



**Auditor of State
Betty Montgomery**

VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2002	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Similar Fiduciary Fund Types - For the Year Ended December 31, 2002	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2001	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Similar Fiduciary Fund Types - For the Year Ended December 31, 2001	6
Notes to the Financial Statements	7
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15
Schedule of Findings	17

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Tiltonsville, Jefferson County, (the Village) as of and for the years ended December 31, 2002 and 2001. 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 of Tiltonsville, Jefferson County, as of December 31, 2002 and 2001, 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 April 15, 2003 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, 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 15, 2003

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, 2002**

	<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	\$69,781	\$43,399	\$2,744	\$115,924
Intergovernmental Receipts	49,972	54,650		104,622
Fines, Licenses, and Permits	5,965			5,965
Earnings on Investments	8,867			8,867
Miscellaneous	9,799			9,799
Total Cash Receipts	<u>144,384</u>	<u>98,049</u>	<u>2,744</u>	<u>245,177</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	101,706	46,163		147,869
Public Health Services	2,145			2,145
Transportation		35,233		35,233
General Government	54,771	1,402		56,173
Debt Service:				
Principal Payments			2,000	2,000
Interest Payments			744	744
Total Cash Disbursements	<u>158,622</u>	<u>82,798</u>	<u>2,744</u>	<u>244,164</u>
Total Receipts Over/(Under) Disbursements	<u>(14,238)</u>	<u>15,251</u>		<u>1,013</u>
Other Financing Receipts and (Disbursements):				
Transfers-In	18,000			18,000
Total Other Financing Receipts/(Disbursements)	<u>18,000</u>			<u>18,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	3,762	15,251		19,013
Fund Cash Balances, January 1	31,085	1,959	(1,080)	31,964
Fund Cash Balances, December 31	<u>\$34,847</u>	<u>\$17,210</u>	<u>(\$1,080)</u>	<u>\$50,977</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 AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$488,169		\$488,169
Property and Other Local Taxes		\$11,747	\$11,747
Miscellaneous	120		120
Total Operating Cash Receipts	<u>488,289</u>	<u>11,747</u>	<u>500,036</u>
Operating Cash Disbursements:			
Personal Services	57,669		57,669
Fringe Benefits	14,272		14,272
Contractual Services	95,163		95,163
Supplies and Materials	136,891		136,891
Other	2,380		2,380
Capital Outlay	110		110
Total Operating Cash Disbursements	<u>306,485</u>		<u>306,485</u>
Operating Income/(Loss)	<u>181,804</u>	<u>11,747</u>	<u>193,551</u>
Non-Operating Cash Disbursements:			
Debt Service -Principal	17,424		17,424
Interest	36,003		36,003
Total Non-Operating Cash Disbursements	<u>53,427</u>		<u>53,427</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	128,377	11,747	140,124
Transfers-Out	(18,000)		(18,000)
Other Financing Uses		(11,747)	(11,747)
Net Receipts Over/(Under) Disbursements	110,377		110,377
Fund Cash Balances, January 1	<u>650,753</u>	<u>87</u>	<u>650,840</u>
Fund Cash Balances, December 31	<u>\$761,130</u>	<u>\$87</u>	<u>\$761,217</u>

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

VILLAGE OF TITLONSVILLE
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, 2001**

	<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	\$54,296	\$41,632	\$2,956	\$98,884
Intergovernmental Receipts	52,891	47,938		100,829
Fines, Licenses, and Permits	5,429			5,429
Earnings on Investments	22,499			22,499
Miscellaneous	18,386	250		18,636
Total Cash Receipts	<u>153,501</u>	<u>89,820</u>	<u>2,956</u>	<u>246,277</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	88,689	41,632		130,321
Public Health Services	1,948			1,948
Transportation		60,260		60,260
General Government	77,135			77,135
Debt Service:				
Principal Payments			2,000	2,000
Interest Payments			956	956
Total Cash Disbursements	<u>167,772</u>	<u>101,892</u>	<u>2,956</u>	<u>272,620</u>
Total Receipts Over/(Under) Disbursements	<u>(14,271)</u>	<u>(12,072)</u>		<u>(26,343)</u>
Other Financing Receipts and (Disbursements):				
Sale of Fixed Assets		700		700
Total Other Financing Receipts/(Disbursements)		<u>700</u>		<u>700</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(14,271)</u>	<u>(11,372)</u>		<u>(25,643)</u>
Fund Cash Balances, January 1	<u>45,356</u>	<u>13,331</u>	<u>(1,080)</u>	<u>57,607</u>
Fund Cash Balances, December 31	<u>\$31,085</u>	<u>\$1,959</u>	<u>(\$1,080)</u>	<u>\$31,964</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 AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$437,667		\$437,667
Property and Other Local Taxes		\$11,768	\$11,768
Miscellaneous	432		432
	<u>438,099</u>	<u>11,768</u>	<u>449,867</u>
Total Operating Cash Receipts			
Operating Cash Disbursements:			
Personal Services	45,676		45,676
Fringe Benefits	12,577		12,577
Contractual Services	99,110		99,110
Supplies and Materials	186,587		186,587
Other Expenses	700		700
Capital Outlay	77,917		77,917
	<u>422,567</u>		<u>422,567</u>
Total Operating Cash Disbursements			
Operating Income/(Loss)	<u>15,532</u>	<u>11,768</u>	<u>27,300</u>
Non-Operating Cash Receipts:			
Sale of Fixed Assets	125		125
	<u>125</u>		<u>125</u>
Total Non-Operating Cash Receipts			
Non-Operating Cash Disbursements:			
Debt - Principal	14,411		14,411
Debt - Interest	39,016		39,016
	<u>53,427</u>		<u>53,427</u>
Total Non-Operating Cash Disbursements			
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(37,770)	11,768	(26,002)
Other Financing Uses	(200)	(11,768)	(11,968)
Net Receipts Over/(Under) Disbursements	(37,970)		(37,970)
Fund Cash Balances, January 1	688,723	87	688,810
Fund Cash Balances, December 31	<u>\$650,753</u>	<u>\$87</u>	<u>\$650,840</u>

