interest Payments		
Capital Outlay	45,628	68,062
	281,372	102,876
Total Cash Disbursements	281,372	102,876
Total Receipts Over/(Under) Disbursements	31,293	(38,383)
Other Financing Receipts:		
Transfers-In		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	31,293	(38,383)
Fund Cash Balances, January 1	167,205	99,278
Fund Cash Balances, December 31	\$198,498	\$60,895
Reserves for Encumbrances, December 31	\$10,982	\$13,000

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

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
		\$194,896	\$248,436
\$27,964			54,374
			221,633
26,477			26,477
			3,508
			39,180
	\$44,100		76,987
<hr/>	<hr/>	<hr/>	<hr/>
54,441	44,100	194,896	670,595
			61,640
			694
			64,218
			1,488
			7,575
			25,165
		12,955	122,733
86,000	27,229		113,229
38,525	3,971		42,496
	83,630		197,320
<hr/>	<hr/>	<hr/>	<hr/>
124,525	114,830	12,955	636,558
<hr/>	<hr/>	<hr/>	<hr/>
(70,084)	(70,730)	181,941	34,037
<hr/>	<hr/>	<hr/>	<hr/>
63,600			63,600
<hr/>	<hr/>	<hr/>	<hr/>
(6,484)	(70,730)	181,941	97,637
149,895	279,716	31,482	727,576
<hr/>	<hr/>	<hr/>	<hr/>
\$143,411	\$208,986	\$213,423	\$825,213
<hr/>	<hr/>	<hr/>	<hr/>
	\$26,300		\$50,282
<hr/>	<hr/>	<hr/>	<hr/>

This page intentionally left blank.

**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$332,904
Operating Cash Disbursements:	
Personal Services	50,659
Fringe Benefits	20,683
Supplies and Materials	184,918
Miscellaneous	920
Total Operating Cash Disbursements	257,180
Operating Income	75,724
Transfers-Out	(63,600)
Net Receipts Over Disbursements	12,124
Fund Cash Balances, January 1	248,665
Fund Cash Balances, December 31	\$260,789
Reserve for Encumbrances, December 31	

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

**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Types	
	General	Special Revenue
Cash Receipts:		
Property Tax and Other Local Taxes	\$25,545	\$30,736
Special Assessments		24,463
Intergovernmental Receipts	161,857	7,025
Charges for Services		
Fines, Licenses, and Permits	3,857	
Earnings on Investments	55,207	
Miscellaneous	22,745	
	269,211	62,224
Cash Disbursements:		
Current:		
Security of Persons and Property	50,428	9,777
Public Health Services	672	
Leisure Time Activities	21,176	
Community Environment	1,547	
Basic Utility Services	6,598	
Transportation	2,360	26,920
General Government	81,764	
Debt Service:		
Principal Payments		
Interest Payments		
Capital Outlay	241,538	7,585
	406,083	44,282
Total Cash Disbursements	406,083	44,282
Total Receipts Over/(Under) Disbursements	(136,872)	17,942
Other Financing Receipts/(Disbursements):		
Other Sources	336	
Transfers-In	123,000	
Transfers-Out	(40,000)	
	83,336	
Total Other Financing Receipts/(Disbursements)	83,336	
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(53,536)	17,942
Fund Cash Balances, January 1	220,741	81,336
Fund Cash Balances, December 31	\$167,205	\$99,278
Reserves for Encumbrances, December 31		

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

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
		\$208,956	\$265,237
\$27,456			51,919
			168,882
27,285			27,285
			3,857
4,476			59,683
	\$172,818		195,563
<hr/>	<hr/>	<hr/>	<hr/>
59,217	172,818	208,956	772,426
<hr/>	<hr/>	<hr/>	<hr/>
			60,205
			672
			21,176
			1,547
			6,598
			29,280
		13,474	95,238
84,968	27,973		112,941
39,557	6,861		46,418
	251,702		500,825
<hr/>	<hr/>	<hr/>	<hr/>
124,525	286,536	13,474	874,900
<hr/>	<hr/>	<hr/>	<hr/>
(65,308)	(113,718)	195,482	(102,474)
<hr/>	<hr/>	<hr/>	<hr/>
			336
103,600	41,000		267,600
		(164,000)	(204,000)
<hr/>	<hr/>	<hr/>	<hr/>
103,600	41,000	(164,000)	63,936
<hr/>	<hr/>	<hr/>	<hr/>
38,292	(72,718)	31,482	(38,538)
111,603	352,434		766,114
<hr/>	<hr/>	<hr/>	<hr/>
\$149,895	\$279,716	\$31,482	\$727,576
<hr/>	<hr/>	<hr/>	<hr/>

This page intentionally left blank.

**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$308,634
Operating Cash Disbursements:	
Personal Services	49,492
Fringe Benefits	18,000
Contractual Services	744
Supplies and Materials	192,372
Miscellaneous	960
Total Operating Cash Disbursements	261,568
Operating Income	47,066
Transfers-Out	(63,600)
Net Disbursements Over Receipts	(16,534)
Fund Cash Balances, January 1	265,199
Fund Cash Balances, December 31	\$248,665
Reserve for Encumbrances, December 31	

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

This page intentionally left blank.

