

**VILLAGE OF GARRETTSVILLE**

**PORTAGE COUNTY, OHIO**

**REGULAR AUDIT**

**For the Years Ended December 31, 2020 and 2019**







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Village Council  
Village of Garrettsville  
8213 High Street  
Garrettsville, Ohio 44231

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

September 01, 2021

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

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**INDEPENDENT AUDITOR'S REPORT**

Village of Garrettsville  
Portage County  
8213 High Street  
Garrettsville, OH 44231

To the Village Council:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the Village of Garrettsville, Portage County, Ohio (the Village).

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2020 and 2019, and the respective changes in financial position or its cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the Village in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 13 to the 2020 financial statements and Note 12 in the 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinions regarding this matter.

As discussed in Note 12 to the 2020 financial statements, the Village made several changes to its reporting model. 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 June 9, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
June 9, 2021



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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 136,455	\$ 5,508	\$ -	\$ 141,963
Municipal Income Tax	1,086,740	274,710	14,604	1,376,054
Intergovernmental	74,036	328,411	-	402,447
Charges for Services	37,683	21,918	-	59,601
Fines, Licenses and Permits	49,525	250	-	49,775
Earnings on Investments	12,826	-	-	12,826
Miscellaneous	56,176	3,132	-	59,308
<i>Total Cash Receipts</i>	1,453,441	633,929	14,604	2,101,974
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	648,217	107,768	-	755,985
Public Health Services	-	42,811	-	42,811
Leisure Time Activities	20,173	-	-	20,173
Community Environment	25,227	-	-	25,227
Basic Utility Services	-	10,729	-	10,729
Transportation	20,441	317,357	-	337,798
General Government	405,129	23,303	-	428,432
Capital Outlay	-	65,268	9,750	75,018
<i>Total Cash Disbursements</i>	1,119,187	567,236	9,750	1,696,173
<i>Excess of Receipts Over (Under) Disbursements</i>	334,254	66,693	4,854	405,801
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	2,632	-	-	2,632
<i>Total Other Financing Receipts (Disbursements)</i>	2,632	-	-	2,632
<i>Net Change in Fund Cash Balances</i>	336,886	66,693	4,854	408,433
<i>Fund Cash Balances, January 1</i>	464,586	303,907	10,435	778,928
<i>Fund Cash Balances, December 31</i>	<u>\$ 801,472</u>	<u>\$ 370,600</u>	<u>\$ 15,289</u>	<u>\$ 1,187,361</u>

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

**Village of Garrettsville**  
**Portage County**  
*Combined Statement of Receipts, Disbursements and Changes in*  
*Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2020*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 1,387,152
Fines, Licenses and Permits	6,100
Miscellaneous	1,709
<i>Total Operating Cash Receipts</i>	1,394,961
<b>Operating Cash Disbursements</b>	
Personal Services	288,339
Employee Fringe Benefits	121,141
Contractual Services	387,486
Supplies and Materials	71,401
Other	1,406
<i>Total Operating Cash Disbursements</i>	869,773
<i>Operating Income (Loss)</i>	525,188
<b>Non-Operating Receipts (Disbursements)</b>	
Property and Other Local Taxes	4,207
Special Assessments	3,639
Earnings on Investments	7,545
Sale of Capital Assets	2,260
Miscellaneous Receipts	28,281
Capital Outlay	(121,547)
Principal Retirement	(151,856)
Interest and Other Fiscal Charges	(2,867)
<i>Total Non-Operating Receipts (Disbursements)</i>	(230,338)
<i>Income (Loss) before Transfers</i>	294,850
Transfers In	12,000
Transfers Out	(12,000)
<i>Net Change in Fund Cash Balances</i>	294,850
<i>Fund Cash Balances, January 1</i>	2,935,957
<i>Fund Cash Balances, December 31</i>	\$ 3,230,807

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

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

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**Note 1 - Reporting Entity**

The Village of Garrettsville, Portage County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services.

***Public Entity Risk Pool***

The Village participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type which are organized on a fund type basis.

