

VILLAGE OF
COMMERCIAL POINT
PICKAWAY COUNTY, OHIO

Financial Statements
(Audited)

For The Years Ended
December 31, 1999 and 1998

TRIMBLE, JULIAN & GRUBE, INC.

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**VILLAGE OF
COMMERCIAL POINT
PICKAWAY COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 1999 and 1998

RANDALL NELSON, CLERK/TREASURER

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO**

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OFFICE OF THE AUDITOR

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Members of Council and Mayor
Village of Commercial Point
9 Bellshazzar Street
Commercial Point, Ohio 43116

We have reviewed the independent auditor's report of the Village of Commercial Point, Pickaway County, prepared by Trimble, Julian & Grube, Inc., Certified Public Accountants, for the audit period January 1, 1998 through December 31, 1999. 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 Commercial Point is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a horizontal line.

JIM PETRO
Auditor of State

May 26, 2000

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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Independent Auditor's Report

Members of Council and Mayor
Village of Commercial Point
9 Bellshazzar St.
Commercial Point, OH 43116

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

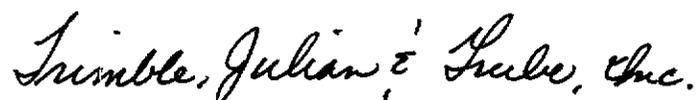
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable 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 2, the Village of Commercial Point prepares its financial statements on the basis of accounting prescribed or permitted by 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 cash balances and fund balances of the Village of Commercial Point, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 3, 2000, on our consideration of the Village of Commercial Point'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 for the Village of Commercial Point and its management and is not intended to be and should not be used by anyone other than these specified parties.


Trimble, Julian & Grube, Inc.
March 3, 2000

VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO

COMBINED STATEMENT OF FUND BALANCES
ALL FUND TYPES - CASH BASIS
DECEMBER 31, 1999

<u>Cash</u>	<u>1999</u>
Cash and Cash Equivalents	\$ 128,909
Investments	<u>431,315</u>
Total Cash	<u>\$ 560,224</u>
<u>Fund Balances</u>	
<u>Governmental Funds:</u>	
General Fund	\$ 46,242
Special Revenue Funds	50,023
Debt Service Fund	<u>16</u>
Total Governmental Funds	<u>96,281</u>
<u>Proprietary Funds:</u>	
Enterprise Funds	<u>463,943</u>
Total Fund Balances	<u>\$ 560,224</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO**

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

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash receipts:				
Local taxes	\$ 33,452			\$ 33,452
Intergovernmental	33,044	\$ 14,003		47,047
Charges for services		155,410		155,410
Fines, licenses, and permits	3,425	375		3,800
Interest	25,755	2,547	\$ 49	28,351
Special assessments			3,501	3,501
Miscellaneous	2,699			2,699
Total cash receipts	<u>98,375</u>	<u>172,335</u>	<u>3,550</u>	<u>274,260</u>
Cash disbursements:				
Current:				
Security of persons and property	26,579			26,579
Public health services	1,733			1,733
Community environment	570	208,968		209,538
Transportation	8,544	24,805		33,349
General government	33,066			33,066
Capital outlay	5,122			5,122
Debt service:				
Principal retirement			2,600	2,600
Interest charges			950	950
Total cash disbursements	<u>75,614</u>	<u>233,773</u>	<u>3,550</u>	<u>312,937</u>
Total cash receipts over/(under) cash disbursements	<u>22,761</u>	<u>(61,438)</u>	<u>-</u>	<u>(38,677)</u>
Other financing receipts/(disbursements):				
Transfers-out	(20,050)			(20,050)
Advance-in	3,000			3,000
Advance-out	(3,000)			(3,000)
Total other financing receipts/(disbursements)	<u>(20,050)</u>	<u>-</u>	<u>-</u>	<u>(20,050)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	<u>2,711</u>	<u>(61,438)</u>	<u>-</u>	<u>(58,727)</u>
Cash fund balances, January 1, 1999	<u>43,531</u>	<u>111,461</u>	<u>16</u>	<u>155,008</u>
Cash fund balances, December 31, 1999	<u>\$ 46,242</u>	<u>\$ 50,023</u>	<u>\$ 16</u>	<u>\$ 96,281</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO**

