



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF NAVARRE
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 Fund Types and Expendable Trust Fund For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances All Proprietary 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 Governmental Fund Types and Expendable Trust Fund For the Year Ended December 31, 1998	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances All Proprietary and Similar Fiduciary Fund Types For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Navarre
Stark County
27 Canal Street West
Navarre, Ohio 44662

To the Village Council:

We have audited the accompanying financial statements of the Village of Navarre, Stark 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 audits.

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 June 30, 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 and 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".

Jim Petro
Auditor of State

June 30, 2000

This page intentionally left blank.

VILLAGE OF NAVARRE

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Property Tax and Other Local Taxes	\$38,792	\$61,659	\$0	\$532,256	\$632,707
Intergovernmental	169,153	85,657			254,810
Charges for Services	93				93
Fines, Licenses, and Permits	2,187	929			3,116
Earnings on Investments	35,812	2,655			38,467
Miscellaneous	15,482	2,642			18,124
Total Cash Receipts	261,519	153,542	0	532,256	947,317
Cash Disbursements:					
Current:					
Security of Persons and Property	311,043	3,919			314,962
Public Health Services	3,769				3,769
Leisure Time Activities	12,699				12,699
Community Environment	836			1,361	2,197
Transportation		175,189			175,189
General Government	140,521			3,520	144,041
Capital Outlay	33,632	52,823	20,395		106,850
Total Cash Disbursements	502,500	231,931	20,395	4,881	759,707
Total Cash Receipts Over/(Under) Cash Disbursements	(240,981)	(78,389)	(20,395)	527,375	187,610
Other Financing Receipts/(Disbursements):					
Transfers-In	365,750	88,825	217,925		672,500
Transfers-Out	(140,000)		(10,000)	(522,500)	(672,500)
Other Uses				(1,698)	(1,698)
Total Other Financing Receipts/(Disbursements)	225,750	88,825	207,925	(524,198)	(1,698)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(15,231)	10,436	187,530	3,177	185,912
Fund Cash Balances, January 1	167,572	159,551	196,408	5,025	528,556
Fund Cash Balances, December 31	\$152,341	\$169,987	\$383,938	\$8,202	\$714,468
Reserves for Encumbrances, December 31	\$2,178	\$54,854	\$0	\$0	\$57,032

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

VILLAGE OF NAVARRE

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

	Proprietary	Fiduciary		Totals (Memorandum Only)
	Fund Type	Fund Types		
	Enterprise	Nonexpendable Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$771,812	\$1,100	\$0	\$772,912
Operating Cash Disbursements:				
Personal Services	307,775			307,775
Contractual Services	142,341			142,341
Supplies and Materials	136,404			136,404
Capital Outlay	224,876		3,328	228,204
Total Operating Cash Disbursements	811,396	0	3,328	814,724
Operating Income/(Loss)	(39,584)	1,100	(3,328)	(41,812)
Non-Operating Cash Receipts:				
Property Tax and Other Local Taxes			61,659	61,659
Earnings on Investments	30,382			30,382
Total Non-Operating Cash Receipts	30,382	0	61,659	92,041
Non-Operating Cash Disbursements:				
Debt Service	74,812			74,812
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	(84,014)	1,100	58,331	(24,583)
Transfers-In	74,812			74,812
Transfers-Out	(74,812)			(74,812)
Net Receipts Over/(Under) Disbursements	(84,014)	1,100	58,331	(24,583)
Fund Cash Balances, January 1	668,262	107,590	81,030	856,882
Fund Cash Balances, December 31	\$584,248	\$108,690	\$139,361	\$832,299
Reserve for Encumbrances, December 31	\$28,305	\$0	\$54,854	\$83,159

