

Village of Attica

Financial Condition

As of

December 31, 2009 and 2010

Together with Auditor's Report



Dave Yost • Auditor of State

Village Council
Village of Attica
20 South Main Street
Attica, Ohio 44807

We have reviewed the *Independent Auditor's Report* of the Village of Attica, Seneca County, prepared by Kevin L. Penn, Inc., for the audit period January 1, 2009 through December 31, 2010. 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 Auditor's 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 Auditor's 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 Attica is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

July 8, 2011

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VILLAGE OF ATTICA

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Independent Auditor's Report

Village of Attica
Seneca County
20 South Main Street
Attica, Ohio 44807

I have audited the accompanying financial statements of the Village of Attica (the Village), as of and for the year ended December 31, 2009 and 2010. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audit.

I 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

As discussed 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. Although I cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, I presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2009 and 2010. Instead of the combined funds the accompanying financial statements present for 2009 and 2010, the revision requires presenting entity wide statements and also to present larger (i.e. major) funds separately for 2009 and 2010. While the Village does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since the Village does not use GAAP to measure its financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. My opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In my opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above 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, 2009 and 2010, its changes in financial position or cash flows for the year then ended.

Also, in my opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Village of Attica, Seneca County, Ohio, as of December 31, 2009 and 2010 and its combined cash receipts and disbursements and reserves for encumbrances for the year then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2009 and 2010. 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, I have also issued my report dated May 24, 2011, on my consideration of the Village's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal controls over financial reporting and compliance and the results of testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards. You should read it in conjunction with this report in assessing the results of my audit.

Kevin L. Penn, Inc.

May 24, 2011

Village of Attica
Seneca County
Combined Statement of Cash Receipts, Disbursements
and Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2009

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 42,111	\$ 100,015	\$ 142,126
Intergovernmental Receipts	108,934	68,828	177,762
Charges for Services	-	9,037	9,037
Fines, Licenses, and Penalties	110	21,001	21,111
Earnings on Investments	975	93	1,068
Other Revenue	27,806	5,091	32,897
Total Cash Receipts	179,936	204,065	384,001
Cash Disbursements:			
Current:			
Security of Persons and Property	14,677	129,805	144,482
Public Health Services	3,036		3,036
Leisure Time Activities		46,274	46,274
Transportation	-	41,222	41,222
General Government	93,097	-	93,097
Debt Service:			
Principal Payments	3,565	4,812	8,377
Interest Payments	4,522	1,841	6,363
Capital Outlay		4,078	4,078
Total Cash Disbursements	118,897	228,032	346,929
Total Receipts Over/(Under) Disbursements	61,039	(23,967)	37,072
Other Financing Receipts/(Disbursements)			
Transfers-In	-	36,500	36,500
Transfers-Out	(36,500)	-	(36,500)
Advances-In	33,167	25,000	58,167
Advances-Out	(25,000)	(33,167)	(58,167)
Total Other Financing Receipts/(Disbursements)	(28,333)	28,333	-
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	32,706	4,366	37,072
Fund Cash Balance - January 1, 2009	97,702	32,546	130,248
Fund Cash Balance - December 31, 2009	\$ 130,408	\$ 36,912	\$ 167,320
Reserves for Encumbrances, December 31, 2009	\$ -	\$ 707	\$ 707

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

Village of Attica
Seneca County
Combined Statement of Cash Receipts, Disbursements
and Changes in Fund Cash Balances - Enterprise Funds
For the Year Ended December 31, 2009

Operating Cash Receipts	
Charges for Services	<u>\$ 557,101</u>
Total Operating Cash Receipts	557,101
Operating Cash Disbursements:	
Personal Services	175,259
Contractual Services	203,069
Supplies and Materials	<u>128,491</u>
Total Operating Cash Disbursements	506,819
Operating Income	50,282
Non-Operating Cash Receipts	
Other Non-Operating Cash Receipts	<u>21,324</u>
Total Non-Operating Cash Receipts	21,324
Non-Operating Cash Disbursements	
Capital Outlay	1,000
Debt Service - Principal	37,342
Debt Service - Interest and Fiscal Charges	<u>126,027</u>
Total Non-Operating Cash Disbursements	164,369
Excess of Receipts Under Disbursements Before Interfund Transfers and Advances	(92,763)
Transfers-In	156,700
Transfers-Out	<u>(156,700)</u>
Net Disbursements Over Receipts	(92,763)
Fund Cash Balance - January 1, 2009	<u>335,218</u>
Fund Cash Balance - December 31, 2009	<u>\$ 242,455</u>
Reserves for Encumbrances, December 31, 2009	<u>\$ 361</u>

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

Village of Attica
Seneca County
Combined Statement of Cash Receipts, Disbursements
and Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2010

