

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

Financial Statements
(Audited)

For The Years Ended
December 31, 2001 and 2000

RANDALL NELSON, CLERK/TREASURER



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

We have reviewed the Independent Auditor's Report of the Village of Commercial Point, 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 Commercial Point 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

July 8, 2002

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

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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, 2001 and 2000. 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 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 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 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 Commercial Point, 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 June 21, 2002, 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. 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 Village of Commercial Point's management and other 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.
June 21, 2002

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

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2001 AND 2000

<u>Cash and Investments</u>	<u>2001</u>	<u>2000</u>
Cash and Cash Equivalents	\$ 111,482	\$ 100,558
Investments	<u>985,761</u>	<u>673,656</u>
Total Cash and Investments	<u>\$ 1,097,243</u>	<u>\$ 774,214</u>
 <u>Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 17,554	\$ 21,072
Special Revenue Funds	70,148	63,121
Debt Service Fund	<u>19</u>	<u>17</u>
Total Governmental Fund Types	<u>87,721</u>	<u>84,210</u>
 <u>Proprietary Fund Type:</u>		
Enterprise Funds	<u>1,009,522</u>	<u>690,004</u>
Total Fund Balances	<u>\$ 1,097,243</u>	<u>\$ 774,214</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, 2001

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Debt Service	
Cash receipts:				
Local taxes	\$ 44,321	\$ -	\$ -	\$ 44,321
Intergovernmental	60,169	15,482	-	75,651
Charges for services	-	97,307	-	97,307
Fines, licenses, and permits	5,377	1,200	-	6,577
Interest	32,761	604	38	33,403
Special assessments	-	-	3,165	3,165
Miscellaneous	1,282	4,800	-	6,082
Total cash receipts	<u>143,910</u>	<u>119,393</u>	<u>3,203</u>	<u>266,506</u>
Cash disbursements:				
Current:				
Security of persons and property	58,503	900	-	59,403
Public health services	2,237	-	-	2,237
Community environment	849	100,985	-	101,834
Transportation	2,789	10,481	-	13,270
General government	38,019	-	-	38,019
Debt service:				
Principal retirement	15,065	-	2,600	17,665
Interest charges	1,555	-	601	2,156
Total cash disbursements	<u>119,017</u>	<u>112,366</u>	<u>3,201</u>	<u>234,584</u>
Total cash receipts over cash disbursements	<u>24,893</u>	<u>7,027</u>	<u>2</u>	<u>31,922</u>
Other financing (disbursements):				
Transfers-out	(28,411)	-	-	(28,411)
Total other financing (disbursements)	<u>(28,411)</u>	<u>-</u>	<u>-</u>	<u>(28,411)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(3,518)	7,027	2	3,511
Cash fund balances, January 1, 2001	<u>21,072</u>	<u>63,121</u>	<u>17</u>	<u>84,210</u>
Cash fund balances, December 31, 2001	<u>\$ 17,554</u>	<u>\$ 70,148</u>	<u>\$ 19</u>	<u>\$ 87,721</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 - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 911,630
Total operating cash receipts	911,630
Operating cash disbursements:	
Personal services	46,022
Employee fringe benefits	7,496
Contractual services	93,777
Supplies and material	34,785
Capital outlay	253,382
Miscellaneous	107,429
Total operating cash disbursements	542,891
Operating income	368,739
Nonoperating cash receipts/(disbursements):	
Proceeds of notes	197,201
Debt service:	
Principal	(103,918)
Interest	(170,915)
Total nonoperating cash receipts/(disbursements)	(77,632)
Excess of receipts over disbursements before interfund transfers	291,107
Other Financing Receipts	
Transfers in	28,411
Total Other Financing Receipts	28,411
Net receipts over disbursements after interfund transfers	319,518
Cash fund balances, January 1, 2001	690,004
Cash fund balances, December 31, 2001	\$ 1,009,522

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, 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
Governmental:											
General	\$ 40,530	\$ 154,938	\$ 195,468	\$ 143,910	\$ (11,028)	\$ -	\$ 175,467	\$ 175,467	\$ 147,428	\$ -	\$ 28,039
Special Revenue	48,445	125,235	173,680	119,393	(5,842)	-	164,678	164,678	112,366	-	52,312
Debt Service	17	3,555	3,572	3,203	(352)	-	-	-	3,201	-	(3,201)
Proprietary:											
Enterprise	685,222	813,756	1,498,978	1,137,242	323,486	16,305	1,419,319	1,435,624	817,724	-	617,900
Total (Memorandum Only)	\$ 774,214	\$ 1,097,484	\$ 1,871,698	\$ 1,403,748	\$ 306,264	\$ 16,305	\$ 1,759,464	\$ 1,775,769	\$ 1,080,719	\$ -	\$ 695,050