**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Grand Rapids, Wood County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities and park operations (leisure time activities). The Village contracts with the Wood County Sheriff's department to provide security of persons and property.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Certificates of deposit and the Repurchase Agreement are valued at cost.

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

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Street Levy Fund - This fund receives revenues from a special levy for the purposes of cleaning and maintenance of Village streets.

Permissive Motor Vehicle Fund - This fund receives permissive sales tax money for maintaining and repairing Village streets.

3. Debt Service Funds

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service funds:

Water Debt Service Fund - This fund is used to accumulate resources for the payment of OWDA Water loan.

Sewer Debt Service Fund - This fund is used to accumulate resources for the payment of OWDA Sewer loan.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

Water Capital Improvement - Received revenues from water taps and proceeds of OWDA Grant for the purpose of water line construction project.

Sewer Capital Improvement - Received revenues from the General Fund and Income Taxes for the construction of sewer lines.

5. Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

6. Fiduciary Funds (Trust Fund)

Trust funds are used to account for resources restricted by legally binding trust agreements. Other trust funds are classified as expendable. The Village had the following significant fiduciary fund:

Municipal Income Tax Fund - Received proceeds of the Village income tax.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Village.

**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$35,818	\$20,905
Certificates of deposit	<u>370,000</u>	<u>370,000</u>
Total deposits	<u>405,818</u>	<u>390,905</u>
Overnight repurchase agreement	<u>680,184</u>	<u>585,336</u>
Total deposits and investments	<u><u>\$1,086,002</u></u>	<u><u>\$976,241</u></u>

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

Investments: Overnight repurchase agreements are invested by the financial institutions Investment and Trust Services Division in short-term securities in accordance with the Ready Resource Account Master Repurchase Agreement. The financial institution maintains records identifying the Village as owner.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$494,776	\$312,665	(\$182,111)
Special Revenue	62,145	64,493	2,348
Debt Service	160,000	118,041	(41,959)
Capital Projects	115,000	44,100	(70,900)
Enterprise	302,580	332,904	30,324
Fiduciary	<u>210,000</u>	<u>194,896</u>	<u>(15,104)</u>
Total	<u><u>\$1,344,501</u></u>	<u><u>\$1,067,099</u></u>	<u><u>(\$277,402)</u></u>

**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$468,910	\$292,354	\$176,556
Special Revenue	180,000	115,876	64,124
Debt Service	134,000	124,525	9,475
Capital Projects	360,000	141,130	218,870
Enterprise	507,600	320,780	186,820
Fiduciary	241,000	12,955	228,045
Total	<u>\$1,891,510</u>	<u>\$1,007,620</u>	<u>\$883,890</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$421,348	\$392,355	(\$28,993)
Special Revenue	60,026	62,224	2,198
Debt Service	150,000	162,817	12,817
Capital Projects	100,000	213,818	113,818
Enterprise	297,580	308,634	11,054
Fiduciary	180,000	208,956	28,956
Total	<u>\$1,208,954</u>	<u>\$1,348,804</u>	<u>\$139,850</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$594,510	\$446,083	\$148,427
Special Revenue	159,000	44,282	114,718
Debt Service	134,000	124,525	9,475
Capital Projects	390,000	286,536	103,464
Enterprise	504,000	325,168	178,832
Fiduciary	180,000	177,474	2,526
Total	<u>\$1,961,510</u>	<u>\$1,404,068</u>	<u>\$557,442</u>

**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

4. PROPERTY TAX

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

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

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

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$1,084,698	2.0 to 7.11%
General Obligation Notes	90,622	4.45%
Total	\$1,175,320	

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project loans received in 1978 and 1992. Loan # 0524 (1978) is to be repaid in annual installments of \$36,339 including interest, over 25 years with the last payment due 01/01/04. Loan # 0524 Supplemental (1978) is to be repaid in annual installment of \$14,882 including interest, over 25 years with the last payment due 01/01/04. Loan # 0233 (1992) is to be repaid in annual installments of \$73,304 including interest, with the last payment due 01/01/17.

The General Obligation Note was issued to finance the dredging and bank stabilization project of the Gilead Sidecut Canal. It is to be repaid in eleven monthly payments of \$2,600 beginning 01/01/98. The unpaid principal balance plus accrued interest is due and payable on 12/01/98. This Note was extended by the Lender on 12/01/98 and 12/01/99.

**VILLAGE OF GRAND RAPIDS
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT (Continued)

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

Year ending December 31:	OWDA Loan	General Obligation Notes
2000	\$124,525	\$94,655
2001	124,525	
2002	124,525	
2003	124,525	
Subsequent	1,026,256	
Total	\$1,524,356	\$94,655

6. RETIREMENT SYSTEMS

The Village's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village is a member of the Ohio Risk Management Plan Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Wrongful Acts
- Public official's bond
- Vehicle
- Inland Marine
- EDP

The Village also provides health insurance coverage to full-time employees through a private carrier.

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

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

Village of Grand Rapids
Wood County
17460 Sycamore Road
P.O. Box 309
Grand Rapids, Ohio 43522-0309

To the Village Council:

We have audited the accompanying financial statements of the Village of Grand Rapids, Wood County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated October 10, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated October 10, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated October 10, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

October 10, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

VILLAGE OF GRAND RAPIDS

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 14, 2000