



**VILLAGE OF URBANCREST
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 and 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF URBANCREST
FRANKLIN COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Urbancrest
Franklin County
3357 Central Avenue
Urbancrest, Ohio 43123

To the Village Council:

We have audited the accompanying financial statements of the Village of Urbancrest, Franklin County, Ohio, (the Village) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our 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 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 audit committee, management, and Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

June 20, 2001

**VILLAGE OF URBANCREST
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

| | <u>Governmental Fund Types</u> | | | <u>Totals (Memorandum Only)</u> |
|---|--------------------------------|----------------------------|-----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | | |
| Local Taxes | \$101,951 | \$1,790 | \$0 | \$103,741 |
| Intergovernmental Receipts | 142,953 | 6,524 | | 149,477 |
| Fines, Licenses, and Permits | 17,605 | | | 17,605 |
| Miscellaneous | 11,572 | 18 | 1,488 | 13,078 |
| | <u>274,081</u> | <u>8,332</u> | <u>1,488</u> | <u>283,901</u> |
| Total Cash Receipts | | | | |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Security of Persons and Property | 14,007 | | | 14,007 |
| Public Health Services | 1,495 | | | 1,495 |
| Leisure Time Activities | 23,865 | | | 23,865 |
| Community Environment | 22,823 | | | 22,823 |
| Transportation | 23,134 | 19,974 | | 43,108 |
| General Government | 137,409 | | | 137,409 |
| | <u>222,733</u> | <u>19,974</u> | <u>0</u> | <u>242,707</u> |
| Total Cash Disbursements | | | | |
| Total Cash Receipts Over/(Under) Cash Disbursements | 51,348 | (11,642) | 1,488 | 41,194 |
| Fund Cash Balances, January 1, 2000 | 285,292 | 57,495 | 50,560 | 393,347 |
| Fund Cash Balances, December 31, 2000 | <u>\$336,640</u> | <u>\$45,853</u> | <u>\$52,048</u> | <u>\$434,541</u> |

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

**VILLAGE OF URBANCREST
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

| | <u>Proprietary Fund Type</u> |
|--|----------------------------------|
| | <u>Enterprise</u> |
| Operating Cash Receipts: | |
| Charges for Services | \$53,738 |
| Miscellaneous | 132 |
| | 53,870 |
| Operating Cash Disbursements: | |
| Personal Services | 1,136 |
| Travel Transportation | 104 |
| Contractual Services | 1,830 |
| Supplies and Materials | 132 |
| | 3,202 |
| Total Operating Cash Disbursements | 3,202 |
| Operating Income/(Loss) | 50,668 |
| Non-Operating Cash Disbursements: | |
| Debt Service | 5,886 |
| Other Non-Operating Cash Disbursements | 164 |
| | 6,050 |
| Total Non-Operating Cash Disbursements | 6,050 |
| Net Receipts Over/(Under) Disbursements | 44,618 |
| Fund Cash Balances, January 1, 2000 | 200,712 |
| Fund Cash Balances, December 31, 2000 | \$245,330 |