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

	Proprietary Fund Types	Fiduciary Fund	
	Enterprise	Agency	Total (Memorandum Only)
Operating cash receipts:			
Charges for services	\$ 384,329		\$ 384,329
Total operating cash receipts	384,329	-	384,329
Operating cash disbursements:			
Personal services	34,751		34,751
Employee fringe benefits	6,257		6,257
Contractual services	54,476		54,476
Supplies and material	17,875		17,875
Capital outlay	359,674		359,674
Total operating cash disbursements	473,033	-	473,033
Operating (loss)	(88,704)	-	(88,704)
Nonoperating cash receipts/(disbursements):			
Proceeds of notes	184,593		184,593
Intergovernmental revenues	120,283		120,283
Special assessments	27,753		27,753
Fines and fees		\$ 2,395	2,395
Fines disbursements		(2,395)	(2,395)
Debt service:			
Principal	(102,050)		(102,050)
Interest	(75,571)		(75,571)
Total nonoperating cash receipts/(disbursements)	155,008	-	155,008
Excess of receipts over disbursements before interfund transfers	66,304	-	66,304
Transfers-in	20,050		20,050
Advances-in	3,000		3,000
Advances-out	(3,000)		(3,000)
Total transfers	20,050	-	20,050
Net receipts over disbursements after interfund transfers	86,354	-	86,354
Cash fund balances, January 1, 1999	377,589	-	377,589
Cash fund balances, December 31, 1999	\$ 463,943	\$ -	\$ 463,943

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1999

Fund Types	Receipts			Disbursements					Variance Favorable (Unfavorable)
	Budget	Actual 1999 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1999 Appropriations	Total	Actual 1999 Disbursements	Encumbrances Outstanding at 12/31/99	
Governmental:									
General	\$ 104,750	\$ 101,375	\$ (3,375)	\$ -	\$ 160,332	\$ 160,332	\$ 98,664	\$ -	\$ 98,664
Special Revenue	243,219	172,335	(70,884)	-	200,286	200,286	233,773	-	233,773
Debt Service	3,840	3,550	(290)	-	3,840	3,840	3,550	-	3,550
Proprietary:									
Enterprise	1,223,431	740,008	(483,423)	171,838	1,232,716	\$ 1,404,554	653,654	51,555	705,209
Total	\$ 1,575,240	\$ 1,017,268	\$ (557,972)	\$ 171,838	\$ 1,597,174	\$ 1,769,012	\$ 989,641	\$ 51,555	\$ 1,041,196
(Memorandum Only)									\$ 727,816

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO

COMBINED STATEMENT OF FUND BALANCES
ALL FUND TYPES - CASH BASIS
DECEMBER 31, 1998

<u>Cash</u>	<u>1998</u>
Cash and Cash Equivalents	\$ 105,635
Investments	<u>426,962</u>
Total Cash	<u>\$ 532,597</u>
<u>Fund Balances</u>	
<u>Governmental Funds:</u>	
General Fund	\$ 43,531
Special Revenue Funds	111,461
Debt Service Fund	<u>16</u>
Total Governmental Funds	<u>155,008</u>
<u>Proprietary Funds:</u>	
Enterprise Funds	<u>377,589</u>
Total Fund Balances	<u>\$ 532,597</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO**

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

	<u>Governmental Fund Types</u>			<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash receipts:				
Local taxes	\$ 32,853			\$ 32,853
Intergovernmental	27,786	\$ 13,125		40,911
Fines, licenses, and permits	5,529	1,650		7,179
Interest	18,624	6,208	\$ 67	24,899
Charges for services		8,436		8,436
Special assessments			3,892	3,892
Miscellaneous	5,495			5,495
Total cash receipts	<u>90,287</u>	<u>29,419</u>	<u>3,959</u>	<u>123,665</u>
Cash disbursements:				
Current:				
Security of persons and property	20,234			20,234
Public health services	1,202			1,202
Community environment	2,214	48,802		51,016
Transportation	8,984	2,126		11,110
General government	30,589			30,589
Debt service:				
Principal retirement			2,600	2,600
Interest charges			1,683	1,683
Total cash disbursements	<u>63,223</u>	<u>50,928</u>	<u>4,283</u>	<u>118,434</u>
Total cash receipts over/(under) cash disbursements	<u>27,064</u>	<u>(21,509)</u>	<u>(324)</u>	<u>5,231</u>
Other financing receipts/(disbursements):				
Transfers-in		33,892	340	34,232
Transfers-out	(51,965)			(51,965)
Total other financing receipts/(disbursements)	<u>(51,965)</u>	<u>33,892</u>	<u>340</u>	<u>(17,733)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	<u>(24,901)</u>	<u>12,383</u>	<u>16</u>	<u>(12,502)</u>
Cash fund balances, January 1, 1998	<u>68,432</u>	<u>99,078</u>	<u>-</u>	<u>167,510</u>
Cash fund balances, December 31, 1998	<u>\$ 43,531</u>	<u>\$ 111,461</u>	<u>\$ 16</u>	<u>\$ 155,008</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO**

