



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary Fund Types – For the Year Ended December 31, 2000	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary Fund Types – For the Year Ended December 31, 1999	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West, Suite 302
Youngstown, Ohio 44503

Telephone 330-797-9900
800-443-9271

Facsimile 330-797-9949

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Tiltonsville
Jefferson County
P.O. Box 127
200 Market Street
Tiltonsville, Ohio 43963-1027

To the Village Council:

We have audited the accompanying financial statements of the Village of Tiltonsville, Jefferson County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 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 and reserves for encumbrances of the Village of Tiltonsville, Jefferson County, as of December 31, 2000 and 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 22, 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 management, the 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 22, 2001

This page intentionally left blank.

**VILLAGE OF TILTONSVILLE
JEFFERSON 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$91,115	\$22,334		\$113,449
Special Assessments			\$3,169	3,169
Intergovernmental Receipts	49,186	38,259		87,445
Fines, Licenses, and Permits	8,464			8,464
Earnings on Investments	34,509			34,509
Miscellaneous	19,980	737		20,717
	<u>203,254</u>	<u>61,330</u>	<u>3,169</u>	<u>267,753</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	123,667			123,667
Public Health Services	1,929			1,929
Leisure Time Activities	8,975			8,975
Transportation		59,850		59,850
General Government	51,850			51,850
Debt Service:				
Principal Payments			2,756	2,756
Interest Payments			1,063	1,063
	<u>186,421</u>	<u>59,850</u>	<u>3,819</u>	<u>250,090</u>
Total Cash Disbursements	<u>186,421</u>	<u>59,850</u>	<u>3,819</u>	<u>250,090</u>
Total Receipts (Under) Disbursements	<u>16,833</u>	<u>1,480</u>	<u>(650)</u>	<u>17,663</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	15,000		650	15,650
Transfers-Out	(650)			(650)
	<u>14,350</u>		<u>650</u>	<u>15,000</u>
Total Other Financing Receipts/(Disbursements)	<u>14,350</u>		<u>650</u>	<u>15,000</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	31,183	1,480		32,663
Fund Cash Balances January 1	<u>14,173</u>	<u>11,939</u>	<u>(1,080)</u>	<u>25,032</u>
Fund Cash Balances, December 31	<u>\$45,356</u>	<u>\$13,419</u>	<u>(\$1,080)</u>	<u>\$57,695</u>

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

**VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$462,638
Miscellaneous	1,775
	464,413
Operating Cash Disbursements:	
Personal Services	50,613
Fringe Benefits	17,060
Contractual Services	107,166
Supplies and Materials	154,008
Capital Outlay	130,379
Miscellaneous	1,025
	460,251
Total Operating Cash Disbursements	460,251
Operating Income	4,162
Non-Operating Cash Disbursements:	
Debt Service	40,070
Total Non-Operating Cash Disbursements	40,070
Excess of Receipts (Under) Disbursements Before Interfund Transfers and Advances	(35,908)
Transfers-Out	(15,000)
Net Receipts (Under) Disbursements	(50,908)
Fund Cash Balances, January 1	739,631
Fund Cash Balances, December 31	\$688,723
Reserve for Encumbrances, December 31	\$55

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

**VILLAGE OF TILTONSVILLE
JEFFERSON 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$91,100	\$22,813		\$113,913
Special Assessments			\$2,328	2,328
Intergovernmental Receipts	56,629	38,704		95,333
Fines, Licenses, and Permits	9,499			9,499
Earnings on Investments	29,881	796		30,677
Miscellaneous	24,488			24,488
Total Cash Receipts	<u>211,597</u>	<u>62,313</u>	<u>2,328</u>	<u>276,238</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	153,449			153,449
Public Health Services	1,234			1,234
Leisure Time Activities	12,033			12,033
Transportation		69,053		69,053
General Government	103,430			103,430
Debt Service:				
Principal Payments			1,593	1,593
Interest Payments			1,275	1,275
Total Cash Disbursements	<u>270,146</u>	<u>69,053</u>	<u>2,868</u>	<u>342,067</u>
Total Receipts (Under) Disbursements	<u>(58,549)</u>	<u>(6,740)</u>	<u>(540)</u>	<u>(65,829)</u>
Fund Cash Balances January 1	<u>72,722</u>	<u>18,679</u>	<u>(540)</u>	<u>90,861</u>
Fund Cash Balances, December 31	<u>\$14,173</u>	<u>\$11,939</u>	<u>(\$1,080)</u>	<u>\$25,032</u>

