

**VILLAGE OF ORIENT  
PICKAWAY COUNTY, OHIO**

*Financial Statements*  
**(Audited)**

For The Years Ended  
December 31, 2001 and 2000

**MARGARET LEWIS, CLERK/TREASURER**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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Village Council  
Village of Orient  
P.O. Box 63  
Orient, Ohio 43146

We have reviewed the Independent Auditor's Report of the Village of Orient, Pickaway County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2000 through December 31, 2001. 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 Orient is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

September 20, 2002

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**VILLAGE OF ORIENT  
PICKAWAY COUNTY, OHIO**

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# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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## Independent Auditor's Report

Members of Council and Mayor  
Village of Orient, Pickaway County  
P.O. Box 63  
Orient, OH 43146

We have audited the accompanying financial statements of the Village of Orient, Pickaway County, as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Village of Orient's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the Village of Orient 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 accounting principles generally accepted in the United States of America.

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 Orient, as of December 31, 2001 and 2000, 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 August 28, 2002, on our consideration of the Village of Orient's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Trimble, Julian & Grube, Inc.  
August 28, 2002

**VILLAGE OF ORIENT  
PICKAWAY COUNTY, OHIO**

COMBINED STATEMENT OF FUND BALANCES  
ALL FUND TYPES - CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

<u>Cash and Cash Equivalents</u>	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ 221,279	\$ 219,489
Total Cash and Cash Equivalents	<u>\$ 221,279</u>	<u>\$ 219,489</u>
 <u>Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 47,026	\$ 33,315
Special Revenue Fund	<u>89,121</u>	<u>105,727</u>
Total Governmental Fund Types	<u>136,147</u>	<u>139,042</u>
 <u>Proprietary Fund Type:</u>		
Enterprise Fund	<u>85,132</u>	<u>80,447</u>
Total Fund Balances	<u>\$ 221,279</u>	<u>\$ 219,489</u>

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

**VILLAGE OF ORIENT  
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, 2001

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 5,410	\$ 3,039	\$ 8,449
Intergovernmental	45,976	39,891	85,867
Interest	1,287	972	2,259
Miscellaneous	261	-	261
Total cash receipts	<u>52,934</u>	<u>43,902</u>	<u>96,836</u>
Cash disbursements:			
Current:			
Security of persons and property	9,096	-	9,096
Leisure time activities	3,433	-	3,433
Community environment	1,433	-	1,433
Transportation	-	60,508	60,508
General government	25,261	-	25,261
Total cash disbursements	<u>39,223</u>	<u>60,508</u>	<u>99,731</u>
Total cash receipts over/(under) cash disbursements	13,711	(16,606)	(2,895)
Cash fund balances, January 1, 2001	<u>33,315</u>	<u>105,727</u>	<u>139,042</u>
Cash fund balances, December 31, 2001	<u>\$ 47,026</u>	<u>\$ 89,121</u>	<u>\$ 136,147</u>

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

**VILLAGE OF ORIENT  
PICKAWAY COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN CASH FUND BALANCE - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 9,741
Total operating cash receipts	9,741
Operating cash disbursements:	
Contractual services	5,768
Supplies and materials	5
Total operating cash disbursements	5,773
Operating income	3,968
Nonoperating cash receipts:	
Special assessments	717
Total nonoperating cash receipts	717
Excess of receipts over disbursements	4,685
Cash fund balance, January 1, 2001	80,447
Cash fund balance, December 31, 2001	\$ 85,132

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

**VILLAGE OF ORIENT  
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, 2001

Fund Types	Receipts				Disbursements				Variance Favorable (Unfavorable)			
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2001 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2001 Appropriations	Total		Actual 2001 Disbursements	Encumbrances Outstanding at 12/31/01	Total
Governmental:												
General	\$ 40,081	\$ 40,150	\$ 80,231	\$ 52,934	\$ 12,784	\$ 969	\$ 80,231	\$ 81,200	\$ 39,223	\$ 304	\$ 39,527	\$ 41,673
Special Revenue	103,186	41,600	144,786	43,902	2,302	-	135,000	135,000	60,508	55,723	116,231	18,769
Proprietary:												
Enterprise	75,029	20,300	95,329	10,458	(9,842)	-	70,000	70,000	5,773	-	5,773	64,227
Total (Memorandum Only)	\$ 218,296	\$ 102,050	\$ 320,346	\$ 107,294	\$ 5,244	\$ 969	\$ 285,231	\$ 286,200	\$ 105,504	\$ 56,027	\$ 161,531	\$ 124,669

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

**VILLAGE OF ORIENT  
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, 2000

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash receipts:			
Local taxes	\$ 7,912	\$ 2,892	\$ 10,804
Intergovernmental	25,943	38,199	64,142
Licenses, and permits	30	-	30
Interest	1,308	1,341	2,649
Miscellaneous	213	-	213
Total cash receipts	35,406	42,432	77,838
Cash disbursements:			
Current:			
Security of persons and property	8,465	-	8,465
Public health services	168	-	168
Leisure time activities	7,750	-	7,750
Community environment	1,435	-	1,435
Transportation	-	47,429	47,429
General government	32,308	-	32,308
Total cash disbursements	50,126	47,429	97,555
Total cash receipts (under) cash disbursements	(14,720)	(4,997)	(19,717)
Cash fund balances, January 1, 2000	48,035	110,724	158,759
Cash fund balances, December 31, 2000	\$ 33,315	\$ 105,727	\$ 139,042

