

**VILLAGE OF SYRACUSE
MEIGS COUNTY
Regular Audit
December 31, 2007 and 2006**



Mary Taylor, CPA

Auditor of State

Village Council
Village of Syracuse
P.O. Box 266
2581 Third Street
Syracuse, Ohio 45779

We have reviewed the *Independent Accountants' Report* of the Village of Syracuse, Meigs County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Syracuse is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 3, 2008

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**VILLAGE OF SYRACUSE
MEIGS COUNTY**

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Perry & Associates
Certified Public Accountants, A.C.

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INDEPENDENT ACCOUNTANTS' REPORT

September 12, 2008

Village of Syracuse
Meigs County
PO Box 266, 2581 Third Street
Syracuse, OH 45779

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, 2007 and 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2007 and 2006 or their changes in financial position or cash flows for the year then ended.

Also, 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, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2008 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 29,023	\$ 32,006	\$ 61,029
Intergovernmental	54,652	47,304	101,956
Charges for Services	430	11,445	11,875
Fines, Licenses, and Permits	10,750	-	10,750
Earnings on Investments	2,875	796	3,671
Miscellaneous	5,262	5,161	10,423
	<u>102,992</u>	<u>96,712</u>	<u>199,704</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	12,735	48,612	61,347
Leisure Time Activities	7,086	265	7,351
Transportation	-	45,152	45,152
General Government	39,933	1,139	41,072
Debt Service:			
Redemption of Principal	5,169	5,018	10,187
Interest and Fiscal Charges	648	263	911
Capital Outlay	-	11,000	11,000
	<u>65,571</u>	<u>111,449</u>	<u>177,020</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Disbursements	<u>37,421</u>	<u>(14,737)</u>	<u>22,684</u>
Other Financing Receipts and (Disbursements):			
Note Proceeds	-	5,000	5,000
Advances-In	6,000	11,580	17,580
Advances-Out	(11,580)	(6,000)	(17,580)
Transfer-In	-	1,605	1,605
Transfer-Out	(3,515)	-	(3,515)
	<u>(9,095)</u>	<u>12,185</u>	<u>3,090</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	28,326	(2,552)	25,774
Fund Cash Balances, January 1	<u>10,841</u>	<u>102,261</u>	<u>113,102</u>
Fund Cash Balances, December 31	<u>\$ 39,167</u>	<u>\$ 99,709</u>	<u>\$ 138,876</u>

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Proprietary Fund Type</u>	<u>Fuduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency Fund</u>	
Operating Cash Receipts:			
Charges for Services	\$ 166,347	\$ -	\$ 166,347
Miscellaneous	3,545	-	3,545
Total Operating Revenues	<u>169,892</u>	<u>-</u>	<u>169,892</u>
Operating Cash Disbursements:			
Security of Persons and Property			-
Personal Services	51,030	-	51,030
Fringe Benefits	11,615	-	11,615
Contractual Services	29,097	-	29,097
Supplies and Materials	28,255	-	28,255
Capital Outlay	29,071	-	29,071
Other	10,960	-	10,960
Total Operating Cash Disbursements	<u>160,028</u>	<u>-</u>	<u>160,028</u>
Operating Income (Loss)	<u>9,864</u>	<u>-</u>	<u>9,864</u>
Non-Operating Cash Receipts/Disbursements:			
Note Proceeds	39,113	-	39,113
Other Non-Operating Cash Receipts	-	14,721	14,721
Other Non-Operating Cash Disbursements	-	(13,508)	(13,508)
Redemption of Principal	(18,323)	-	(18,323)
Interest and Other Fiscal Charges	(5,304)	-	(5,304)
Total Non-Operating Cash Receipts/Disbursements	<u>15,486</u>	<u>1,213</u>	<u>16,699</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	<u>25,350</u>	<u>1,213</u>	<u>26,563</u>
Transfer-In	<u>1,910</u>	<u>-</u>	<u>1,910</u>
Net Receipts Over/(Under) Cash Disbursements	27,260	1,213	28,473
Fund Cash Balances, January 1	<u>93,143</u>	<u>2,299</u>	<u>95,442</u>
Fund Cash Balances, December 31	<u>\$ 120,403</u>	<u>\$ 3,512</u>	<u>\$ 123,915</u>

