



**VILLAGE OF SYRACUSE
MEIGS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF SYRACUSE
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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Syracuse
Meigs County
P.O. Box 266
2581 Third Street
Syracuse, Ohio 45779-0266

To the Village Council:

We have audited the accompanying financial statements of the Village of Syracuse, Meigs County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 Syracuse, Meigs County, as of December 31, 1999 and 1998, and its combined cash receipts and cash 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 a report dated August 8, 2000, 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 Village Council, management and other officials authorized to receive this report under Section 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, appearing to read "Jim Petro".

Jim Petro
Auditor of State

August 8, 2000

**VILLAGE OF SYRACUSE
 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>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$20,555	\$8,262	\$28,817
Intergovernmental Receipts	43,907	30,988	74,895
Charges for Services		7,063	7,063
Fines, Licenses, and Permits	7,152		7,152
Miscellaneous	15,000	5,379	20,379
	<u>86,614</u>	<u>51,692</u>	<u>138,306</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	13,224	10,499	23,723
Leisure Time Activities	9,654		9,654
Transportation		13,694	13,694
General Government	60,152	339	60,491
Debt Service	2,865	2,865	5,730
Capital Outlay	3,200		3,200
	<u>89,095</u>	<u>27,397</u>	<u>116,492</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(2,481)</u>	<u>24,295</u>	<u>21,814</u>
Other Financing Receipts/(Disbursements):			
Other Uses	(2,856)	(5)	(2,861)
Transfers-In		674	674
Transfers-Out	(674)		(674)
	<u>(3,530)</u>	<u>669</u>	<u>(2,861)</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,011)	24,964	18,953
Fund Cash Balances, January 1	<u>30,291</u>	<u>20,020</u>	<u>50,311</u>
Fund Cash Balances, December 31	<u>\$24,280</u>	<u>\$44,984</u>	<u>\$69,264</u>

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

**VILLAGE OF SYRACUSE
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, 1999**

	Proprietary Fund Types	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$92,098	\$	\$	\$92,098
Miscellaneous	3,983			3,983
Total Operating Cash Receipts	96,081	0	0	96,081
Operating Cash Disbursements:				
Personal Services	32,033			32,033
Contractual Services	22,527			22,527
Supplies and Materials	24,463			24,463
Total Operating Cash Disbursements	79,023	0	0	79,023
Operating Income/(Loss)	17,058	0	0	17,058
Non-Operating Cash Receipts:				
Intergovernmental Receipts	8,111			8,111
Other Non-Operating Receipts			11,679	11,679
Total Non-Operating Cash Receipts	8,111	0	11,679	19,790
Non-Operating Cash Disbursements:				
Debt Service	4,313			4,313
Other Non-Operating Cash Disbursements	3,314		11,708	15,022
Total Non-Operating Cash Disbursements	7,627	0	11,708	19,335
Excess of Receipts Over/(Under) Disbursements	17,542	0	(29)	17,513
Fund Cash Balances, January 1	48,268	307	352	48,927
Fund Cash Balances, December 31	\$65,810	\$307	\$323	\$66,440

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

**VILLAGE OF SYRACUSE
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$18,492	\$7,933	\$26,425
Intergovernmental Receipts	32,995	131,652	164,647
Charges for Services		6,086	6,086
Fines, Licenses, and Permits	8,589		8,589
Miscellaneous	18,242	6,646	24,888
	<u>78,318</u>	<u>152,317</u>	<u>230,635</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	7,006	11,418	18,424
Leisure Time Activities	14,885		14,885
Transportation		26,916	26,916
General Government	45,579	4,272	49,851
Debt Service	2,875	10,351	13,226
Capital Outlay		102,613	102,613
	<u>70,345</u>	<u>155,570</u>	<u>225,915</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>7,973</u>	<u>(3,253)</u>	<u>4,720</u>
Other Financing Receipts/(Disbursements):			
Other Uses	(2,645)	(6)	(2,651)
Transfer-Out	(6,000)		(6,000)
	<u>(8,645)</u>	<u>(6)</u>	<u>(8,651)</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(672)	(3,259)	(3,931)
Fund Cash Balances, January 1	<u>30,963</u>	<u>23,279</u>	<u>54,242</u>
Fund Cash Balances, December 31	<u>\$30,291</u>	<u>\$20,020</u>	<u>\$50,311</u>