***Fund Accounting***

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

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

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

***Street Construction, Maintenance and Repair Fund*** The street construction, maintenance and repair fund accounts for and reports motor vehicle license tax, gasoline tax and income tax monies restricted for construction, maintenance, and repair of streets within the Village.

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

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

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

**Capital Project Fund** 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 Fund:

**Construction Fund** The capital projects fund accounts for and reports receipt of income tax restricted for capital projects.

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

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

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

***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 Village 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 disbursements 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 be budgeted annually.

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

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

**Encumbrances** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated in the subsequent year.

A summary of 2020 budgetary activity appears in Note 3.

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

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

***Deposits and Investments***

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

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

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

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

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

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

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

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.

**Note 3 - Budgetary Activity**

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,413,272	\$ 1,456,073	\$ 42,801
Special Revenue	574,895	633,929	59,034
Capital Projects	12,671	14,604	1,933
Enterprise	1,377,238	1,452,893	75,655

2020 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,379,055	\$ 1,119,187	\$ 259,868
Special Revenue	667,796	567,236	100,560
Capital Projects	10,000	9,750	250
Enterprise	1,625,889	1,158,043	467,846

**Note 4 – Deposits**

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2020
Demand deposits	\$ 4,418,168

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Village; 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.

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

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**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 1.75% 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.

**Note 6 - Risk Management**

***Workers' Compensation***

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

***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

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**Note 6 - Risk Management (continued)**

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

<b>2020</b>	
Cash and investments	\$54,973,597
Actuarial liabilities	16,440,940

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Ohio Police and Fire Pension Fund***

The Village's 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police members' wages. The Village has paid all contributions required through December 31, 2020.

**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% during calendar year 2020, and OP&F contributed 0.5% to fund these benefits.



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

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**Note 9 – Debt**

Debt outstanding at December 31, 2020 was as follows:

	Principal	Interest Rate
OWDA Loan # 5752	\$ 3,240,533	0.00%
OWDA Loan # 7741	343,545	1.63%
OWDA Loan # 7872	17,994	0.00%
OPWC Loan # CG25L	87,500	0.00%
Total	\$ 3,689,572	

In 2012, the Village obtained an OPWC loan totaling \$350,000 to complete the Sanitary Expansion project. The Village plans to repay the loan from user charges. The loan matures January 1, 2023 due to the July 2020 payment being deferred due to COVID-19. No payments were accepted in July, 2020 due to COVID-19.

In 2012, the Village obtained financing from Ohio Water Development Authority (OWDA) for the completion of the Waste Water Treatment Plant Expansion Phase I. The total loan is for \$5,635,708. The Village make semi-annual payments to payoff the principal amount of the loan. The loan matures January 1, 2032.

In 2017, the Village obtained financing from Ohio Water Development Authority (OWDA) for the completion of the North Street Water Main Phase II. The total loan is for \$375,883. The Village makes semi-annual payments to payoff the principal as well as the interest at a rate of 1.63%. The loan matures June 1, 2038.

In 2018, the Village obtained financing from Ohio Water Development Authority (OWDA) for GIS Mapping & Asset Management Planning. Payments do not start until January 1, 2020 and the last payment will be July 1, 2024. No amortization schedule is currently available for this loan.

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

**Note 9 – Debt (continued)**

***Amortization***

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

Year ending December 31:	OWDA Loan #5752	OWDA Loan #7741	OPWC Loan #CG25L
2021	\$ 281,785	\$ 22,100	\$ 35,000
2022	281,785	22,100	35,000
2023	281,785	22,100	17,500
2024	281,785	22,100	-
2025	281,785	22,100	-
2026-2030	1,408,928	110,498	-
2031-2035	422,679	110,498	-
2036-2041	-	66,298	-
Total	<u>\$ 3,240,532</u>	<u>\$ 397,794</u>	<u>\$ 87,500</u>

**Note 10 – Contingent Liabilities**

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village’s financial condition.

**Note 11 – Transfers**

During 2020, a transfer was made from the Water Fund to the Water Improvement Fund for improvements. All transfers were made in accordance with the Ohio Revised Code.