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 30,164	\$ 15,855	\$ 46,019
Intergovernmental	36,596	147,342	183,938
Charges for Services	821	11,318	12,139
Fines, Licenses, and Permits	15,500	-	15,500
Earnings on Investments	1,828	496	2,324
Miscellaneous	8,602	60,169	68,771
	<u>93,511</u>	<u>235,180</u>	<u>328,691</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	16,086	26,292	42,378
Leisure Time Activities	6,969	-	6,969
Transportation	-	61,793	61,793
General Government	44,997	91,145	136,142
Debt Service:			
Redemption of Principal	7,730	52,236	59,966
Interest and Fiscal Charges	1,335	925	2,260
	<u>77,117</u>	<u>232,391</u>	<u>309,508</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Disbursements	<u>16,394</u>	<u>2,789</u>	<u>19,183</u>
Other Financing Receipts and (Disbursements):			
Advances-In	1,955	18,000	19,955
Advances-Out	(19,955)	-	(19,955)
Transfer-In	212	-	212
Transfer-Out	(1,389)	-	(1,389)
	<u>(19,177)</u>	<u>18,000</u>	<u>(1,177)</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(2,783)	20,789	18,006
Fund Cash Balances, January 1	<u>13,624</u>	<u>81,472</u>	<u>95,096</u>
Fund Cash Balances, December 31	<u>\$ 10,841</u>	<u>\$ 102,261</u>	<u>\$ 113,102</u>

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Proprietary Fund Type</u>	<u>Fuduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency Fund</u>	
Operating Cash Receipts:			
Charges for Services	\$ 129,297	\$ -	\$ 129,297
Miscellaneous	45,167	-	45,167
Total Operating Revenues	<u>174,464</u>	<u>-</u>	<u>174,464</u>
Operating Cash Disbursements:			
Security of Persons and Property			-
Personal Services	48,708	-	48,708
Fringe Benefits	10,264	-	10,264
Contractual Services	29,675	-	29,675
Supplies and Materials	81,001	-	81,001
Capital Outlay	177,189		
Other	306	-	306
Total Operating Cash Disbursements	<u>347,143</u>	<u>-</u>	<u>169,954</u>
Operating Income (Loss)	<u>(172,679)</u>	<u>-</u>	<u>(172,679)</u>
Non-Operating Cash Receipts/Disbursements:			
Intergovernmental	40,020	-	40,020
Special Assessment	381	-	381
Note Proceeds	176,697	-	176,697
Other Non-Operating Cash Receipts	-	16,370	16,370
Other Non-Operating Cash Disbursements	-	(15,261)	(15,261)
Total Non-Operating Cash Receipts/Disbursements	<u>217,098</u>	<u>1,109</u>	<u>218,207</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	<u>44,419</u>	<u>1,109</u>	<u>45,528</u>
Transfer-In	1,389		1,389
Transfer-Out	(212)	-	(212)
Advance-In	1,955		1,955
Advances-Out	(1,955)	-	(1,955)
Net Receipts Over/(Under) Cash Disbursements	45,596	1,109	46,705
Fund Cash Balances, January 1	<u>47,547</u>	<u>1,190</u>	<u>48,737</u>
Fund Cash Balances, December 31	<u>\$ 93,143</u>	<u>\$ 2,299</u>	<u>\$ 95,442</u>

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Syracuse, Meigs County (the Village), as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides general governmental services, including maintenance of roads, fire protection services, police services, water utilities, cemetery maintenance and park operations. The Village is involved with the Syracuse-Racine Regional Sewer District, which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 9.

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.

Change in Basis of Accounting

Last audit period the Village implemented the cash basis of accounting. The fund financial statements presented each major fund in a separate column with non-major funds aggregated and presented in a single column, rather than a column for each fund type. This audit period the Village has elected to report fund financial statements by fund type using the regular basis of accounting as prescribed by the Auditor of States office.

C. Cash and Investments

Certificates of Deposit are valued at cost.

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.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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 received gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Fire Fund – This fund receives tax money for fire protection.

FEMA Fund – This fund receives FEMA money for repairs to the flood damaged pool.

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 accounts for the operation of the Village’s public swimming pool, located next to the village hall.

