



**Auditor of State
Betty Montgomery**

VILLAGE OF LYONS
FULTON COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Lyons
Fulton County
126 W. Morenci St., P.O. Box 414
Lyons, OH 43533-0414

To the Village Council:

We have audited the accompanying financial statements of the Village of Lyons, Fulton County, (the Village) as of and for the years ended December 31, 2002 and 2001. The financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 audits provide 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, 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 May 2, 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 audits.

We performed our audits to form an opinion on the financial statements of the Village, taken as a whole. The accompanying federal awards expenditures schedule is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, 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

May 2, 2003

**VILLAGE OF LYONS
FULTON 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>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$30,193	\$1,796	\$31,989
Intergovernmental Receipts	56,296	26,478	82,774
Fines, Licenses, and Permits	1,048		1,048
Earnings on Investments	3,647	959	4,606
Miscellaneous	2,910	3,778	6,688
	<u>94,094</u>	<u>33,011</u>	<u>127,105</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	11,795		11,795
Leisure Time Activities		1,861	1,861
Community Environment	480		480
Basic Utility Services	3,125		3,125
Transportation	2,943	16,281	19,224
General Government	43,910		43,910
	<u>62,253</u>	<u>18,142</u>	<u>80,395</u>
Total Cash Disbursements			
Total Cash Receipts Over Cash Disbursements	<u>31,841</u>	<u>14,869</u>	<u>46,710</u>
Other Financing Receipts and (Disbursements):			
Transfers-In		12,848	12,848
Transfers-Out		(12,848)	(12,848)
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	31,841	14,869	46,710
Fund Cash Balances, January 1	<u>24,311</u>	<u>53,927</u>	<u>78,238</u>
Fund Cash Balances, December 31	<u>\$56,152</u>	<u>\$68,796</u>	<u>\$124,948</u>
Reserves for Encumbrances, December 31	<u> </u>	<u>\$25,303</u>	<u>\$25,303</u>

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

**VILLAGE OF LYONS
FULTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$227,119
Miscellaneous	15,110
	242,229
Operating Cash Disbursements:	
Personal Services	62,981
Fringe Benefits	20,379
Contractual Services	76,279
Supplies and Materials	20,664
Other	235
Capital Outlay	2,256,021
	2,436,559
Operating Loss	(2,194,330)
Non-Operating Cash Receipts:	
Intergovernmental Receipts	1,257,260
Proceeds from Notes and Bonds	1,385,975
	2,643,235
Non-Operating Cash Disbursements:	
Debt Service	488,725
Excess of Disbursements Over Receipts Before Interfund Transfers	(39,820)
Transfers-In	29,541
Transfers-Out	(29,541)
Net Disbursements Over Receipts	(39,820)
Fund Cash Balances, January 1	173,728
Fund Cash Balances, December 31	\$133,908
Reserve for Encumbrances, December 31	\$212,370

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

**VILLAGE OF LYONS
FULTON 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>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$23,562	\$6,755	\$30,317
Intergovernmental Receipts	49,206	26,990	76,196
Fines, Licenses, and Permits	876		876
Earnings on Investments	10,912	2,242	13,154
Miscellaneous	2,278	3,141	5,419
	<u>86,834</u>	<u>39,128</u>	<u>125,962</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	11,787		11,787
Leisure Time Activities		13,722	13,722
Community Environment	504		504
Basic Utility Services	4,464		4,464
Transportation	33,948	55,599	89,547
General Government	36,669		36,669
	<u>87,372</u>	<u>69,321</u>	<u>156,693</u>
Total Cash Disbursements			
Total Cash Receipts (Under) Cash Disbursements	<u>(538)</u>	<u>(30,193)</u>	<u>(30,731)</u>
Other Financing Receipts and (Disbursements):			
Transfers-In		1,100	1,100
Transfers-Out	(1,100)		(1,100)
	<u>(1,100)</u>	<u>1,100</u>	
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Disbursements and Other Financing Disbursements Over Cash Receipts and Other Financing Receipts	(1,638)	(29,093)	(30,731)
Fund Cash Balances, January 1	<u>25,949</u>	<u>83,020</u>	<u>108,969</u>
Fund Cash Balances, December 31	<u>\$24,311</u>	<u>\$53,927</u>	<u>\$78,238</u>
Reserves for Encumbrances, December 31			

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

**VILLAGE OF LYONS
FULTON COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$206,074
Miscellaneous	8,628
	214,702
Operating Cash Disbursements:	
Personal Services	56,596
Fringe Benefits	22,915
Contractual Services	110,644
Supplies and Materials	19,938
Other	780
Capital Outlay	298,877
	509,750
Operating Loss	(295,048)
Non-Operating Cash Receipts:	
Property Tax and Other Local Taxes	
Intergovernmental Receipts	15,305
Proceeds from Notes and Bonds	585,877
	601,182
Non-Operating Cash Disbursements:	
Debt Service	306,396
Other Non-Operating Cash Disbursements	821
	307,217
Excess of Disbursements Over Receipts Before Interfund Transfers	(1,083)
Transfers-In	26,510
Transfers-Out	(26,510)
	(1,083)
Net Disbursements Over Receipts	(1,083)
Fund Cash Balances, January 1	174,811
Fund Cash Balances, December 31	\$173,728
Reserve for Encumbrances, December 31	

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

**VILLAGE OF LYONS
FULTON 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 Lyons, Fulton 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 park operations (leisure time activities). The Village contracts with the Fulton 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

The Village utilizes a checking account and an interest bearing money market savings account.