**Note 12 – Change in Accounting Principle**

For 2020, the Village has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balance (regulatory cash basis) – all governmental fund types. There was no effect on the beginning fund balance.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding. Of the amounts received, \$20,000 was sub-granted to the Garrettsville Freedom Nelson Joint Fire District.

**Village of Garrettsville**  
**Portage County**  
*Combined Statement of Receipts, Disbursements and Changes in*  
*Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2019*

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 127,114	\$ -	\$ -	\$ -	\$ 127,114
Municipal Income Tax	1,056,629	267,501	-	13,375	1,337,505
Intergovernmental	89,259	138,759	-	-	228,018
Charges for Services	52,183	10,050	-	-	62,233
Fines, Licenses and Permits	15,392	3,184	-	-	18,576
Earnings on Investments	10,607	-	-	-	10,607
Miscellaneous	78,570	13,143	-	-	91,713
<i>Total Cash Receipts</i>	1,429,754	432,637	-	13,375	1,875,766
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	601,231	8,647	-	-	609,878
Public Health Services	-	4,061	-	-	4,061
Leisure Time Activities	6,489	-	-	-	6,489
Community Environment	13,200	-	-	-	13,200
Transportation	-	342,405	-	-	342,405
General Government	714,900	-	-	-	714,900
Capital Outlay	101,280	159,440	-	20,000	280,720
<i>Total Cash Disbursements</i>	1,437,100	514,553	-	20,000	1,971,653
<i>Excess of Receipts Over (Under) Disbursements</i>	(7,346)	(81,916)	-	(6,625)	(95,887)
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	3,010	-	-	-	3,010
Transfers In	28,323	-	-	-	28,323
Transfers Out	-	-	(28,323)	-	(28,323)
<i>Total Other Financing Receipts (Disbursements)</i>	31,333	-	(28,323)	-	3,010
<i>Net Change in Fund Cash Balances</i>	23,987	(81,916)	(28,323)	(6,625)	(92,877)
<i>Fund Cash Balances, January 1</i>	440,599	385,823	28,323	17,060	871,805
<b>Fund Cash Balances, December 31</b>					
Restricted	-	303,907	-	10,435	314,342
Unassigned	464,586	-	-	-	464,586
<i>Fund Cash Balances, December 31</i>	\$ 464,586	\$ 303,907	\$ -	\$ 10,435	\$ 778,928

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

**Village of Garrettsville**  
**Portage County**  
*Combined Statement of Receipts, Disbursements and Changes in*  
*Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2019*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 1,404,000
Miscellaneous	59,366
	1,463,366
<i>Total Operating Cash Receipts</i>	<i>1,463,366</i>
<b>Operating Cash Disbursements</b>	
Personal Services	235,102
Employee Fringe Benefits	103,886
Contractual Services	293,101
Supplies and Materials	173,092
	805,181
<i>Total Operating Cash Disbursements</i>	<i>805,181</i>
<i>Operating Income (Loss)</i>	<i>658,185</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Earnings on Investments	24,064
Other Debt Proceeds	14,072
Capital Outlay	(162,375)
Principal Retirement	(254,028)
Interest and Other Fiscal Charges	(5,931)
	(384,198)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(384,198)</i>
<i>Income (Loss) before Transfers</i>	<i>273,987</i>
Transfers In	12,000
Transfers Out	(12,000)
	273,987
<i>Net Change in Fund Cash Balances</i>	<i>273,987</i>
<i>Fund Cash Balances, January 1</i>	<i>2,661,970</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 2,935,957</i>

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

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

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**Note 1 - Reporting Entity**

The Village of Garrettsville, Portage County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services.

***Public Entity Risk Pool***

The Village participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type which are organized on a fund type basis.

***Fund Accounting***

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

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

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

***Street Construction, Maintenance and Repair Fund*** The street construction, maintenance and repair fund accounts for and reports motor vehicle license tax, gasoline tax and income tax monies restricted for construction, maintenance, and repair of streets within the Village.

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

***Boardwalk Special Assessment Fund*** The boardwalk special assessment fund accounts for and reports receipt of special assessments from certain property owners for the repayment of bonds issued to build a boardwalk.