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, 2000

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Debt Service	
Cash receipts:				
Local taxes	\$ 44,048	\$ -	\$ -	\$ 44,048
Intergovernmental	32,605	14,910	-	47,515
Charges for services	-	103,986	-	103,986
Fines, licenses, and permits	2,359	300	-	2,659
Interest	46,035	747	-	46,782
Special assessments	-	-	3,418	3,418
Miscellaneous	3,699	-	65	3,764
Total cash receipts	<u>128,746</u>	<u>119,943</u>	<u>3,483</u>	<u>252,172</u>
Cash disbursements:				
Current:				
Security of persons and property	54,599	-	-	54,599
Public health services	2,053	-	-	2,053
Community environment	738	99,524	-	100,262
Transportation	2,078	7,321	-	9,399
General government	38,059	-	12	38,071
Debt service:				
Principal retirement	14,062	-	2,600	16,662
Interest charges	2,559	-	870	3,429
Total cash disbursements	<u>114,148</u>	<u>106,845</u>	<u>3,482</u>	<u>224,475</u>
Total cash receipts over cash disbursements	<u>14,598</u>	<u>13,098</u>	<u>1</u>	<u>27,697</u>
Other financing (disbursements):				
Transfers-out	(39,768)	-	-	(39,768)
Total other financing (disbursements)	<u>(39,768)</u>	<u>-</u>	<u>-</u>	<u>(39,768)</u>
Excess of cash receipts over/(under) cash disbursements and other financing disbursements	(25,170)	13,098	1	(12,071)
Cash fund balances, January 1, 2000	<u>46,242</u>	<u>50,023</u>	<u>16</u>	<u>96,281</u>
Cash fund balances, December 31, 2000	<u>\$ 21,072</u>	<u>\$ 63,121</u>	<u>\$ 17</u>	<u>\$ 84,210</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 - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 815,523
Operating cash disbursements:	
Personal services	39,095
Employee fringe benefits	6,263
Contractual services	77,433
Supplies and material	18,884
Capital outlay	188,793
Total operating cash disbursements	330,468
Operating income	485,055
Nonoperating cash receipts/(disbursements):	
Reimbursements	16,000
Intergovernmental revenues	51,555
Proceeds of notes	95,239
Debt service:	
Principal	(329,728)
Interest	(131,828)
Total nonoperating cash receipts/(disbursements)	(298,762)
Excess of receipts over disbursements before interfund transfers	186,293
Transfers-in	39,768
Net receipts over disbursements after interfund transfers	226,061
Cash fund balances, January 1, 2000	463,943
Cash fund balances, December 31, 2000	\$ 690,004

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, 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	\$ 59,779	\$ 121,151	\$ 180,930	\$ 128,746	\$ 7,595	\$ -	\$ 163,729	\$ 163,729	\$ 153,916	\$ -	\$ 153,916	\$ 9,813
Special Revenue	41,268	156,000	197,268	119,943	(36,057)	-	97,267	97,267	106,845	-	106,845	(9,578)
Debt Service	16	3,790	3,806	3,483	(307)	-	3,806	3,806	3,482	-	3,482	324
Proprietary:												
Enterprise	566,246	487,300	1,053,546	1,018,085	530,785	51,555	1,053,544	1,105,099	792,024	16,305	808,329	296,770
Total (Memorandum Only)	\$ 667,309	\$ 768,241	\$ 1,435,550	\$ 1,270,257	\$ 502,016	\$ 51,555	\$ 1,318,346	\$ 1,369,901	\$ 1,056,267	\$ 16,305	\$ 1,072,572	\$ 297,329

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, 2001 AND 2000**

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, 2001 AND 2000

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, 2001 AND 2000

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. 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, 2001 AND 2000**

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 2001 and 2000.

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. The Village had outstanding encumbrances at December 31, 2000.

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 \$33,403 and \$46,782 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.

**VILLAGE OF COMMERCIAL POINT
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)

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.

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, 2001 and 2000 in noncompliance with Ohio Revised Code Section 5705.41(B).

<u>Fund Type/Fund/Department/Line Item</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>2001</u>			
<u>General Fund</u>			
Security of Persons and Property: Police Enforcement	\$ 49,110	\$ 53,000	\$ 3,890
<u>Special Revenue Fund</u>			
Street Maintenance & Repair: Transportation	-	900	900
<u>Debt Service Fund</u>			
Debt Service: Debt Service	-	3,209	3,209
<u>Enterprise Funds</u>			
Water: Utilities	31,000	36,617	5,617
Water: Capital Outlay	140,040	201,505	61,465

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

NOTE 3 - COMPLIANCE - (Continued)