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

	Proprietary Fund Types	Fiduciary Fund	Total (Memorandum Only)
	Enterprise	Agency	
Operating cash receipts:			
Charges for services	\$ 329,244	-	\$ 329,244
Total operating cash receipts	329,244	-	329,244
Operating cash disbursements:			
Personal services	37,042		37,042
Employee fringe benefits	4,401		4,401
Contractual services	38,150		38,150
Supplies and material	18,309		18,309
Capital outlay	2,145,334		2,145,334
Total operating cash disbursements	2,243,236	-	2,243,236
Operating income	(1,913,992)	-	(1,913,992)
Nonoperating cash receipts/(disbursements):			
Proceeds of notes	1,968,874		1,968,874
Intergovernmental revenues	77,610		77,610
Special assessments	76,616		76,616
Fines and fees		\$ 2,875	2,875
Fines disbursements		(2,875)	(2,875)
Debt service:			
Principal	(61,736)		(61,736)
Interest	(77,416)		(77,416)
Total nonoperating cash receipts/(disbursements)	1,983,948	-	1,983,948
Excess of receipts over disbursements before interfund transfers	69,956	-	69,956
Transfers-in	17,733	-	17,733
Total transfers	17,733	-	17,733
Net receipts over disbursements after interfund transfers	87,689	-	87,689
Cash fund balances, January 1, 1998	289,900	-	289,900
Cash fund balances, December 31, 1998	\$ 377,589	\$ -	\$ 377,589

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1998

Fund Types	Receipts			Disbursements				Encumbrances Outstanding at 12/31/98	Total	Variance Favorable (Unfavorable)
	Budget	Actual 1998 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1998 Appropriations	Total	Actual 1998 Disbursements			
Governmental:										
General	\$ 78,630	\$ 90,287	\$ 11,657	\$ 329	\$ 116,848	\$ 117,177	\$ 115,188	\$ -	\$ 115,188	\$ 1,989
Special Revenue	67,000	63,311	(3,689)	41,820	158,147	199,967	50,928	-	50,928	149,039
Debt Service	4,600	4,299	(301)	-	5,029	5,029	4,283	-	4,283	746
Proprietary:										
Enterprise	2,686,110	2,470,077	(216,033)	1,404	2,720,375	2,721,779	2,382,388	171,838	2,554,226	167,553
Total (Memorandum Only)	\$ 2,836,340	\$ 2,627,974	\$ (208,366)	\$ 43,553	\$ 3,000,399	\$ 3,043,952	\$ 2,552,787	\$ 171,838	\$ 2,724,625	\$ 319,327

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of Commercial Point ("the Village") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Village operates under a council-mayor form of government and provides the following services: water, sewer, street construction, maintenance and repair, security of persons and property as well as other general government services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials have direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Village's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village.

GOVERNMENTAL FUNDS

General Fund

The general fund is used to account for all activities of the Village not required to be included 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 are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Village had the following significant special revenue funds:

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

State Highway Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village state highways.

Housing Fund - This fund receives monies for engineering services for the various subdivisions being built in the Village. These monies are collected by the Village for payment to the contracted engineering firm.

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 and grant and loan proceeds from various agencies for the expansion of the Village's water plant.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility and grant and loan proceeds from various agencies for the expansion of the Village's sewer system.

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.

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the item level within each fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds are legally required to be budgeted. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates, and the Budget Commission finds the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The Village adopted supplemental appropriations during 1999 and 1998.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. There were outstanding encumbrances at December 31, 1999 and 1998.

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$28,351 and \$24,899 for the years ended December 31, 1999 and 1998, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

Fixed assets are not capitalized in any of the Village's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village's cash basis method of accounting.

G. INTERFUND TRANSACTIONS

During the course of normal operations, the Village had transactions between funds. The most significant include:

Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers.