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

VILLAGE OF NAVARRE

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Property Tax and Other Local Taxes	\$37,780	\$80,486	\$0	\$503,682	\$621,948
Intergovernmental	144,533	86,121			230,654
Charges for Services	306				306
Fines, Licenses, and Permits	2,655	175			2,830
Earnings on Investments	21,691	3,102			24,793
Miscellaneous	44,829	4,529			49,358
Total Cash Receipts	251,794	174,413	0	503,682	929,889
Cash Disbursements:					
Current:					
Security of Persons and Property	266,224	3,252			269,476
Public Health Services	3,614				3,614
Leisure Time Activities	9,492				9,492
Community Environment	494			3,339	3,833
Transportation		151,719			151,719
General Government	142,335			3,370	145,705
Capital Outlay	88,750	30,242	25,286		144,278
Total Cash Disbursements	510,909	185,213	25,286	6,709	728,117
Total Cash Receipts Over/(Under) Cash Disbursements	(259,115)	(10,800)	(25,286)	496,973	201,772
Other Financing Receipts/(Disbursements):					
Transfers-In	344,147	98,328	149,164		591,639
Transfers-Out	(90,000)		(10,000)	(491,639)	(591,639)
Other Uses				(1,867)	(1,867)
Total Other Financing Receipts/(Disbursements)	254,147	98,328	139,164	(493,506)	(1,867)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,968)	87,528	113,878	3,467	199,905
Fund Cash Balances, January 1	172,540	72,023	82,530	1,558	328,651
Fund Cash Balances, December 31	\$167,572	\$159,551	\$196,408	\$5,025	\$528,556
Reserves for Encumbrances, December 31	\$4,393	\$75	\$0	\$0	\$4,468

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

VILLAGE OF NAVARRE

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

	Proprietary	Fiduciary		Totals (Memorandum Only)
	Fund Type	Fund Types		
	Enterprise	Nonexpendable Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$677,174	\$1,350	\$0	\$678,524
Operating Cash Disbursements:				
Personal Services	278,801			278,801
Contractual Services	90,729			90,729
Supplies and Materials	92,584			92,584
Capital Outlay	120,618			120,618
Total Operating Cash Disbursements	582,732	0	0	582,732
Operating Income	94,442	1,350	0	95,792
Non-Operating Cash Receipts:				
Property Tax and Other Local Taxes			80,486	80,486
Earnings on Investments	34,401			34,401
Total Non-Operating Cash Receipts	34,401	0	80,486	114,887
Non-Operating Cash Disbursements:				
Debt Service	67,008			67,008
Excess of Receipts Over Disbursements Before Interfund Transfers	61,835	1,350	80,486	143,671
Transfers-In	67,008			67,008
Transfers-Out	(67,008)			(67,008)
Net Receipts Over Disbursements	61,835	1,350	80,486	143,671
Fund Cash Balances, January 1	606,427	106,240	544	713,211
Fund Cash Balances, December 31	\$668,262	\$107,590	\$81,030	\$856,882
Reserve for Encumbrances, December 31	\$800	\$0	\$0	\$800

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Navarre, Stark County, Ohio, (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, park operations (leisure time activities), and police 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 included in the cash fund balance. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

The Village invests in certificates of deposit and overnight repurchase agreements which are valued at cost.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects 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 Projects Fund:

Capital Projects Fund - This fund receives a portion of income tax revenue which is used to pay for capital equipment purchases.

4. 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.

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

5. 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. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant expendable trust fund:

Income Tax Fund - This fund is used to record the collection of self-assessed taxes, the cost of collecting such tax and the distribution to various other funds in accordance with Village ordinances.

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 Village 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 capital outlay 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 cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investment 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	\$29,755	\$22,474
Certificates of deposit	<u>108,590</u>	<u>107,160</u>
Total Deposits	138,345	129,634
Investments (Repurchase agreements)	<u>1,408,422</u>	<u>1,255,804</u>
Total Deposits and Investments	<u><u>\$1,546,767</u></u>	<u><u>\$1,385,438</u></u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Investments: Repurchase agreements are uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent, but not in the Village's name.

