



**Auditor of State
Betty Montgomery**

VILLAGE OF GARRETTSVILLE
PORTAGE COUNTY

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**Auditor of State
Betty Montgomery**

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Garrettsville
Portage County
8321 High Street
Garrettsville, Ohio 44231

To the Village Council:

We have audited the accompanying financial statements of the Village of Garrettsville (the Village) as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2002 and 2001, 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 April 15, 2003 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, 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 cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

April 15, 2003

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**VILLAGE OF GARRETTSVILLE
PORTAGE 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, 2002**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Tax and Other Local Taxes	\$717,995	\$244,099	\$0	\$17,436	\$0	\$979,530
Special Assessments			18,000			18,000
Intergovernmental Receipts	219,700	113,565		96,846		430,111
Charges for Services	48,610	10,382			280	59,272
Fines, Licenses, and Permits	38,341	4,361				42,702
Earnings on Investments	11,884					11,884
Miscellaneous	92,787	859				93,646
Total Cash Receipts	1,129,317	373,266	18,000	114,282	280	1,635,145
Cash Disbursements:						
Current:						
Security of Persons and Property	625,470	4,285				629,755
Public Health Services		41,721				41,721
Leisure Time Activities	55,236					55,236
Community Environment	10,692	1,791				12,483
Basic Utility Services	6,340					6,340
Transportation		256,910				256,910
General Government	370,033					370,033
Debt Service:						
Principal Payments			12,000			12,000
Interest Payments			11,640			11,640
Capital Outlay	113,124	33,429		136,573		283,126
Total Cash Disbursements	1,180,895	338,136	23,640	136,573	0	1,679,244
Total Receipts Over/(Under) Disbursements	(51,578)	35,130	(5,640)	(22,291)	280	(44,099)
Other Financing Receipts and (Disbursements):						
Other Financing Uses			(765)			(765)
Transfers-In			4,267			4,267
Transfers-Out	(4,267)	0	0	0	0	(4,267)
Total Other Financing Receipts/(Disbursements)	(4,267)	0	3,502	0	0	(765)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(55,845)	35,130	(2,138)	(22,291)	280	(44,864)
Fund Cash Balances, January 1	309,624	233,536	2,138	66,604	5,431	617,333
Fund Cash Balances, December 31	\$253,779	\$268,666	\$0	\$44,313	\$5,711	\$572,469
Reserves for Encumbrances, December 31	\$21,828	\$0	\$0	\$0	\$0	\$21,828

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

VILLAGE OF GARRETTSVILLE
PORTAGE COUNTY

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

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$956,767
Total Operating Cash Receipts	956,767
Operating Cash Disbursements:	
Personal Services	241,692
Travel Transportation	422
Contractual Services	272,388
Supplies and Materials	138,456
Other	33,919
Capital Outlay	157,398
Total Operating Cash Disbursements	844,275
Operating Income/(Loss)	112,492
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	78,900
Total Non-Operating Cash Receipts	78,900
Non-Operating Cash Disbursements:	
Debt Service	242,704
Total Non-Operating Cash Disbursements	242,704
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(51,312)
Transfers-In	254,704
Transfers-Out	(254,704)
Net Receipts Over/(Under) Disbursements	(51,312)
Fund Cash Balances, January 1	908,561
Fund Cash Balances, December 31	\$857,249
Reserve for Encumbrances, December 31	\$55,400