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

**VILLAGE OF SYRACUSE
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, 1998**

	Proprietary Fund Types	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$89,804	\$	\$	\$89,804
Miscellaneous	2,456	106		2,562
Total Operating Cash Receipts	92,260	106	0	92,366
Operating Cash Disbursements:				
Personal Services	33,896			33,896
Contractual Services	35,316			35,316
Supplies and Materials	44,068			44,068
Total Operating Cash Disbursements	113,280	0	0	113,280
Operating Income/(Loss)	(21,020)	106	0	(20,914)
Non-Operating Cash Receipts:				
Intergovernmental Receipts	18,014			18,014
Other Non-Operating Receipts	0		12,426	12,426
Total Non-Operating Cash Receipts	18,014	0	12,426	30,440
Non-Operating Cash Disbursements:				
Debt Service	7,627			7,627
Other Non-Operating Cash Disbursements	2,551		12,074	14,625
Total Non-Operating Cash Disbursements	10,178	0	12,074	22,252
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(13,184)	106	352	(12,726)
Transfers-In	6,000			6,000
Excess of Receipts Over/(Under) Disbursements	(7,184)	106	352	(6,726)
Fund Cash Balances, January 1	55,452	201	0	55,653
Fund Cash Balances, December 31	\$48,268	\$307	\$352	\$48,927

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

**VILLAGE OF SYRACUSE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Village of Syracuse, Meigs County, (the Village) is a body politic and corporate 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 maintenance of streets and highways, water utility services, and police protection.

The Village's management believes these financial statements represent 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 a payment is made rather than when a liability is incurred.

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

C. CASH AND INVESTMENTS

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest earned is recognized and recorded when received.

D. FUND ACCOUNTING

The Village uses fund accounting to segregate cash that is 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 by law or contract to be restricted.

2. Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle license tax money to construct, maintain and repair Village streets.

**VILLAGE OF SYRACUSE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. FUND ACCOUNTING (Continued)

2. Special Revenue Funds (Continued)

Fire Fund - This fund receives money from a contract with Sutton Township to provide fire protection to residents of the Township.

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.

Swimming Pool Fund - This fund receives charges for services from residents to cover the cost of running the swimming pool.

4. Fiduciary 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 Trust Funds. The Village had the following Nonexpendable Trust Fund:

Cemetery Bequest Fund - This fund maintains the trust corpus and receives the interest income earned. The income is to be used for perpetual care of certain graves or cemeteries.

Funds for which the Village is acting in an agency capacity are classified as Agency Funds. The Village had the following Agency Fund:

Mayor's Court Fund - This agency fund accounts for, and reports, the financial activity of the Mayor's Court of the Village.

E. BUDGETARY PROCESS

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

Appropriations

Budgetary expenditures (i.e., 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 SYRACUSE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. BUDGETARY PROCESS (Continued)

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus beginning of the year fund cash balances. The County Budget Commission must also approve estimated resources.

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. The Village did not use the encumbrance method of accounting.

A summary of 1999 and 1998 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.

2. EQUITY IN POOLED CASH

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

	<u>1999</u>	<u>1998</u>	
Demand Deposits	\$135,554	\$99,088	
Petty Cash	<u>150</u>	<u>150</u>	
	<u>\$135,704</u>	<u>\$99,238</u>	

The Mayor's Court had an ending book balance of \$323 and \$352 in 1999 and 1998, respectfully, which is included in the demand deposits amount.

Deposits: The Village's deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged to the Village by the financial institution.

VILLAGE OF SYRACUSE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998, was as follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 68,137	\$ 86,614	\$ 18,477
Special Revenue	37,839	52,366	14,527
Enterprise	95,800	104,192	8,392
Nonexpendable Trust	5	0	(5)
Total	<u>\$ 201,781</u>	<u>\$ 243,172</u>	<u>\$ 41,391</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 99,608	\$ 92,625	\$ 6,983
Special Revenue	56,065	27,402	28,663
Enterprise	100,252	86,650	13,602
Nonexpendable Trust	200	0	200
Total	<u>\$ 256,125</u>	<u>\$ 206,677</u>	<u>\$ 49,448</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 72,388	\$ 78,318	\$ 5,930
Special Revenue	39,355	152,317	112,962
Enterprise	113,814	116,274	2,460
Nonexpendable Trust	5	106	101
Total	<u>\$ 225,562</u>	<u>\$ 347,015</u>	<u>\$ 121,453</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 95,990	\$ 78,990	\$ 17,000
Special Revenue	61,639	155,576	(93,937)
Enterprise	105,859	123,458	(17,599)
Nonexpendable Trust	100	0	100
Total	<u>\$ 263,588</u>	<u>\$ 358,024</u>	<u>\$ (94,436)</u>

**VILLAGE OF SYRACUSE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

In 1999, the Village had disbursements exceeding appropriations in the Law Enforcement Fund in the amount of \$335 and the Swimming Pool Fund in the amount of \$4,371. In 1998, the Village had disbursements exceeding appropriations in the Street Construction, Maintenance and Repair Fund in the amount of \$94,086, the Water Fund in the amount of \$444, the Swimming Pool Fund in the amount of \$20,788 and the Fire Fund in the amount of \$539. These were in violation of the Ohio Rev. Code Section 5705.41(B), which prohibits the expenditure of funds unless they have been appropriated.