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

**VILLAGE OF URBANCREST
FRANKLIN COUNTY**

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

| | <u>Governmental Fund Types</u> | | | <u>Totals (Memorandum Only)</u> |
|--|--------------------------------|----------------------------|-----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | | |
| Local Taxes | \$99,057 | \$1,512 | \$0 | \$100,569 |
| Intergovernmental Receipts | 136,955 | 6,415 | 0 | 143,370 |
| Fines, Licenses, and Permits | 600 | | | 600 |
| Miscellaneous | 6,959 | | 50,560 | 57,519 |
| | <u>243,571</u> | <u>7,927</u> | <u>50,560</u> | <u>302,058</u> |
| Total Cash Receipts | | | | |
| | <u>243,571</u> | <u>7,927</u> | <u>50,560</u> | <u>302,058</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Security of Persons and Property | 11,859 | | | 11,859 |
| Public Health Services | 717 | | | 717 |
| Leisure Time Activities | 43,697 | | | 43,697 |
| Community Environment | 9,553 | | | 9,553 |
| Transportation | 810 | 9,428 | | 10,238 |
| General Government | 107,422 | | | 107,422 |
| Capital Outlay | 34,446 | | | 34,446 |
| | <u>208,504</u> | <u>9,428</u> | <u>0</u> | <u>217,932</u> |
| Total Cash Disbursements | | | | |
| | <u>208,504</u> | <u>9,428</u> | <u>0</u> | <u>217,932</u> |
| Total Cash Receipts Over/(Under) Cash Disbursements | <u>35,067</u> | <u>(1,501)</u> | <u>50,560</u> | <u>84,126</u> |
| Fund Cash Balances, January 1, 1999 | <u>250,225</u> | <u>58,996</u> | <u>0</u> | <u>309,221</u> |
| Fund Cash Balances, December 31, 1999 | <u>\$285,292</u> | <u>\$57,495</u> | <u>\$50,560</u> | <u>\$393,347</u> |

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

**VILLAGE OF URBANCREST
FRANKLIN COUNTY**

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

| | <u>Proprietary Fund Type</u> |
|--|----------------------------------|
| | <u>Enterprise</u> |
| Operating Cash Receipts: | |
| Charges for Services | \$18,856 |
| Miscellaneous | <u>3,186</u> |
| Total Operating Cash Receipts | <u>22,042</u> |
| Operating Cash Disbursements: | |
| Personal Services | 1,172 |
| Contractual Services | <u>80</u> |
| Total Operating Cash Disbursements | <u>1,252</u> |
| Operating Income/(Loss) | <u>20,790</u> |
| Non-Operating Cash Disbursements: | |
| Debt Service | <u>5,886</u> |
| Total Non-Operating Cash Disbursements | <u>5,886</u> |
| Net Receipts Over/(Under) Disbursements | 14,904 |
| Fund Cash Balances, January 1, 1999 | <u>185,808</u> |
| Fund Cash Balances, December 31, 1999 | <u><u>\$200,712</u></u> |

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

**VILLAGE OF URBANCREST
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Urbancrest, Franklin County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities. The Village contracts with the Franklin County Sheriff's department to provide security of persons and property.

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

B. Basis of Accounting

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

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

C. Cash and Investments

The repurchase agreement and the certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

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

**VILLAGE OF URBANCREST
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Projects Fund:

Capital Improvement Fund - This fund receives donations from business within the Village to be used for capital improvements.

4. Enterprise Funds

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

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

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

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

**VILLAGE OF URBANCREST
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and 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:

| | <u>2000</u> | <u>1999</u> |
|--------------------------------|--------------------------|--------------------------|
| Demand deposits | \$ 336,253 | \$ 296,320 |
| Certificates of deposit | <u>110,653</u> | <u>103,874</u> |
| Total deposits | <u>446,906</u> | <u>400,194</u> |
| Repurchase Agreement | <u>232,965</u> | <u>193,865</u> |
| Total investments | <u>232,965</u> | <u>193,865</u> |
| Total deposits and investments | <u><u>\$ 679,871</u></u> | <u><u>\$ 594,059</u></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.

**VILLAGE OF URBANCREST
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Investments: State statutes permit the Township to invest in interim deposits in repurchase agreements, that is, an agreement in which the Township transfers cash to a financial institution; the financial institution transfers securities to the Township and promises to repay the cash plus interest in exchange for the same securities. The said securities are uninsured and unregistered and are held in book entry form by a third party, the Federal Reserve, in the name of the financial institution. The purchased securities are limited to only U.S. Treasury and Agency Notes.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
|------------------|----------------------|--------------------|-------------------|
| General | \$ 215,851 | \$ 274,081 | \$ 58,230 |
| Special Revenue | 8,000 | 8,332 | 332 |
| Capital Projects | 0 | 1,488 | 1,488 |
| Enterprise | 12,000 | 53,870 | 41,870 |
| Total | <u>\$ 235,851</u> | <u>\$ 337,771</u> | <u>\$ 101,920</u> |