VILLAGE OF NAVARRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 625,793	\$ 627,269	\$ 1,476
Special Revenue	259,000	242,367	(16,633)
Capital Projects	215,000	217,925	2,925
Enterprise	751,700	877,006	125,306
Fiduciary	607,500	595,015	(12,485)
Total	\$ 2,458,993	\$ 2,559,582	\$ 100,589

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 788,972	\$ 644,678	\$ 144,294
Special Revenue	418,475	286,785	131,690
Capital Projects	411,409	30,395	381,014
Enterprise	1,419,161	989,325	429,836
Fiduciary	801,147	587,261	213,886
Total	\$ 3,839,164	\$ 2,538,444	\$ 1,300,720

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 591,467	\$ 595,941	\$ 4,474
Special Revenue	269,500	272,741	3,241
Capital Projects	148,500	149,164	664
Enterprise	735,444	778,583	43,139
Fiduciary	582,000	585,518	3,518
Total	\$ 2,326,911	\$ 2,381,947	\$ 55,036

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

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 761,775	\$ 605,302	\$ 156,473
Special Revenue	341,522	185,288	156,234
Capital Projects	231,031	35,286	195,745
Enterprise	1,290,576	717,548	573,028
Fiduciary	690,344	500,215	190,129
Total	\$ 3,315,248	\$ 2,043,639	\$ 1,271,609

4. PROPERTY TAX

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

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

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

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission	\$ 57,403	0.00%
Mortgage Revenue Bonds - Sewer	385,000	8.00%
Total	\$ 442,403	

The Village obtained an Ohio Public Works Commission project loan for the purpose of improving the municipal water system. This loan will be repaid in semiannual installments with no interest, over 20 years. The Village obtained the sewer bonds for the purpose of constructing a sewer treatment plant. These bonds will be repaid in annual installments over 20 years.

**VILLAGE OF NAVARRE
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:	OPWC Loan	Mortgage Revenue Bonds
2000	\$ 2,392	\$ 66,762
2001	4,784	68,875
2002	4,784	65,575
2003	4,784	67,275
2004	4,784	68,562
Subsequent	35,875	204,287
Total	\$ 57,403	\$ 541,336

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF 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 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. 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 has obtained commercial insurance for the following risks:

- Boilers
- Comprehensive property and general liability
- Vehicles
- Commercial inland marine
- General liability
- Public officials' liability
- Employers liability
- Employee benefits liability
- Cemetery Liability

The Village also provides health insurance to full-time employees through the Medical Mutual of Ohio Benefit Plan, dental and vision coverage through Professional Claims Management, and life insurance through Medical Life.

VILLAGE OF NAVARRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

8. JOINT VENTURE

The Village participates in, and is the fiscal agent for, the Perry-Navarre Joint Economic Development District (JEDD) which is a statutorily created political subdivision of the State and which was established on November 6, 1996. The JEDD is a joint venture among the Village and Perry Township, created to facilitate economic development and to preserve jobs and employment opportunities. A five-member Board of Directors has been established to govern the JEDD, including two representatives appointed by the Village. The JEDD is not accumulating significant financial resources or experiencing fiscal stress which would cause additional benefit to or burden on the Village. In 1999 and 1998, the Village contributed \$61,659 and \$80,486, respectively, to the JEDD, which represents 50% of its total contributions. Complete financial statements can be obtained from the Village of Navarre Clerk-Treasurer, 27 Canal Street West, Navarre, Ohio 44662.

9. JOINTLY GOVERNED ORGANIZATIONS

- A. Stark Council of Governments (Council) The Village participates in the Council which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County, municipalities and townships. Each member's control over the operation of the Council is limited to its representation on the Board which consists of 27 members. The Board exercises total control over the operation of the Council including appropriating, contracting, and designating management.
- B. Stark County Regional Planning Commission (Commission) The Village participates in the Commission which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, municipalities and townships. Each member's control over the operation of the Commission is limited to its representation on the Board which consists of 48 members. The Board exercises total control over the operation of the Commission including appropriating, contracting, and designating management.

10. CONTINGENT LIABILITIES

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

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

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

Village of Navarre
Stark County
27 Canal Street West
Navarre, Ohio 44662

To the Village Council:

We have audited the accompanying financial statements of the Village of Navarre, Stark County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998 and have issued our report thereon dated June 30, 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 a certain immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated June 30, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 June 30, 2000.

Village of Navarre
Stark County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 30, 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 NAVARRE

STARK 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
AUGUST 22, 2000**