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

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

**Capital Project Fund** 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 Fund:

**Construction Fund** The capital projects fund accounts for and reports receipt of income tax restricted for capital projects.

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

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

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

***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 Village 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 disbursements 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 be budgeted annually.

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

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

**Encumbrances** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 3.

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

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

***Deposits and Investments***

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

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

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

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Council or a Village official delegated that authority by resolution, or by State Statute. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the general fund.

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

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

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

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.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ended December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,246,112	\$ 1,461,087	\$ 214,975
Special Revenue	419,287	432,637	13,350
Debt Service	-	-	-
Capital Projects	12,671	13,375	704
Enterprise	1,389,554	1,513,502	123,948

2019 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,568,953	\$ 1,437,100	\$ 131,853
Special Revenue	671,992	514,553	157,439
Debt Service	-	28,323	(28,323)
Capital Projects	20,000	20,000	-
Enterprise	1,794,293	1,239,515	554,778

**Note 4 – Deposits**

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

Demand deposits	2019
	\$ 3,714,885

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Village; 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.



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

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**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 1.75% 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.

**Note 6 - Risk Management**

***Workers' Compensation***

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

***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

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**Note 6 - Risk Management (continued)**

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

<b>2019</b>	
Cash and investments	\$35,381,789
Actuarial liabilities	12,965,015

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Ohio Police and Fire Pension Fund***

The Village's 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

**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% during calendar year 2019, and OP&F contributed 0.5% to fund these benefits.

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

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

**Note 9 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
OWDA Loan # 5752	\$ 3,381,424	0.00%
OWDA Loan # 7741	351,729	1.63%
OWDA Loan # 7872	20,775	0.00%
OPWC Loan # CG25L	87,500	0.00%
Total	\$ 3,841,428	

In 2012, the Village obtained an OPWC loan totaling \$350,000 to complete the Sanitary Expansion project. The Village plans to repay the loan from user charges. The loan matures July 1, 2022.

In 2012, the Village obtained financing from Ohio Water Development Authority (OWDA) for the completion of the Waste Water Treatment Plant Expansion Phase I. The total loan is for \$5,635,708. The Village make semi-annual payments to payoff the principal amount of the loan. The loan matures January 1, 2032.

In 2017, the Village obtained financing from Ohio Water Development Authority (OWDA) for the completion of the North Street Water Main Phase II. The total loan is for \$375,883. The Village makes semi-annual payments to payoff the principal as well as the interest at a rate of 1.63%. The loan matures June 1, 2038. During 2019, OWDA posted a principal adjustment, decreasing the principal balance by \$1,479.

In 2018, the Village obtained financing from Ohio Water Development Authority (OWDA) for GIS Mapping & Asset Management Planning. Payments do not start until January 1, 2020 and the last payment will be July 1, 2024. No amortization schedule is currently available for this loan.

***Amortization***

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

Year ending December 31:	OWDA Loan #5752	OWDA Loan #7741	OPWC Loan #CG25L
2020	\$ 140,892	\$ 11,050	\$ 17,500
2021	281,785	22,100	35,000
2022	281,785	22,100	35,000
2023	281,785	22,100	-
2024	281,785	22,100	-
2025-2029	1,408,928	110,498	-
2030-2034	704,464	110,498	-
2035-2039	-	88,398	-
Total	\$ 3,381,424	\$ 408,844	\$ 87,500

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

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**Note 10 – Contingent Liabilities**

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village's financial condition.

**Note 11 – Transfers**

During 2019, a transfer was made from the Water Fund to the Water Improvement Fund for improvements. All transfers were made in accordance with the Ohio Revised Code. A transfer was also made from the Debt Service Fund to the General Fund. This transfer was to close the Boardwalk Special Assessment Fund after the project was completed. The transfer was approved by the Ohio Tax Commissioner.