4. 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 Fund:

Mayor’s Court Fund – This Agency Fund receives fines from police department citations. These monies are divided between the Village and the State, as prescribed by law.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

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 2007 and 2006 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

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

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:

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

2. EQUITY IN POOLED CASH (Continued)

	2007	2006
Demand deposits	\$219,111	\$166,285
Certificates of Deposit	43,680	42,259
Total deposits and investments	\$262,791	\$208,544

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 97,930	\$ 102,992	\$ 5,062
Special Revenue	95,681	103,317	7,636
Enterprise	167,550	210,915	43,365
Total	\$ 361,161	\$ 417,224	\$ 56,063

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 84,094	\$ 69,086	\$ 15,008
Special Revenue	144,401	111,449	32,952
Enterprise	201,292	183,655	17,637
Total	\$ 429,787	\$ 364,190	\$ 65,597

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 99,990	\$ 93,723	\$ (6,267)
Special Revenue	201,376	235,180	33,804
Enterprise	394,769	393,517	(1,252)
Total	\$ 696,135	\$ 722,420	\$ 26,285

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 113,607	\$ 78,506	\$ 35,101
Special Revenue	249,085	232,199	16,886
Enterprise	397,544	349,098	48,446
Total	\$ 760,236	\$ 659,803	\$ 100,433

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding 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, 2007 was as follows:

	<u>Principal</u>	<u>Interest</u>
General Obligation Note - Fire Equipment	\$ 3,322	4.00%
General Obligation Note - Police Cruiser	10,955	4.00%
General Obligation Note - Water Upgrade	168,419	4.60%
General Obligation Note - Ford Truck	29,071	4.60%
General Obligation Note - Boat/Trailer	2,135	5.25%
	<u>\$ 213,902</u>	

The Fire Equipment note was issued in 2004 for acquiring new gear. The note was for \$10,500 and will be repaid in semi-annual installments of \$1,176. The note was collateralized by the Village's taxing authority.

The Police Cruiser note was for the purchase of a new cruiser in 2004. This note was for \$25,855 and will be repaid in semi-annual installments of \$5,817. The note was collateralized by the Village's taxing authority.

The Water Upgrade note was for the drilling of a new well and water line replacement. The note was approved in the amount of \$176,697 in 2006. The loan will be repaid in annual installments of \$27,309. The note was collateralized by the Village's taxing authority.

The Ford Truck note was issued in 2007 for the purchase of a new truck for the meter reader. This loan was for \$29,071 and will be repaid in annual installments of \$15,547. The note was collateralized by the Village's taxing authority.

The Boat/Trailer note was issued in 2007 for acquiring a small boat and trailer for the fire department. This note was for \$5,000 and will be repaid in quarterly installments of \$883. The note was collateralized by the Village's taxing authority.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

5. DEBT (Continued)

A General Obligation note was issued in 2000 in the amount of \$117,000 to finance the purchase of a fire truck. The principal outstanding at December 31, 2005 was \$52,935. This note was paid in full during the audit period.

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

Year Ending	GO Note Fire Equipment	GO Note Police Cruiser	GO Note Water Upgrade	GO Note Ford Truck	GO Note Boat/Trailer
December 31:					
2008	\$ 2,352	\$ 5,817	\$ 27,309	\$ 15,547	\$ 3,532
2009	2,352	5,817	27,309	15,547	-
2010	-	-	27,309	-	-
2011	-	-	27,309	-	-
2011	-	-	27,309	-	-
thereafter	-	-	66,246	-	-
	<u>\$ 4,704</u>	<u>\$ 11,634</u>	<u>\$ 202,791</u>	<u>\$ 31,094</u>	<u>\$ 3,532</u>

6. RETIREMENT SYSTEMS

Officials and employees, other than law enforcement officers, belong to the Public Employees Retirement System (PERS) 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.

The Ohio Revised Code also prescribes contribution rates. For 2007 members of PERS contributed 9.5% and for 2006 members of PERS contributed 9% of their gross salaries. The Village contributed an amount equal to 13.85% in 2007 and 13.7% in 2006 of participants' gross salaries. The Village has paid all contributions required through December 31, 2007.

7. RISK MANAGEMENT

The Village has obtained commercial insurance coverage for Public Officials and Employment Practices Liability and Police Professional Liability.

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), a nonassessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

7. RISK MANAGEMENT (Continued)

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005 (the latest information available):

	<u>2006</u>	<u>2005</u>
Assets	\$9,620,148	\$8,219,430
Liabilities	<u>(3,329,620)</u>	<u>(2,748,639)</u>
Members' Equity	<u>\$6,290,528</u>	<u>\$5,470,791</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

8. JOINTLY GOVERNED ORGANIZATIONS

Syracuse-Racine Regional Sewer District- The Syracuse-Racine Regional Sewer District is a regional Sewer district organized under Chapter 119 of the Ohio Revised Code. The District operates under the direction of a three member board of Trustees whose membership composed of one appointment from each of the participating political subdivisions: Sutton Township, Village of Syracuse and the Village of Racine. The membership elects a President, Vice President and a Secretary-Treasurer, who are responsible for the fiscal control of the financial resources of the District.