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 42,853	\$ 106,484	\$ 149,337
Intergovernmental Receipts	61,019	67,340	128,359
Charges for Services	-	12,324	12,324
Fines, Licenses, and Penalties	30	12,093	12,123
Earnings on Investments	575	111	686
Other Revenue	3,685	5,984	9,669
Total Cash Receipts	108,162	204,336	312,498
Cash Disbursements:			
Current:			
Security of Persons and Property	16,496	107,114	123,610
Public Health Services	2,679	-	2,679
Leisure Time Activities	-	26,839	26,839
Transportation	-	67,657	67,657
General Government	82,532	-	82,532
Debt Service:			
Principal Payments	3,717	5,041	8,758
Interest Payments	4,370	1,611	5,981
Capital Outlay		5,000	5,000
Total Cash Disbursements	109,794	213,262	323,056
Total Receipts Over/(Under) Disbursements	(1,632)	(8,926)	(10,558)
Other Financing Receipts/(Disbursements)			
Transfers-In	-	25,000	25,000
Transfers-Out	(25,000)	-	(25,000)
Advances-In	8,000	8,000	16,000
Advances-Out	(8,000)	(8,000)	(16,000)
Other Financing Sources	-	143	143
Total Other Financing Receipts/(Disbursements)	(25,000)	25,143	143
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(26,632)	16,217	(10,415)
Fund Cash Balance - January 1, 2010	130,408	36,912	167,320
Fund Cash Balance - December 31, 2010	\$ 103,776	\$ 53,129	\$ 156,905
Reserves for Encumbrances, December 31, 2010	\$ -	\$ 4,500	\$ 4,500

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

Village of Attica
Seneca County
Combined Statement of Cash Receipts, Disbursements
and Changes in Fund Cash Balances - Enterprise
Funds
For the Year Ended December 31, 2010

Operating Cash Receipts	
Charges for Services	\$ 656,646
Total Operating Cash Receipts	<u>656,646</u>
Operating Cash Disbursements:	
Personal Services	181,420
Contractual Services	123,671
Supplies and Materials	<u>109,230</u>
Total Operating Cash Disbursements	<u>414,321</u>
Operating Income	242,325
Non-Operating Cash Receipts	
Other Debt Proceeds	150,000
Other Non-Operating Financing Sources	<u>423</u>
Total Non-Operating Cash Receipts	150,423
Non-Operating Cash Disbursements	
Capital Outlay	152,599
Debt Service - Principal	50,153
Debt Service - Interest and Fiscal Charges	<u>138,295</u>
Total Non-Operating Cash Disbursements	<u>341,047</u>
Excess of Receipts Under Disbursements	
Before Interfund Transfers and Advances	51,701
Transfers-In	126,634
Transfers-Out	<u>(126,634)</u>
Net Disbursements Over Receipts	51,701
Fund Cash Balance - January 1, 2010	<u>242,455</u>
Fund Cash Balance - December 31, 2010	<u>\$ 294,156</u>
Reserves for Encumbrances, December 31, 2010	<u>\$ -</u>

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

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Attica, (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 operates under a council/mayor form of government. Elected Officials include six council members, a Fiscal Officer/treasurer and a mayor. The Village provides general government services, including maintenance of Village streets. The Attica-Venice-Reed Fire District provides fire protection and EMS services.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the "primary government". A fundamental characteristic of a primary government is that it is fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. This criteria was considered in determining the reporting entity. The Village has no component units.

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. Interest earned is recognized and recorded when received.

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)

D. Fund Accounting

The Village maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the need of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, and accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

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

To account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax monies from the State of Ohio for construction and repair of Village streets.

Police Levy Fund - This fund receives tax monies from a voted levy for police protection.

Proprietary Funds

Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

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

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

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)

E. Budgetary Process

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

1. Budget

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by August 20 of each year, for the period January 1 to December 31 of the following year.

2. 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 Village must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

3. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Village must also approve estimated resources.

4. 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 2010 and 2009 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

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

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)

H. Total Columns of Financial Statements

Amounts in the "Totals (Memorandum Only)" columns of the financial statements represent a summation of the financial statements line items of the fund types and account groups. These amounts are presented for analytical purposes only. This data is not comparable to a consolidation. Interfund type eliminations have not been made in the aggregation of this data.

