



**Auditor of State  
Betty Montgomery**



VILLAGE OF DILLONVALE  
JEFFERSON COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Village of Dillonvale  
Jefferson County  
PO Box 546  
Dillonvale, Ohio 43917

To the Village Council:

We have audited the accompanying financial statements of the Village of Dillonvale, 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 and reserves for encumbrances of the Village of Dillonvale, 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 February 6, 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 the audit committee, 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

February 6, 2003

**VILLAGE OF DILLONVALE  
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>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$37,231	\$20,347		\$57,578
Intergovernmental Receipts	39,022	44,909	\$226,005	309,936
Charges for Services	7,023			7,023
Fines, Licenses, and Permits	17,052	450		17,502
Earnings on Investments	9,749			9,749
Miscellaneous	375			375
	<u>110,452</u>	<u>65,706</u>	<u>226,005</u>	<u>402,163</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	45,699	27,585		73,284
Public Health Services	1,000	17,482		18,482
Leisure Time Activities	7,782	280		8,062
Community Environment		781		781
Transportation	13,059	26,685		39,744
General Government	43,384		226,005	269,389
	<u>110,924</u>	<u>72,813</u>	<u>\$226,005</u>	<u>409,742</u>
Total Cash Disbursements	<u>110,924</u>	<u>72,813</u>	<u>\$226,005</u>	<u>409,742</u>
Total Receipts Over/(Under) Disbursements	<u>(472)</u>	<u>(7,107)</u>		<u>(7,579)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Other Financing Sources	1,455	378		1,833
Transfers-Out	(6,117)			(6,117)
	<u>(4,662)</u>	<u>378</u>		<u>(4,284)</u>
Total Other Financing Receipts/(Disbursements)	<u>(4,662)</u>	<u>378</u>		<u>(4,284)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(5,134)	(6,729)		(11,863)
Fund Cash Balances, January 1	<u>62,091</u>	<u>38,214</u>		<u>100,305</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$56,957</u></b>	<b><u>\$31,485</u></b>		<b><u>\$88,442</u></b>
Reserves for Encumbrances, December 31	<u>\$3,237</u>	<u>\$1,030</u>		<u>\$4,267</u>

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

**VILLAGE OF DILLONVALE  
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 Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$191,458		\$191,458
Total Operating Cash Receipts	<u>191,458</u>		<u>191,458</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	65,812		65,812
Fringe Benefits	10,695		10,695
Contractual Services	723		723
Supplies and Materials	51,460		51,460
Other	4,617		4,617
Capital Outlay	15,754		15,754
Total Operating Cash Disbursements	<u>149,061</u>		<u>149,061</u>
Operating Income/(Loss)	<u>42,397</u>		<u>42,397</u>
<b>Non-Operating Cash Receipts:</b>			
Special Assessments	348		348
Earnings on Investments	137		137
Other Non-Operating Receipts	347	\$15,890	16,237
Total Non-Operating Cash Receipts	<u>832</u>	<u>15,890</u>	<u>16,722</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	53,174		53,174
Other Non-Operating Cash Disbursements		15,890	15,890
Total Non-Operating Cash Disbursements	<u>53,174</u>	<u>15,890</u>	<u>69,064</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(9,945)		(9,945)
Transfers-In	60,117		60,117
Transfers-Out	<u>(54,000)</u>		<u>(54,000)</u>
Net Receipts Over/(Under) Disbursements	(3,828)		(3,828)
Fund Cash Balances, January 1	<u>295,597</u>	<u>170</u>	<u>295,767</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$291,769</u></b>	<b><u>\$170</u></b>	<b><u>\$291,939</u></b>
Reserve for Encumbrances, December 31	<u>\$2,426</u>		<u>\$2,426</u>

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



**VILLAGE OF DILLONVALE  
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>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$34,787	\$19,083		\$53,870
Intergovernmental Receipts	55,649	58,687	\$22,568	136,904
Charges for Services	11,783			11,783
Fines, Licenses, and Permits	10,385	50		10,435
Earnings on Investments	12,274			12,274
Miscellaneous	7,065			7,065
	<u>131,943</u>	<u>77,820</u>	<u>22,568</u>	<u>232,331</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	42,497	35,013		77,510
Public Health Services	1,000	15,464		16,464
Leisure Time Activities	10,692	204		10,896
Community Environment		2,028		2,028
Transportation	13,710	23,107		36,817
General Government	60,642			60,642
Capital Outlay			22,568	22,568
	<u>128,541</u>	<u>75,816</u>	<u>\$22,568</u>	<u>226,925</u>
Total Cash Disbursements	<u>128,541</u>	<u>75,816</u>	<u>\$22,568</u>	<u>226,925</u>
Total Receipts Over/(Under) Disbursements	<u>3,402</u>	<u>2,004</u>		<u>5,406</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Other Financing Sources	1,146	1,191		2,337
Advances-In	500			500
Transfers-Out	(11,347)			(11,347)
Advances-Out		(500)		(500)
	<u>(9,701)</u>	<u>691</u>		<u>(9,010)</u>
Total Other Financing Receipts/(Disbursements)	<u>(9,701)</u>	<u>691</u>		<u>(9,010)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,299)	2,695		(3,604)
Fund Cash Balances, January 1	<u>68,390</u>	<u>35,519</u>		<u>103,909</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$62,091</u></b>	<b><u>\$38,214</u></b>		<b><u>\$100,305</u></b>
Reserves for Encumbrances, December 31	<u>\$1,407</u>	<u>\$653</u>		<u>\$2,060</u>