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, 2002 AND 2001**

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 water and sewer utilities, and police services. The Village contracts with the Tiltonsville Volunteer Fire Company to provide 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

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.

Certificates of deposit are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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 Funds:

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, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Police Protection Levy Fund – This fund receives proceeds from a tax levy and is used to pay for police protection services.

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 – The Medill lift station is a water/sewer improvement project, which 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.

5. Fiduciary Funds (Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

East Ohio Regional Transit Agency (EORTA) Fund - Levy monies collected and distributed to EORTA by the County Auditor for bus service provided to the Village.

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 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.

**VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2002 and 2001 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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

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>2002</u>	<u>2001</u>
Demand deposits	\$323,206	\$186,950
STAR Ohio	488,988	495,854
Total deposits and investments	<u>\$812,194</u>	<u>\$682,804</u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or 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.

**VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$214,341	\$162,384	(\$51,957)
Special Revenue	93,552	98,049	4,497
Debt Service	3,000	2,744	(256)
Enterprise	438,100	488,289	50,189
Total	\$748,993	\$751,466	\$2,473

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$201,800	\$158,622	\$43,178
Special Revenue	99,113	82,798	16,315
Debt Service	3,000	2,744	256
Enterprise	928,950	377,912	551,038
Total	\$1,232,863	\$622,076	\$610,787

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$194,742	\$153,501	(\$41,241)
Special Revenue	107,351	90,520	(16,831)
Debt Service	3,605	2,956	(649)
Enterprise	427,121	438,224	11,103
Total	\$732,819	\$685,201	(\$47,618)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$224,405	\$167,772	\$56,633
Special Revenue	120,461	101,892	18,569
Debt Service	3,605	2,956	649
Enterprise	877,100	476,194	400,906
Total	\$1,225,571	\$748,814	\$476,757

**VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

Contrary to Ohio law, appropriations exceeded estimated revenue in the Street, Construction, Maintenance and Repair Fund by 20% for the year ended December 31, 2001 and Police Levy Fund by 8% for the year ended December 31, 2002.

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 payments, 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.

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Mortgage Revenue Bonds	\$4,000	10.63%
Water Treatment Plant Note	504,905	7.00%
Total	<u>\$508,905</u>	

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.

**VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. DEBT (Continued)

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

	Mortgage Revenue Bonds	Notes
Year Ending December 31:		
2003	\$ 2,425	\$ 53,427
2004	\$2,213	53,427
2005	0	53,247
2006	0	53,427
2007	0	53,527
2008-2012	0	267,135
2013-2017	0	267,135
2008	0	28,124
Total	\$ 4,638	\$ 829,529

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and 2002. The Village has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

Risk Pool Membership

The Village belongs to the Ohio Municipal League Joint Self Insurance Pool (the Pool), an unincorporated non-profit association available to municipal corporations and their instrumentalities. Pursuant to § 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 pay judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

Casualty excess-of-loss contracts at December 31, 2002 and 2000 generally protect against individual losses exceeding \$100,000 (\$150,000 for policies issued prior to April 1, 2000).

**VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

7. RISK MANAGEMENT (Continued)

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 financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained deficit at December 31, 2001 and 2000: (This is the most current information available.)

	2002	2001
Assets	\$ 3,354,251	\$ 2,958,827
Liabilities	<u>(4,851,866)</u>	<u>(3,863,373)</u>
Retained deficit	\$ (1,497,615)	\$ (904,546)

Health Insurance

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

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**Auditor of State
Betty Montgomery**

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

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Tiltonsville, Jefferson County, (the Village) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 15, 2003. 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 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 2002-31241-001. In addition, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated April 15, 2003.

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 dated April 15, 2003.

Village of Tiltonsville
Jefferson County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 15, 2003

VILLAGE OF TILTONSVILLE
JEFFERSON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001

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

FINDING NUMBER 2002-31241-001

Ohio Revised Code § 5705.39 prohibits a political subdivision from making a fund appropriation in excess of the total estimated revenue available for expenditure from that fund as certified by the budget commission on the Amended Official Certificates of Estimated Resources.

Appropriations exceeded estimated resources for the Street, Construction, Maintenance, and Repair Fund in 2001 by 20% and for the Police Protection Levy Fund in 2002 by 8%.

Failure to limit appropriations to the amount certified by the budget commission could result in overspending and negative cash balances. The Village should compare appropriations to estimated resources and if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by Village Council to reduce the appropriations.



**Auditor of State
Betty Montgomery**

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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
JUNE 12, 2003**