<u>Fund Type/Fund/Department/Line Item</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>2000</u>			
<u>General Fund</u>			
Police Enforcement: Salaries	\$23,000	\$ 29,540	\$ 6,540
Police Enforcement: Supplies	5,000	9,735	4,735
Street Snow and Ice Removal: Supplies and Materials	500	553	53
Health Department: Auditing Services	-	5,340	5,340
Other Financing Sources: Transfers Out	30,000	39,768	9,768
<u>Special Revenue Fund</u>			
Housing: Contractual Services	67,548	104,697	37,149
<u>Enterprise Funds</u>			
Water: Salaries	20,000	20,283	283
Water: Public Employees Retirement System	2,700	2,735	35
Garbage: Salaries	-	15	15
Garbage: Public Employees Retirement System	-	1	1

NOTE 4 - CASH AND INVESTMENTS

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

	<u>2001</u>	<u>2000</u>
Deposits: Demand deposits	\$ 111,482	\$ 100,558
Investments: State Treasurer's Investment Pool (STAR Ohio)	<u>985,761</u>	<u>673,656</u>
Total Deposits and Investments	<u>\$ 1,097,243</u>	<u>\$ 774,214</u>

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

Investments: Investments in STAR Ohio are not endorsed by securities that exist in physical or book-entry form. Investments in STAR Ohio is valued at amounts reported by the State Treasurer. Investments are reported as assets. Accordingly, purchase of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements respectively.

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

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.

NOTE 6 - DEBT OBLIGATIONS

At December 31, 2001, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 2001</u>
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%.	\$ 13,000
1997 Ohio Water Development Authority (OWDA) Water Plant Expansion Loan, due in semiannual installments of \$45,268 through 2017 at a rate of 6.360 %.	875,861
1998 Ohio Water Development Authority (OWDA) Sewer Plant Expansion Loan, due in semiannual installments of \$89,684 through 2018 at a rate of 5.860%.	1,864,285
1999 Citizens Bank note to purchase municipal building, due in annual installments of varying amounts through 2002 at a rate of 6.000%.	10,873
2001 Ohio Public Works Commission (OPWC) note for elevated water tower improvements, due in semiannual installments of \$9,860 through 2021 at a rate of 0%.	<u>192,271</u>
Total debt obligations at December 31, 2001	<u><u>\$2,956,290</u></u>

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

NOTE 6 - DEBT OBLIGATIONS - (Continued)

Transactions for the year ended December 31, 2001 and 2000 are summarized as follows:

<i>2001</i>	Balance at <u>December 31, 2000</u>	<u>Proceeds</u>	<u>Payments</u>	Balance at <u>December 31, 2001</u>
Loan - USDA - 1985	\$ 15,600	\$ -	\$ 2,600	\$ 13,000
Loan - Citizens Bank	25,938	-	15,065	10,873
Loan - OWDA - 1997	908,610	-	32,749	875,861
Loan - OWDA - 1998	1,930,524	-	66,239	1,864,285
Loan - OPWC - 2001	-	<u>197,201</u>	<u>4,930</u>	<u>192,271</u>
Total Debt	<u>\$2,880,672</u>	<u>\$ 197,201</u>	<u>\$ 121,583</u>	<u>\$ 2,956,290</u>

<i>2000</i>	(Restated) Balance at <u>December 31, 1999</u>	<u>Proceeds</u>	<u>Payments</u>	Balance at <u>December 31, 2000</u>
Note - USDA - 1982	\$ 171,000	\$ -	\$171,000	\$ -
Note - USDA - 1984	<u>64,933</u>	-	<u>64,933</u>	-
Total Notes	<u>235,933</u>	-	<u>235,933</u>	-
Loan - USDA - 1985	18,200	-	2,600	15,600
Loan - Citizens Bank	40,000	-	14,062	25,938
Loan - OWDA - 1997	939,400	-	30,790	908,610
Loan - OWDA - 1998	<u>1,898,290</u>	<u>95,239</u>	<u>63,005</u>	<u>1,930,524</u>
Total Loans	<u>2,895,890</u>	<u>95,239</u>	<u>110,457</u>	<u>2,880,672</u>
Total Debt	<u>\$3,131,823</u>	<u>\$ 95,239</u>	<u>\$346,390</u>	<u>\$2,880,672</u>

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2001, are as follows:

Year Ending December 31,	<u>Note - USDA - 1985</u>		<u>Note - Citizens Bank</u>		<u>Loan -OWDA- 1997</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 2,600	\$ 926	\$10,873	\$1,556	\$ 16,879	\$28,389
2003	2,600	741	-	-	35,904	54,632
2004	2,600	556	-	-	38,188	52,348
2005	2,600	371	-	-	40,616	49,920
2006	2,600	185	-	-	43,200	47,336
2007 - 2011	-	-	-	-	260,880	191,800
2012 - 2016	-	-	-	-	355,086	97,594
2017 - 2021	-	-	-	-	<u>85,108</u>	<u>5,426</u>
TOTALS	<u>\$13,000</u>	<u>\$2,779</u>	<u>\$10,873</u>	<u>\$1,556</u>	<u>\$875,861</u>	<u>\$527,445</u>