To obtain financial information, write to the Syracuse-Racine Regional Sewer District, Secretary-Treasurer, at PO Box 201, Racine, Ohio 45771. The Village paid the District \$666 and \$838 for sewer services during 2006 and 2007, respectively.

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

September 12, 2008

Village of Syracuse
Meigs County
PO Box 266, 2581 Third Street
Syracuse, OH 45779

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, 2007 and 2006, and have issued our report thereon dated September 12, 2008 wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

Internal Control Over Financial Reporting (Continued)

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 through 2007-005.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We noted one compliance matter we reported to the Village's management is a separate letter dated September 12, 2008.

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.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 and 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Significant Deficiency

Advances

In order to advance cash from one fund to another, Auditor of State Bulletin 97-003 suggests there must be statutory authority to use the money in the fund advancing the cash (the “creditor” fund) for the same purpose for which the fund receiving the cash (the “debtor” fund) was established. In addition, advances must be approved by a formal resolution of the taxing authority of the subdivision which must include: (1) a specific statement that the transaction is an advance of cash, and, (2) an indication of the money (fund) from which it is expected that repayment will be made.

To alleviate short-term cash flow problems, the Village advanced cash between the General Fund and LEOT Terminal Services Fund in 2007. Also, the Village advanced cash between the General Fund and the Street Maintenance Fund in 2006. These advances were not paid back as of the end of the audit period.

We recommend that the Village follow the guidance outlined in Auditor of State Bulletin 97-003 to initiate an advance. If the Village’s intent is to not repay the advance, the taxing authority should by Resolution turn the unpaid advance into a transfer.

Management’s Response – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-002

Significant Deficiency

Water Department- Extension Policy

In the course of testing the Village Council members’ water bills and payments, we noted the water operator grants extensions to customers given extenuating circumstances for late payments. It was also noted that this has been a common practice in the past. However, no formal policy regarding the extension of a late payment was presented for audit purposes.

We recommend the Village adopt a formal policy in regards to extenuating circumstances in extending the payment date of a delinquent account. It should include but may not be limited to - who approves such extensions, qualifications for extensions, extension deadlines and penalties for not meeting such deadlines.

Management’s Response – We did not receive a response from officials to this finding.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 and 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-003

Significant Deficiency

Estimated Receipts

The Village did not accurately post estimated receipts to the accounting system. Estimated receipts certified with the County Auditor should agree to the estimated receipts posted to the Village's accounting system. The Village obtained the proper certification of estimated receipts from the County Auditor, but failed to post estimated receipts in the accounting system.

By not accurately posting estimated receipts to the accounting system, the Village lacked a significant management control of monitoring year-to-date total comparison of budgeted amounts versus actual amounts.

We recommend the Village implement procedures to ensure estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

Management's Response – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-004

Significant Deficiency

Posting Receipts and Expenditures

Receipts should be posted to the fund and line item accounts as established by Ohio Administrative Code Section 117-7-01.

During 2007 and 2006, several receipts and expenditures were not posted into accurate revenue classifications based on the source of the receipt or expenditure. For example, note proceed revenues were not posted into the correct receipt classification as well as the related purchase. In addition, the expenditures for the principal/interest payments were not always separated. This resulted in several reclassification entries being made to the financial statements.

We recommend the Clerk refer to Ohio Administrative Code Section 117-7-01 and/or the Ohio Village Handbook for guidance to determine the proper establishment of receipt and expenditure accounts and posting of receipts and expenditures.

Management's Response – We did not receive a response from officials to this finding.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 and 2006**

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

FINDING NUMBER 2007-005

Significant Deficiency

Mayor's Court Cashbook and Reconciliations

The court's cashbook did not always have complete information recorded such as receipt, case and check numbers, hampering the reconciliation process. In addition, the Mayor's Court did not perform monthly bank reconciliation's. This could allow errors and irregularities to go undetected. Properly prepared and approved bank reconciliation's can prevent errors or irregularities from occurring. However, the book and bank did reconcile.

The Village should properly record complete information regarding all the court's transactions to ensure proper reconciliations. Also, the Village should perform bank reconciliation's on a regular, monthly basis to be approved by the Mayor.

Management's Response – We did not receive a response from officials to this finding.



Mary Taylor, CPA
Auditor of State

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
NOVEMBER 13, 2008**