Advances of resources from one fund to another fund. The resources advanced are for short-term purposes and are expected to be repaid within one year.

H. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 3 - COMPLIANCE

The following funds had expenditures in excess of appropriations for the years ended December 31, 1999 and 1998 in noncompliance with Ohio Revised Code Section 5705.41(B).

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
1999:			
<u>GENERAL FUND:</u>			
Land & Buildings -			
Supplies & Materials	\$ 1,200	\$ 6,667	\$5,467
Transfers	12,000	20,050	8,050

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

NOTE 3 - COMPLIANCE - (Continued)

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>SPECIAL REVENUE FUND:</u>			
Housing	\$161,106	\$208,968	\$47,862
<u>ENTERPRISE FUNDS:</u>			
Water			
Debt Service - Principal	30,950	33,966	3,016
Sewer			
Debt Service - Principal	64,000	68,084	4,084
New Sewer Plant	263,838	334,915	71,077
Garbage	3,000	10,290	7,290
1998:			
<u>GENERAL FUND:</u>			
Council - Contractual Services	\$ 4,000	\$ 6,306	\$ 2,306
Transfers	15,000	18,073	3,073
<u>ENTERPRISE FUNDS:</u>			
Water-Employee Benefits			
Debt Service - Principal	1,500	2,272	772
Debt Service - Principal	27,000	28,425	1,425
Sewer-Employee Benefits			
Capital Outlay	1,500	2,130	630
Capital Outlay	235,428	251,264	15,836
Debt Service - Principal	6,000	33,311	27,311

NOTE 4 - CASH AND CASH EQUIVALENTS

The Village maintains individual cash balances in bank accounts and short-term cash equivalents classified as "Cash and Cash Equivalents" on the Statement of Fund Balances.

A. LEGAL REQUIREMENTS

Statutes require the classifications of funds held by the Village into two categories:

Category 1 consists of active funds - those funds required to be kept in a cash or cash equivalent status for immediate use by the Village. Such funds must be maintained either as cash in the Village treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

NOTE 4 - CASH AND CASH EQUIVALENTS - (Continued)

Category 2 consists of inactive funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Inactive funds may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any Federal government agency, or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio).

The Village may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

NOTE 4 - CASH AND CASH EQUIVALENTS - (Continued)

2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default principal, interest or coupons;
3. Obligations to the Village.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Historically, the Village has not purchased these types of investments or issued these types of notes. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

B. 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:

	1999	1998
Deposits:		
Demand deposits	\$ 128,909	\$ 105,635
Investments:		
STAR Ohio	431,315	426,962
Total deposits and investments	\$560,224	\$532,597

The STAR Ohio balances above also represent the market value for December 31, 1999 and 1998, respectively.

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

NOTE 4 - CASH AND CASH EQUIVALENTS - (Continued)

For the years ended December 31, 1999 and 1998, the carrying amount of the Village's deposits, were \$128,909 and \$105,635, and the bank balance was \$143,320 and \$110,093, respectively. Of the bank balance:

1. \$100,000 and \$100,000 was covered by federal depository insurance for 1999 and 1998, respectively.
2. \$43,320 and \$10,093 was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions for 1999 and 1998, respectively.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

NOTE 5 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the County. 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. Real property taxes are payable annually or semiannually to the County. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

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.

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

NOTE 6 - DEBT OBLIGATIONS

At December 31, 1999, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 1999</u>
1982 United States Department of Agriculture (USDA) Sewer Plant Mortgage Revenue Notes, due in annual installments of \$18,000 through 2013 at a rate of 5%	\$ 171,000
1984 United States Department of Agriculture (USDA) Water Plant Mortgage Revenue Notes, due in annual installments of \$10,000 through 2009 at a rate of 7.125%.	64,933
1985 United States Department of Agriculture (USDA) Fire Hydrant Installation Special Assessment Loan, due in annual installments of varying amounts through 2006 at a rate of 7.125%.	18,200
1997 Ohio Water Development Authority (OWDA) Water Plant Expansion Loan, due in semiannual installments of \$45,268 through 2017 at a rate of 6.36%.	939,400
1998 Ohio Water Development Authority (OWDA) Sewer Plant Expansion Loan, due in semiannual installments of varying amounts through 2018 at a rate of 5.86%	<u>1,898,290</u>
Total debt obligations at December 31, 1999	<u>\$3,091,823</u>