**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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

Village of Garrettsville  
Portage County  
8213 High Street  
Garrettsville, OH 44231

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2020 and 2019 of the Village of Garrettsville, Portage County, (the Village), and the related notes to the financial statements, and have issued our report thereon dated June 9, 2021 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village and several changes to its reporting model.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider to be material weaknesses. We consider findings 2020-001 and 2020-002 to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2020-002.


We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 9, 2021.

***Village's Responses to Findings***

The Village's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan. We did not audit the Village's responses and accordingly, we express no opinion on them.

***Purpose of this Report***

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



***Charles E. Harris and Associates, Inc.***  
June 9, 2021

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**Finding Number 2020-001 - Material Weakness**

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

- Recorded gasoline excise tax in the incorrect fund.
- The Cemetery fund was recorded as a Private Purpose Trust fund instead of a Special Revenue fund in 2020.
- Erroneously double booked a debt payment in 2019 and then triple booked it in 2020.
- Made a fund balance adjustment to multiple funds in 2020 due to the conversion to UAN not taking into account the outstanding checks present at the end of 2019.
- Reclassified revenue booked in the incorrect fund as a transfer instead of adjusting the receipts.
- Local tax withholdings from employees' paychecks which were to be remitted to the Village were not posted as income tax revenue.

The accompanying financial statements and the Village's records have been adjusted to properly reflect these transactions with the exception of the employee withholdings, which were immaterial.

Failure to report transactions correctly results in the financial statements not being accurately presented. We recommend that the Fiscal Officer follow the Village Officer's Handbook, the Uniform Accounting Network (UAN) manual and other Auditor of State guidance to properly classify its transactions. In addition, we recommend the Fiscal Officer review all financial reports compiled by UAN to ensure their accuracy.

**Management Response:**

See corrective action plan.

**Finding Number 2020-002 - Material Weakness and Non-Compliance**

Ohio Rev. Code Section 149.351 states that all records are property of the public office concerned and shall not be removed, destroyed, mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by law or under rules adopted by the records commission provided under sections 149.38 to 149.42 of the Revised Code.

When designing the public office's system of internal control and the specific control activities, management should:

- Ensure that all transactions are properly authorized in accordance with management's policies.
- Ensure that accounting records are properly designed.
- Ensure adequate security of assets and records.
- Plan for adequate segregation of duties or compensating controls.
- Perform analytical procedures to determine the reasonableness of financial data.
- Ensure the collection and compilation of that data needed for the timely preparation of financial statements.

During the 2019 fiscal year we tested 7 checks written for which no supporting documents were attached. Detail support for the May through September 2019 receipts could not be located. We were able to satisfy ourselves with the amounts selected for testing through alternative procedures.

**VILLAGE OF GARRETTSVILLE  
PORTAGE COUNTY  
SCHEDULE OF FINDINGS (continued)  
December 31, 2020 and 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (continued)</b>
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**Finding Number 2020-002 - Material Weakness and Non-Compliance (continued)**

Without proper supporting documentation, it is not possible to determine if the expenditures included items that would be considered a proper public purpose. The failure to maintain adequate support for these expenditures and receipts resulted in a loss of accountability over the Village's finances. The lack of supporting documentation makes it impracticable to determine the proper classification of such receipts and disbursements in the financial reporting system.

We recommend that all supporting documentation be retained and filed in an orderly and secure manner.

**Management Response:**

See corrective action plan.



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

Finding Number	Finding Summary	Status	Additional Information
2018-001	Material Weakness – Improper Posting of Transactions	Not corrected	See Corrective Action Plan
2018-002	Use of Purchase Orders	Corrected	

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

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2020-001	Errors were made recording transactions during a transition of software, and a transition and reduction of personnel. The Village Officer's Handbook and local legislation has been reviewed by new personnel and transactions are being recorded properly. Additionally, the Fiscal Officer is reviewing financial reports compiled by UAN to ensure their accuracy.	June 30, 2021	Donna Love, Fiscal Officer
2020-002	All supporting documentation is currently being attached to receipts, warrants and electronic payments. Documents are filed in an orderly and secure manner.	January 1, 2020	Donna Love, Fiscal Officer

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF GARRETTSVILLE**

**PORTAGE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/14/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)