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

**VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$416,065
Miscellaneous	108
	416,173
Operating Cash Disbursements:	
Personal Services	50,370
Fringe Benefits	15,322
Contractual Services	98,262
Supplies and Materials	159,492
Miscellaneous	5,434
	328,880
Total Operating Cash Disbursements	328,880
Operating Income	87,293
Non-Operating Cash Disbursements:	
Debt Service	66,784
Total Non-Operating Cash Disbursements	66,784
Net Receipts Over Disbursements	20,509
Fund Cash Balances, January 1	719,122
Fund Cash Balances, December 31	\$739,631

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

**VILLAGE OF TILTONSVILLE
JEFFERSON 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 Tiltonsville, Jefferson 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 and police services. The Village contracts with the Tiltonsville Volunteer Fire Company for fire protection services.

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 investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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 Fund

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 TILTONSVILLE
JEFFERSON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant Debt Service Fund:

Medill Lift Station Fund - This water/sewer improvement project was financed with special assessments collected by the county auditor.

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.

Sanitation 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 (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function 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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

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

**VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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	\$245,805	\$260,825
STAR Ohio	500,613	503,838
Total deposits and investments	<u>\$ 746,418</u>	<u>\$ 764,663</u>

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 232,533	\$ 218,254	\$ (14,279)
Special Revenue	97,971	61,330	(36,641)
Debt Service	4,475	3,819	(656)
Enterprise	432,536	464,413	31,877
Total	<u>\$ 767,515</u>	<u>\$ 747,816</u>	<u>\$ (19,699)</u>

**VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 262,400	\$ 187,071	\$ 75,329
Special Revenue	75,466	59,850	15,616
Debt Service	3,000	3,819	(819)
Enterprise	985,000	515,376	469,624
Total	<u>\$ 1,325,866</u>	<u>\$ 766,116</u>	<u>\$ 559,750</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 165,181	\$ 211,597	\$ 46,416
Special Revenue	63,541	62,313	(1,228)
Debt Service	3,000	2,328	(672)
Enterprise	378,000	416,173	38,173
Total	<u>\$ 609,722</u>	<u>\$ 692,411</u>	<u>\$ 82,689</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 285,505	\$ 270,146	\$ 15,359
Special Revenue	82,178	69,053	13,125
Debt Service	3,000	2,868	132
Enterprise	1,092,748	395,664	697,084
Total	<u>\$ 1,463,431</u>	<u>\$ 737,731</u>	<u>\$ 725,700</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 TILTONSVILLE
JEFFERSON 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
Mortgage Revenue Bonds	\$ 8,000	10.62%
Water Treatment Plant Note	536,740	7.00%
Total	\$ 544,740	

On August 1, 1995 the Village established a \$620,000 line of credit for renovation and expansion of the water plant with Belmont National Bank and drew down \$162,514 in 1995 and \$443,600 in 1996 against this line of credit. Terms of the agreement require monthly installments of \$4,452 beginning July 31, 1996. This money was used to update the water treatment plant. The note is collateralized by future water and sewer receipts.

Outstanding mortgage revenue bonds consist of various sewer system revenue bonds, which were issued to upgrade the sewer system. The bonds are collateralized by future sewer receipts.

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

For the Year ending December 31:	Water Treatment Plant Note	Mortgage Revenue Bonds
2001	\$ 56,277	\$ 2,850
2002	56,064	2,637
2003	55,852	2,425
2004	55,639	2,106
2005	53,427	0
Subsequent	641,124	0
Total	\$ 918,383	\$ 10,018

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY**

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

6. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. For 2000 and 1999 PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% in 2000. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

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



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West, Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949

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

Village of Tiltonsville
Jefferson County
P.O. Box 127
Tiltonsville, OH 43967-0127

To the Village Council:

We have audited the accompanying financial statements of the Village of Tiltonsville, Jefferson County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 22, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 22, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 date June 22, 2001.

Village of Tiltonsville
Jefferson 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 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 22, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

VILLAGE OF TILTONSVILLE

JEFFERSON 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 24, 2001**