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.

Permissive Motor Vehicle License - This fund receives motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF LYONS
FULTON COUNTY**

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

3. 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.

Utility Improvement Fund - This fund receives grants and loan proceeds to finance a sanitary sewer system and related lagoon.

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. 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 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.

**VILLAGE OF LYONS
FULTON COUNTY**

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

2. EQUITY IN POOLED CASH

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

	2002	2001
Demand Deposits	\$21,306	\$8,854
Savings Accounts	237,550	243,112
Total Deposits	\$258,856	\$251,966

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

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	\$83,523	\$94,094	\$10,571
Special Revenue	35,600	45,859	10,259
Enterprise	2,918,498	2,915,005	(3,493)
Total	\$3,037,621	\$3,054,958	\$17,337

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$106,250	\$62,253	\$43,997
Special Revenue	80,100	56,293	23,807
Enterprise	3,068,100	3,167,195	(99,095)
Total	\$3,254,450	\$3,285,741	(\$31,291)

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$87,747	\$86,834	(\$913)
Special Revenue	55,606	40,228	(15,378)
Enterprise	1,732,321	842,394	(889,927)
Total	\$1,875,674	\$969,456	(\$906,218)

**VILLAGE OF LYONS
FULTON COUNTY**

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

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$105,000	\$88,472	\$16,528
Special Revenue	147,338	69,321	78,017
Enterprise	1,874,566	843,477	1,031,089
Total	\$2,126,904	\$1,001,270	\$1,125,634

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.

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.

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$1,381,000	2.96%

The Ohio Water Development Authority (OWDA) loan relates to the design and installation of a wastewater treatment system, a project that was mandated by the Ohio EPA. The OWDA has approved up to \$1,381,000 in loans, some of which was used to refinance prior OWDA loans for the design phase of the project. As of December 31, 2002, the project is ongoing. Upon final completion of this project, the U.S. Department of Agriculture Rural Development will refinance the OWDA debt by way of Village bonds. The amount of debt and amortization on the retirement of this debt will be determined upon completion of the project.

6. RETIREMENT SYSTEMS

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

**VILLAGE OF LYONS
FULTON COUNTY**

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

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

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Vehicles.
- Errors and omissions.

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**VILLAGE OF LYONS
FULTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE		
<i>Direct Assistance:</i>		
Water and Waste Disposal Systems for Rural Communities	10.760	\$1,523,914
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
<i>Passed Through Ohio Department of Development</i>		
Community Development Block Grant	14.228	453,000
Total Federal Awards Expenditures		<u><u>\$1,976,914</u></u>

The accompanying notes are an integral part of this schedule.

**VILLAGE OF LYONS
FULTON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2002**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Village's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the Village contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has complied with the matching requirements.



**Auditor of State
Betty Montgomery**

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

Village of Lyons
Fulton County
126 W. Morenci St., P.O. Box 414
Lyons, OH 43533-0414

To the Village Council:

We have audited the accompanying financial statements of the Village of Lyons, Fulton County, (the Village), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 2, 2003. We conducted our audits 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 audits 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 May 2, 2003.

Internal Control over Financial Reporting

In planning and performing our audits, 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 May 2, 2003.

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

May 2, 2003



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Village of Lyons
Fulton County
126 W. Morenci St., P.O. Box 414
Lyons, OH 43533-0414

To the Village Council:

Compliance

We have audited the compliance of the Village of Lyons, Fulton County, (the Village) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village's compliance with those requirements.

In our opinion, the Village complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

Internal Control over Compliance

The management of the Village is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, Village Council, federal awarding agencies, and pass-through entities, 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

May 2, 2003

VILLAGE OF LYONS
FULTON COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
DECEMBER 31, 2002

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA 10.760 – Water and Waste Disposal Systems for Rural Communities
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000
(d)(1)(ix)	Low Risk Auditee?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**VILLAGE OF LYONS
FULTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-30126-001	Ohio Administrative Code § 117-5-11 (C)	Yes	
2000-30126-002	Ohio Revised Code § 5705.41(D)	Yes	



**Auditor of State
Betty Montgomery**

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Facsimile 614-466-4490

VILLAGE OF LYONS

FULTON 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 5, 2003**