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

**VILLAGE OF ORIENT  
PICKAWAY COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN CASH FUND BALANCE - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 16,583
Total operating cash receipts	16,583
Operating cash disbursements:	
Contractual services	8,699
Supplies and materials	3,452
Capital outlay	207,460
Total operating cash disbursements	219,611
Operating (loss)	(203,028)
Nonoperating cash receipts:	
Special assessments	4,645
Intergovernmental	207,460
Total nonoperating cash receipts	212,105
Excess of receipts over disbursements	9,077
Cash fund balance, January 1, 2000	71,370
Cash fund balance, December 31, 2000	\$ 80,447

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

**VILLAGE OF ORIENT  
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, 2000**

Fund Types	Receipts				Disbursements						Variance Favorable (Unfavorable)	
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2000 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2000 Appropriations	Total	Actual 2000 Disbursements	Encumbrances Outstanding at 12/31/00		Total
Governmental:												
General	\$ 54,575	\$ 37,000	\$ 91,575	\$ 35,406	\$ (1,594)	\$ -	\$ 64,771	\$ 64,771	\$ 50,126	\$ 969	\$ 51,095	\$ 13,676
Special Revenue	108,657	49,200	157,857	42,432	(6,768)	-	52,750	52,750	47,429	-	47,429	5,321
Proprietary:												
Enterprise	64,035	224,060	288,095	228,688	4,628	-	253,830	253,830	219,611	-	219,611	34,219
(Memorandum Only)	\$ 227,267	\$ 310,260	\$ 537,327	\$ 306,526	\$ (3,734)	\$ -	\$ 371,351	\$ 371,351	\$ 317,166	\$ 969	\$ 318,135	\$ 53,216

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

**VILLAGE OF ORIENT**  
**PICKAWAY COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The Village of Orient (“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: sewer, street construction, maintenance, and repair, 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 expenditure for specific purposes.

**VILLAGE OF ORIENT**  
**PICKAWAY COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

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

The Village had the following special revenue fund:

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

Enterprise Fund

This fund accounts 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 enterprise fund:

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

**B. BASIS OF ACCOUNTING**

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

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

**C. 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. 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.

**VILLAGE OF ORIENT**  
**PICKAWAY COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

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

*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. 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.

*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.

*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.

**VILLAGE OF ORIENT**  
**PICKAWAY COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

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

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.

**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 \$2,259 and \$2,649 for the years ended December 31, 2001 and 2000, 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.

**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. 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.

**VILLAGE OF ORIENT**  
**PICKAWAY COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 3 - EQUITY IN POOLED CASH & CASH EQUIVALENTS**

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

	2001	2000
Deposits	\$202,759	\$201,655
Certificate of Deposit	18,520	17,834
Total cash and cash equivalents	\$221,279	\$219,489

Deposits: Deposits are either (1) insured by Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Village.

**NOTE 4 - 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 ORIENT**  
**PICKAWAY COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 5 - RETIREMENT SYSTEM**

The Village's elected officials belong to the Social Security System. This plan provides retirement benefits, including post-retirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. Members of the Social Security System contributed 6.2% of their wages to Social Security. The Village contributed an amount equal to 6.2% of their wages to Social Security. The Village has paid all contributions required through December 31, 2001.

**NOTE 6 - RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Employee dishonesty bond
- Comprehensive property and general liability
- Errors and omissions

**NOTE 7 - CONTINGENT LIABILITY**

LITIGATION

The Village is currently involved in litigation. The Village's management is of the opinion that the litigation does not represent potential significant financial impact.

**NOTE 8 - SUBSEQUENT EVENT**

In November 2001, the Clerk/Treasurer of the Village resigned. In February 2002, Margaret Lewis was appointed the position and responsibilities of Clerk/Treasurer for the Village.

# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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Worthington, Ohio 43085

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Facsimile 614.846.2799

## **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 Orient, Pickaway County  
P.O. Box 63  
Orient, OH 43146

We have audited the financial statements of the Village of Orient, Pickaway County, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated August 28, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Village of Orient's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 that is required to be reported under *Government Auditing Standards* located in Schedule of Findings as item 2001-VOO-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 28, 2002.

Members of Council and Mayor  
Village of Orient, Pickaway County

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Orient'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 Orient in a separate letter dated August 28, 2002.

This report is intended for the information of the Village of Orient 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.  
August 28, 2002

**VILLAGE OF ORIENT  
PICKAWAY COUNTY  
DECEMBER 31, 2001 AND 2000**

**SCHEDULE OF FINDINGS**

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2001-VOO-001

Ohio Revised Code Section 5705.41 (D) requires that no orders or contracts involving the expenditure of monies are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

It was noted during the audit that 62% and 64% of expenditures by the Village were not certified prior to the purchases being made for the years ended December 31, 2001 and 2000, respectively.

Without timely certification, the Village may expend more funds than available in the treasury and/or in the process of collection, or than funds appropriated. By not properly completing purchase orders prior to purchases being made, the Village is approving the purchase after the fact. This may result in the Village not being able to cancel the purchase if it was deemed unnecessary.

We recommend that the Village establish a policy which includes required procedures regarding purchases. This policy should include the responsibilities of each employee involved in the purchase and corrective actions which the Village will take for noncompliance with the policy. We also recommend that the Village refer to Auditor of State Bulletin 98-004 for using "Super" blanket certificates for recurring expenditures such as utilities.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF ORIENT**

**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.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 8, 2002**