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

NOTE 6 - DEBT OBLIGATIONS - (Continued)

Transactions for the year ended December 31, 1999 are summarized as follows:

	<u>Balance at December 31, 1998</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 1999</u>
Note - USDA - 1982	\$ 180,000	\$ 0	\$ 9,000	\$ 171,000
Note - USDA - 1984	<u>69,950</u>	<u>0</u>	<u>5,017</u>	<u>64,933</u>
Total Notes	<u>249,950</u>	<u>0</u>	<u>14,017</u>	<u>235,933</u>
Loan - USDA - 1985	20,800	0	2,600	18,200
Loan - OWDA - 1997	968,348	0	28,948	939,400
Loan - OWDA - 1998	<u>1,772,782</u>	<u>184,593</u>	<u>59,085</u>	<u>1,898,290</u>
Total Loans	<u>2,761,930</u>	<u>184,593</u>	<u>90,633</u>	<u>2,855,890</u>
Total Debt	<u>\$3,011,880</u>	<u>\$184,593</u>	<u>\$104,650</u>	<u>\$3,091,823</u>

Proceeds of notes for the 1997 OWDA loan includes capitalized interest in the amount of \$30,756. As of the date of these financial statements, capitalized interest has not been calculated on the proceeds of notes for the 1998 OWDA loan.

The principal and interest requirements to retire the debt obligations outstanding at December 31, 1999, are as follows:

<u>Year Ending December 31,</u>	<u>Note - USDA - 1982</u>		<u>Note - USDA - 1984</u>		<u>Loan - USDA - 1985</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2000	\$ 9,450	\$ 8,550	\$ 5,374	\$ 4,626	\$ 2,600	\$ 1,297
2001	9,923	8,077	5,757	4,244	2,600	1,112
2002	10,419	7,581	6,167	3,833	2,600	926
2003	10,940	7,060	6,607	3,394	2,600	741
2004	11,487	6,513	7,077	2,923	2,600	556
2005 - 2018	<u>118,781</u>	<u>29,009</u>	<u>33,951</u>	<u>7,880</u>	<u>5,200</u>	<u>556</u>
TOTALS	<u>\$171,000</u>	<u>\$66,790</u>	<u>\$64,933</u>	<u>\$26,900</u>	<u>\$18,200</u>	<u>\$5,188</u>

<u>Year Ending December 31,</u>	<u>Loan - OWDA - 1997</u>		<u>Loan - OWDA - 1998</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2000	\$ 14,921	\$ 30,347	\$ 34,064	\$ 55,620	\$ 66,409	\$ 100,440
2001	31,738	58,798	70,124	109,244	120,142	181,475
2002	33,758	56,778	74,233	105,135	127,177	174,253
2003	35,904	54,632	78,583	100,785	134,634	166,612
2004	38,188	52,348	83,188	96,180	142,540	158,520
2005 - 2018	<u>784,891</u>	<u>392,076</u>	<u>1,558,098</u>	<u>683,846</u>	<u>2,500,921</u>	<u>1,113,367</u>
TOTALS	<u>\$939,400</u>	<u>\$644,979</u>	<u>\$1,898,290</u>	<u>\$1,150,810</u>	<u>\$3,091,823</u>	<u>\$1,894,667</u>

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

NOTE 7 - RETIREMENT SYSTEM

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

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

NOTE 8 - RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public Official's Liability
- Law Enforcement
- Commercial Crime
- Electronic Data Processing

NOTE 9- CONTINGENT LIABILITY

LITIGATION

The Village is currently not involved in litigation.

NOTE 10 - SUBSEQUENT EVENTS

In January 2000, the Village paid off the Sewer and Water Notes with USDA.

The OWDA Sewer Plant Expansion Note principal due continues to increase as the project was not completed at December 31, 1999.

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 WORTHINGTON WOODS BOULEVARD
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of Council and Mayor
Village of Commercial Point
9 Bellshazzar St.
Commercial Point, OH 43116

We have audited the financial statements of the Village of Commercial Point as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 3, 2000. We conducted our audit 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 of Commercial Point'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*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the Village of Commercial Point in a separate letter dated March 3, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Commercial Point'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 we have reported to the management of the Village of Commercial Point in a separate letter dated March 3, 2000.

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

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
March 3, 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

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VILLAGE OF COMMERCIAL POINT

PICKAWAY 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.

By: Susan Babbitt

Date: JUNE 6, 2000