2000 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|------------------|----------------------------|---------------------------|-------------------|
| General | \$ 500,319 | \$ 222,733 | \$ 277,586 |
| Special Revenue | 61,643 | 19,974 | 41,669 |
| Capital Projects | 50,560 | 0 | 50,560 |
| Enterprise | 180,122 | 9,252 | 170,870 |
| Total | <u>\$ 792,644</u> | <u>\$ 251,959</u> | <u>\$ 540,685</u> |

**VILLAGE OF URBANCREST
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts

| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
|------------------|----------------------|--------------------|------------------|
| General | \$ 252,225 | \$ 243,571 | \$ (8,654) |
| Special Revenue | 8,000 | 7,927 | (73) |
| Capital Projects | 0 | 50,560 | 50,560 |
| Enterprise | 20,000 | 22,042 | 2,042 |
| Total | <u>\$ 280,225</u> | <u>\$ 324,100</u> | <u>\$ 43,875</u> |

1999 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|------------------|----------------------------|---------------------------|-------------------|
| General | \$ 496,785 | \$ 208,504 | \$ 288,281 |
| Special Revenue | 61,495 | 9,428 | 52,067 |
| Capital Projects | 0 | 0 | 0 |
| Enterprise | 158,022 | 7,138 | 150,884 |
| Total | <u>\$ 716,302</u> | <u>\$ 225,070</u> | <u>\$ 491,232</u> |

4. PROPERTY TAX

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

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 URBANCREST
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

| | Principal | Interest Rate |
|---------------------------------------|-----------|------------------|
| Ohio Water Development Authority Loan | \$ 62,894 | 3.5% |
| Total | \$ 62,894 | |

The Ohio Water Development Authority (OWDA) loan relates to utility construction projects under the Pure Water Series I Construction Fund Agreement, dated April 15, 1990. The loans will be repaid in semiannual installments of \$2,943, including interest. Property and revenue of the utility facility have been pledged to repay the debt.

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

| Year ending December 31: | OWDA Loan |
|-----------------------------|--------------|
| 2001 | \$ 2,943 |
| 2002 | 5,886 |
| 2003 | 5,886 |
| 2004 | 5,886 |
| 2005 | 5,886 |
| Subsequent | 52,972 |
| Total | \$ 79,459 |

6. RETIREMENT SYSTEMS

The Village's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% in 1999 and 10.84% in 2000 of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

VILLAGE OF URBANCREST
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)

7. RISK MANAGEMENT

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Pool provides a program of property and casualty insurance for its members. The Plan pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

Casualty excess-of-loss contracts at December 31, 2000 and 1999 generally protect against individual losses over \$150,000 (\$100,000 for policies issued after March 31, 2000).

Property coverage contracts protect against losses, subject to a deductible of \$50,000 per occurrence, limited to an annual aggregate loss of the greater of \$300,000 or 1% of total coverage.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained (deficit) earnings at December 31:

| | <u>2000</u> | <u>1999</u> |
|-----------------------------|--------------------|------------------|
| Assets | \$2,958,827 | \$4,151,450 |
| Liabilities | <u>3,863,373</u> | <u>3,461,914</u> |
| Retained (deficit) earnings | <u>(\$904,546)</u> | <u>\$689,536</u> |

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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

Village of Urbancrest
Franklin County
3357 Central Avenue
Urbancrest, Ohio 43123

To the Village Council:

We have audited the accompanying financial statements of the Village of Urbancrest, Franklin County, Ohio (the Village), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 20, 2001. 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'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 that we have reported to management of the Village in a separate letter dated June 20, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 20, 2001.

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

This report is intended for the information and use of the audit committee, management, and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

June 20, 2001



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VILLAGE OF URBANCREST

FRANKLIN 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
JULY 26, 2001**