Year Ending December 31,	<u>Loan - OWDA - 1998</u>		<u>Loan - OPWC - 2001</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 34,062	\$ 55,622	\$ 4,930	\$ -	\$ 69,344	\$ 86,493
2003	72,116	107,252	9,860	-	120,480	162,625
2004	76,342	103,026	9,860	-	126,990	155,930
2005	80,816	98,552	9,860	-	133,892	148,843
2006	85,552	93,816	9,860	-	141,212	141,337
2007 - 2011	509,100	387,740	49,300	-	819,280	579,540
2012 - 2016	676,800	220,040	49,300	-	1,081,186	317,634
2017 - 2021	<u>329,497</u>	<u>29,240</u>	<u>49,301</u>	-	<u>463,906</u>	<u>34,666</u>
TOTALS	<u>\$1,864,285</u>	<u>\$1,095,288</u>	<u>\$192,271</u>	<u>\$ -</u>	<u>\$2,956,290</u>	<u>\$1,627,068</u>

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

NOTE 7 - CHARGES FOR SERVICES

The Village is embarking on significant growth with many new subdivisions being built. The Village has agreements with contractors to pay up-front costs for meters, while the Village does not expend the monies for the meters until construction. These fees are recorded in charges for services in the Enterprise Fund Type. Receipts for these up-front costs in 2001 and 2000 totaled approximately \$410,000 and \$436,000, respectively.

NOTE 8 - RETIREMENT SYSTEMS

During 2001, the Village's law enforcement officers belonged to the Ohio Police and Fire Fund (OP&F), while other employees belonged to the Public Employees Retirement System (PERS). During 2000, all employees of the Village belonged to the PERS of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide 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 2000, members of OP&F contributed 10% of their wages to the OP&F. The Village contributed an amount equal to 19.5% of their wages. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. As of December 31, 2001, the Village has paid all contributions required for 2001 and 2000.

NOTE 9 - 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 10 - CONTINGENT LIABILITY

LITIGATION

The Village is currently not involved in litigation.

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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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, 2001 and 2000, and have issued our report thereon dated June 21, 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-VOCP-001. We also noted certain immaterial instances of noncompliance, which we have reported to the management of the Village of Commercial Point in a separate letter dated June 21, 2002.

Members of Council and Mayor
Village of Commercial Point

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 June 21, 2002.

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.
June 21, 2002

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
DECEMBER 31, 2001 AND 2000**

SCHEDULE OF FINDINGS

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number	2001-VOCP-001
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Ohio Revised Code Section 5705.41(B) in part requires that expenditures shall not exceed appropriations.

It was noted during the audit that in the years ended December 31, 2001 and 2000, the Village had expenditures in excess of appropriations in the following line items:

<u>Fund Type/Fund/Department/Line Item</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>2001</u>			
<u>General Fund</u>			
Security of Persons and Property: Police Enforcement	\$ 49,110	\$ 53,000	\$ 3,890
<u>Special Revenue Fund</u>			
Street Maintenance & Repair: Transportation	-	900	900
<u>Debt Service Fund</u>			
Debt Service: Debt Service	-	3,209	3,209
<u>Enterprise Funds</u>			
Water: Utilities	31,000	36,617	5,617
Water: Capital Outlay	140,040	201,505	61,465
<u>2000</u>			
<u>General Fund</u>			
Police Enforcement: Salaries	23,000	29,540	6,540
Police Enforcement: Supplies	5,000	9,735	4,735
Street Snow and Ice Removal: Supplies and Materials	500	553	53
Health Department: Auditing Services	-	5,340	5,340
Other Financing Sources: Transfers Out	30,000	39,768	9,768
<u>Special Revenue Fund</u>			
Housing: Contractual Services	67,548	104,697	37,149
<u>Enterprise Funds</u>			
Water: Salaries	20,000	20,283	283
Water: Public Employees Retirement System	2,700	2,735	35
Garbage: Salaries	-	15	15
Garbage: Public Employees Retirement System	-	1	1

**VILLAGE OF COMMERCIAL POINT
PICKAWAY COUNTY, OHIO
DECEMBER 31, 2001 AND 2000**

SCHEDULE OF FINDINGS

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)

Finding Number	2001-VOCP-001 (Continued)
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With expenditures exceeding appropriations, the Village is spending monies that are not lawfully appropriated and certified.

We recommend that the Village comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by more frequently comparing actual expenditures to appropriations at the object level to avoid potential overspending. This may be accomplished by utilizing the computer financial software and monitoring the budgetary process continuously.



STATE OF OHIO
OFFICE OF THE AUDITOR

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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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 1, 2002**