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

**VILLAGE OF GARRETTSVILLE
PORTAGE 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, 2001**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Tax and Other Local Taxes	\$710,914	\$206,431	\$0	\$51,608	\$0	\$968,953
Special Assessments			20,000			20,000
Intergovernmental Receipts	185,507	117,407		44,858		347,772
Charges for Services	50,811	13,675			340	64,826
Fines, Licenses, and Permits	45,240	3,231				48,471
Earnings on Investments	25,895	811				26,706
Miscellaneous	67,220					67,220
Total Cash Receipts	1,085,587	341,555	20,000	96,466	340	1,543,948
Cash Disbursements:						
Current:						
Security of Persons and Property	651,890	395				652,285
Public Health Services		34,692				34,692
Leisure Time Activities	53,559					53,559
Community Environment	11,561	6,031				17,592
Basic Utility Services	4,851					4,851
Transportation		271,295				271,295
General Government	399,684					399,684
Income Tax Refunds	55,594		24,207			79,801
Capital Outlay	123,314	18,403		94,274		235,991
Total Cash Disbursements	1,300,453	330,816	24,207	94,274	0	1,749,750
Total Receipts Over/(Under) Disbursements	(214,866)	10,739	(4,207)	2,192	340	(205,802)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(214,866)	10,739	(4,207)	2,192	340	(205,802)
Fund Cash Balances, January 1	524,490	222,797	6,345	64,412	5,091	823,135
Fund Cash Balances, December 31	\$309,624	\$233,536	\$2,138	\$66,604	\$5,431	\$617,333
Reserves for Encumbrances, December 31	\$72,942	\$0	\$0	\$0	\$0	\$72,942

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

**VILLAGE OF GARRETTSVILLE
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$949,879
Total Operating Cash Receipts	949,879
Operating Cash Disbursements:	
Personal Services	231,954
Travel Transportation	295
Contractual Services	213,601
Supplies and Materials	63,408
Capital Outlay	69,343
Total Operating Cash Disbursements	578,601
Operating Income/(Loss)	371,278
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	32,016
Total Non-Operating Cash Receipts	32,016
Non-Operating Cash Disbursements:	
Debt Service	242,704
Total Non-Operating Cash Disbursements	242,704
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	160,590
Transfers-In	254,704
Transfers-Out	(254,704)
Net Receipts Over/(Under) Disbursements	160,590
Fund Cash Balances, January 1	747,971
Fund Cash Balances, December 31	\$908,561
Reserve for Encumbrances, December 31	\$0

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

**VILLAGE OF GARRETTSVILLE
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Garrettsville, Portage 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 water and sewer utilities, park operations, and police services. The Village contracts with Garrettsville Freedom Nelson Joint Fire District to provide fire protection services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

Certificates of deposit are valued at cost. The Village uses a local bank to manage its' cash investments. Each night the bank balance is swept into an overnight repurchase agreement.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Fund

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

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

**VILLAGE OF GARRETTSVILLE
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

3. Debt Service Fund

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

Boardwalk Fund - This fund is used to account for the accumulation of resources for, and the payment of special assessment long-term principal and interest.

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:

Construction Fund – This fund receives proceeds from local taxes. The proceeds are being used to improve the municipal buildings.

Issue II Fund – This fund is used to account for the receipts that are restricted for the acquisition or construction of major capital projects. The Village records the State's share of Ohio Public Works Program along with any General Fund matching monies in this fund.

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.

6. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Village has only a small expendable trust fund.

E. Budgetary Process

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

**VILLAGE OF GARRETTSVILLE
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control within each fund except the general fund which is at the fund, function, department 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. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

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 2002 and 2001 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. Accumulated Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

**VILLAGE OF GARRETTSVILLE
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS – (Continued)

	2002	2001
Demand deposits	\$154,468	\$106,615
Certificates of deposit	100,000	0
Total deposits	254,468	106,615
 Repurchase agreement	 1,175,250	 1,419,279
Total investments	1,175,250	1,419,279
Total deposits and investments	\$1,429,718	\$1,525,894

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

Investments: The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,115,738	\$1,129,317	\$13,579
Special Revenue	345,103	373,266	28,163
Debt Service	23,502	22,267	(1,235)
Capital Projects	16,000	114,282	98,282
Enterprise	1,173,704	1,290,371	116,667
Fiduciary	300	280	(20)
Total	\$2,674,347	\$2,929,783	\$255,436