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

**VILLAGE OF DILLONVALE  
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 Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$187,198		\$187,198
Miscellaneous	1,399		1,399
	<u>188,597</u>		<u>188,597</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	59,422		59,422
Fringe Benefits	15,360		15,360
Contractual Services	2,689		2,689
Supplies and Materials	41,477		41,477
Miscellaneous	7,535		7,535
Capital Outlay	19,150		19,150
	<u>145,633</u>		<u>145,633</u>
Operating Income/(Loss)	<u>42,964</u>		<u>42,964</u>
<b>Non-Operating Cash Receipts:</b>			
Proceeds from Notes and Bonds	18,550		18,550
Other Non-Operating Receipts	1,659	\$7,783	9,442
	<u>20,209</u>	<u>7,783</u>	<u>27,992</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	47,722		47,722
Other Non-Operating Cash Disbursements		7,783	7,783
	<u>47,722</u>	<u>7,783</u>	<u>55,505</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	15,451		15,451
Transfers-In	65,412		65,412
Transfers-Out	(54,065)		(54,065)
Net Receipts Over/(Under) Disbursements	26,798		26,798
Fund Cash Balances, January 1	268,799	170	268,969
<b>Fund Cash Balances, December 31</b>	<b><u>\$295,597</u></b>	<b><u>\$170</u></b>	<b><u>\$295,767</u></b>
Reserve for Encumbrances, December 31	<u>\$3,579</u>		<u>\$3,579</u>

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

**VILLAGE OF DILLONVALE  
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 Dillonvale, 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 government services including street maintenance services, water utilities, park operations, and police services. The Village contracts with Dillonvale Volunteer Fire Department to provide fire protection services and Dillonvale Emergency Medical Services to provide emergency medical services for village residents.

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:

**VILLAGE OF DILLONVALE  
JEFFERSON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*COPS Fast Grant Fund* - This fund receives federal grant monies which are used to provide additional police protection services.

*Emergency Management Service Fund* - This fund receives tax monies to purchase fire and emergency medical services.

**4. Capital Project Funds**

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 Project Funds:

*Issue II Fund* - This fund received states monies for construction of a new water tank.

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

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

*Mortgage Water Revenue Bonds Fund* - This fund receives monies from the Water Operating Fund to cover payment of debt and interest payments relating to the water project.

**6. Fiduciary Funds (Trust and Agency Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

*Mayor's Court Fund* - The fund accounts for all monies received and disbursed through the Mayor's Court.

**VILLAGE OF DILLONVALE  
JEFFERSON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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. 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.

**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:

**VILLAGE OF DILLONVALE  
JEFFERSON COUNTY**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

	2002	2001
Demand deposits	\$147,799	\$150,967
Certificates of deposit	113,033	106,952
Total deposits	\$260,832	\$257,919
STAR Ohio	119,549	138,153
Total deposits and investments	\$380,381	\$396,072

**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 2002 and 2001 follows:

**2002 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$109,545	\$111,907	\$2,362
Special Revenue	63,453	66,084	2,631
Capital Projects	226,005	226,005	0
Enterprise	245,482	252,407	6,925
Total	\$644,485	\$656,403	\$11,918

**2002 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$171,214	\$120,278	\$50,936
Special Revenue	101,819	73,843	27,976
Capital Projects	226,005	226,005	0
Enterprise	541,136	258,661	282,475
Total	\$1,040,174	\$678,787	\$361,387

**2001 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$131,280	\$133,089	\$1,809
Special Revenue	76,815	79,011	2,196
Capital Projects	22,568	22,568	0
Enterprise	271,144	274,218	3,074
Total	\$501,807	\$508,886	\$7,079

**VILLAGE OF DILLONVALE  
JEFFERSON COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$199,669	\$141,295	\$58,374
Special Revenue	112,760	76,469	36,291
Capital Projects	22,568	22,568	0
Enterprise	539,942	250,999	288,943
Total	\$874,939	\$491,331	\$383,608

**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.

**6. DEBT**

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
Water Mortgage Revenue Bonds	\$882,800	4.50%
Garbage Packer Loan	14,665	5.50%
Total	\$897,465	

The Water Mortgage Revenue Bonds were issued to finance a water improvement project. This will be repaid in annual installments of approximately \$48,900, including interest, over 38 years.

The Garbage Packer Loan was for the purchase of a new packer. It is collateralized by the equipment.

**VILLAGE OF DILLONVALE  
JEFFERSON COUNTY**

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

**6. DEBT (Continued)**

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

	Mortgage Revenue Bonds	Garbage Packer Loan
Year ending December 31:		
2003	\$48,926	\$4,252
2004	48,912	4,252
2005	48,880	4,252
2006	48,930	3,543
2007	48,957	
2008 – 2040	1,613,916	
Total	\$1,858,521	\$16,299

**7. 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. The Village has paid all contributions required through December 31, 2002.

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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





**Auditor of State  
Betty Montgomery**

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

Village of Dillonvale  
Jefferson County  
P.O. Box 546  
Dillonvale, Ohio 43917

To the Village Council:

We have audited the accompanying financial statements of the Village of Dillonvale, Jefferson County, (the Village) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated February 6, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated February 6, 2003.

Village of Dillonvale  
Jefferson County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
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This report is intended solely 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.

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

**Betty Montgomery**  
Auditor of State

February 6, 2003



**Auditor of State  
Betty Montgomery**

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 DILLONVALE**

**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  
APRIL 10, 2003**