The Village did not receive prior certification of the availability of funds from the Clerk/Treasurer on expenditures. This is in violation of Ohio Rev. Code Section 5705.41(D), which states no subdivision shall make any contract or order any disbursement of money unless the certificate of the fiscal officer is attached.

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.

5. DEBT

Debt outstanding at December 31, 1999, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes	\$8,082	6.25%

The General Obligation Note was for a pole building that the Village purchased in 1997. The note was for \$20,000, with semiannual payments of \$2,865.

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

<u>Year ending December 31:</u>	<u>General Obligation Notes</u>
2000	5,730
2001	<u>2,865</u>
Total	<u>\$ 8,595</u>

VILLAGE OF SYRACUSE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

6. RETIREMENT SYSTEMS

The employees and Clerk of the Village were covered by the Public Employees Retirement System of Ohio. PERS 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

The Council Members and Mayor have elected to pay into Social Security. The employer and employee contributions to Social Security were equal to 6.2% of gross salary.

7. RISK MANAGEMENT

The Village has obtained commercial insurance coverage for the following risks:

- General liability and casualty
- Public officials' liability
- Vehicles
- Property



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Village of Syracuse
Meigs County
P.O. Box 266
2581 Third Street
Syracuse, Ohio 45779-0266

To the Village Council:

We have audited the financial statements of the Village of Syracuse, Meigs County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 8, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 1999-30753-001 and 1999-30753-002. We also noted certain immaterial instances of noncompliance that was reported to management of the Village in a separate letter dated August 8, 2000.

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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 1999-30753-001 through 1999-30753-003.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the reportable conditions described above as items 1999-30753-001 and 1999-30753-002 are material weakness and item 1999-30753-003 is not a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Village in a separate letter dated August 8, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a stylized flourish at the end.

Jim Petro
Auditor of State

August 8, 2000

**VILLAGE OF SYRACUSE
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

FINDING NUMBER 1999-30753-001

Noncompliance Citation

Ohio Rev. Code § 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been appropriated.

For the year ending December 31, 1999, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
Law Enforcement	\$0	\$335	(\$335)
Swimming Pool	26,580	30,951	(4,371)

For the year ending December 31, 1998, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
Street Construction, Maintenance, and Repair	\$36,639	\$130,725	(\$94,086)
State Highway	20,000	20,539	(539)
Water	66,710	67,154	(444)
Swimming Pool	35,349	56,137	(20,788)

We recommend the Village only make expenditures when adequate appropriations have been adopted.

FINDING NUMBER 1999-30753-002

Noncompliance Citation

Ohio Rev. Code § 5705.41(D) states that no subdivision shall make any contract or order any disbursement of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund, free from any previous encumbrance. This section also provides two "exceptions" to the above requirements:

1. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of any previous encumbrances, Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
2. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of Village Council.

**VILLAGE OF SYRACUSE
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 1999-30753-002 (Continued)

The Village did not receive prior certification of the availability of funds from the Village Clerk on expenditures. Also, the Village Clerk recorded all expenditures in the appropriation ledger; however, the original appropriations were not posted for all accounts and running balances were not calculated by the Village Clerk.

Based on the above information, the Village did not utilize the encumbrance method of accounting.

We recommend the Village utilize the encumbrance method of accounting as per Ohio Revised Code.

FINDING NUMBER 1999-30753-003

Reportable Condition

Monitoring of Guarantee Deposits

The Village requires that customers pay a \$25 deposit which is recorded in the billing journal before water service is started. When service is terminated, the \$25 deposit is credited to the customer's account or refunded to the customer. The Village did not keep a log of how long the customer had water service or of when customers bills were credited for the return of the \$25 deposit. This could result in guarantee deposits never being returned or deposits being credited more than once.

We recommend that the Village keep a log of all customers guarantee deposits received and disbursed and reconcile the log to the Guarantee Water Deposit Fund.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF SYRACUSE

MEIGS 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
SEPTEMBER 5, 2000**