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,241,945	\$1,206,990	\$34,955
Special Revenue	532,000	338,136	193,864
Debt Service	25,640	24,405	1,235
Capital Projects	171,846	136,573	35,273
Enterprise	1,855,921	1,397,083	458,838
Fiduciary	300	0	300
Total	\$3,827,652	\$3,103,187	\$724,465

**VILLAGE OF GARRETTSVILLE
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY – (Continued)

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,125,539	\$1,085,587	(\$39,952)
Special Revenue	345,550	341,555	(3,995)
Debt Service	18,955	20,000	1,045
Capital Projects	198,500	96,466	(102,034)
Enterprise	1,189,104	1,236,599	47,495
Fiduciary	300	340	40
Total	\$2,877,948	\$2,780,547	(\$97,401)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,535,712	\$1,373,395	\$162,317
Special Revenue	508,769	330,816	177,953
Debt Service	25,300	24,207	1,093
Capital Projects	256,500	94,274	162,226
Enterprise	1,558,298	1,076,009	482,289
Fiduciary	100	0	100
Total	\$3,884,679	\$2,898,701	\$985,978

4. PROPERTY TAX

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

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

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

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**VILLAGE OF GARRETTSVILLE
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

6. DEBT

Debt outstanding at December 31, 2002 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans	\$1,254,267	7.5-8.97%
Special Assessment Bonds	182,000	6.00%
Brosius Rd. Reservoir Project Loan	35,425	5.93%
Total	<u>\$1,471,692</u>	

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer construction project. The OWDA has approved up to \$2,396,123 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$242,704, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Special Assessment Bonds consist of the boardwalk issue which is payable from the proceeds of the assessment against individual property owners.

The Brosius Road Reservoir Project Loan was entered into to assist in funding a water fund project that is also being funded by Issue II monies. The loan is to be repaid from water service charges.

During the fiscal years 2001 and 2002 the Village made excellorated payments in regards to this loan. As a result of these excellorated payments the remaining balance as of December 31, 2002 including interest totals \$35,425.

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

	<u>OWDA Loans</u>	<u>Special AssessmentB onds</u>	<u>Brosius Road Reservoir Project Loan</u>
Year ending December 31:			
2003	\$242,705	\$22,920	\$17,863
2004	121,353	23,200	17,562
2005	242,704	23,420	
2006	214,880	22,580	
2007	187,054	22,740	
2008 – 2012	701,757	116,700	
2013 – 2017		22,000	
Total	<u>\$1,710,453</u>	<u>\$253,560</u>	<u>\$35,425</u>

**VILLAGE OF GARRETTSVILLE
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

7. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

8. RISK MANAGEMENT

Risk Pool Membership

The Village belongs to the Ohio Municipal League Joint Self Insurance Pool (the Pool), an incorporated non-profit association available to municipal corporations and their instrumentalities. Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Pool provides a program of property and casualty insurance for its members. The Plan judgments, settlements, and other expenses resulting for covered claims that exceed the members' deductibles.

Casualty excess-of-loss contracts at December 31 2001 and 2000 generally protect against individual losses exceeding \$100,000 (150,000 for policies issued prior to April 1, 2000).

Property coverage contracts protect against losses, subject to a deductible of \$50,000 per occurrence, limited to an annual aggregate loss of the greater of \$300,000 or 1% of total coverage.

The Pools financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained deficit at December 31, 2001 and 2000.

	<u>2001</u>	<u>2000</u>
Assets	\$3,354,251	\$2,958,827
Liabilities	<u>(4,851,866)</u>	<u>(3,863,373)</u>
Retained Deficit	(\$1,497,615)	(\$904,546)

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

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**Auditor of State
Betty Montgomery**

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

Village of Garrettsville
Portage County
8321 High Street
Garrettsville, Ohio 44231

To the Village Council:

We have audited the accompanying financial statements of the Village of Garrettsville (the Village) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 15, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated April 15, 2003.

Village of Garrettsville
Portage County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the audit committee, management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

April 15, 2003



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

VILLAGE OF GARRETTSVILLE

PORTAGE 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
JUNE 12, 2003**