2. DEPOSITS AND INVESTMENTS

Legal Requirements

State statutes classify monies held by the Village into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Village Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Trustees has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Monies held by the Village which are not considered active are classified as inactive. Inactive monies may be deposited or invested in the following securities:

1. Bonds, notes, or other obligations of, or guaranteed by, the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase and reverse repurchase agreements in the securities listed above;
4. Bond and other obligations of the State of Ohio, its political subdivision, or other units or agencies of this State or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)

2. DEPOSITS AND INVESTMENTS (continued)

7. The State Treasurer's investment pool (STAR Ohio).

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits. At year-end, the carrying amount of the Village's deposits was \$451,061 for 2010 and \$409,775 for 2009 and the bank balance was \$453,543 for 2010 and \$420,964 for 2009. Of the bank balance, \$250,000 and \$250,000 was covered by federal depository insurance for 2010 and 2009, and \$203,543 for 2010 and \$170,964 for 2009 was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions.

Investments. Statutory provisions require that the Village hold all securities acquired by the Village or deposit them with a qualified trustee pursuant to Section 135.18, Revised Code. Securities acquired under a repurchase agreement must be deposited with such a trustee unless the counterparty is a designated depository of the Village for the current period of designation of depositories, in which case the securities may be held in trust by the depository. At the end of each day, the Village withdraws surplus funds from the account and invests the monies in an overnight repurchase agreement. The Village does not purchase any specific security in this manner, but the investment is collateralized by pledged securities held by a third party in the name of the bank.

GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that local governments disclose the carrying amounts and market value of investments, classified by risk. Category 1 includes investments that are insured or registered, or securities held by the Village or its agent in Village name. Category 2 includes uninsured and unregistered, with securities held by the counter-party trust department or agent in the Village. Category 3 includes uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Village. The Village does not have any investments.

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2009 Budgeted vs. Actual Receipts

Fund Type:	Budgeted Receipts	Actual Receipts	Variance
General	\$271,371	\$213,103	\$58,268
Special Revenue	223,459	265,565	(42,106)
Enterprise	<u>999,078</u>	<u>735,125</u>	<u>263,953</u>
Total	<u>\$1,493,908</u>	<u>\$1,213,793</u>	<u>\$280,115</u>

2009 Budgeted vs Actual Budgetary Basis Expenditures

Fund Type:	Appropriation Authority	Budgetary Expenditures	Variance
General	\$189,633	\$180,397	\$9,236
Special Revenue	235,412	261,906	(26,494)
Enterprise	<u>857,122</u>	<u>828,249</u>	<u>28,873</u>
Total	<u>\$1,282,167</u>	<u>\$1,270,552</u>	<u>\$11,615</u>

2010 Budgeted vs. Actual Receipts

Fund Type:	Budgeted Receipts	Actual Receipts	Variance
General	\$237,009	\$116,162	\$120,847
Special Revenue	242,914	237,479	5,435
Enterprise	<u>1,457,760</u>	<u>933,703</u>	<u>524,057</u>
Total	<u>1,937,683</u>	<u>\$1,287,344</u>	<u>\$650,339</u>

2010 Budgeted vs Actual Budgetary Basis Expenditures

Fund Type:	Appropriation Authority	Budgetary Expenditures	Variance
General	\$237,009	\$142,794	\$94,215
Special Revenue	243,189	225,762	17,427
Enterprise	<u>1,457,849</u>	<u>882,002</u>	<u>575,847</u>
Total	<u>\$1,938,047</u>	<u>\$1,250,558</u>	<u>\$687,489</u>

During the 2009 calendar year, the Special Revenue Fund had expenditures that exceeded appropriations.

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)

4. PROPERTY TAX

Real property taxes become a lien on all non-exempt real property located in the county January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permit later payment dates to be established. Owners of tangible personal property are required to file a list of such property, including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of costs.

	<u>2009</u>	<u>2010</u>
Real Property:		
Residential and Agricultural	\$10,345,710	\$10,627,840
Commercial/Industrial/Mineral	3,121,360	3,118,330
Public Utilities	2,840	3,160
 Tangible Personal Property:		
Public Utilities	<u>363,430</u>	<u>350,760</u>
Total Valuation	<u>\$13,833,340</u>	<u>\$14,100,090</u>

The Seneca County Treasurer collects property tax of behalf of all taxing districts within the county. The Seneca County Auditor periodically remits to the taxing districts their portions of the taxes collected.

5. DEBT

Debt outstanding at December 31, 2010 was as follows:

Ohio Public Works Commissions Loans	\$ 159,810	0%
Water System Improvement Mortgage Revenue Bonds - Series A	2,400,400	4.25%
Water System Improvement Mortgage Revenue Bonds - Series B	490,400	4.50%
Water System Improvement Mortgage Revenue Bonds – Series 2007	223,400	4.125%
Ohio Water Development Authority	148,163	2.00%
Sutton Bank Loans	<u>210,591</u>	4.00% - 4.75%
Total	<u>\$3,632,764</u>	

The debt footnote as of December 31, 2007 was understated by \$305,590.

The Ohio Public Works Commission (OPWC) loans are for the water and sewer projects. These loans will be retired by water and sewer revenues.

The Water System Improvement Mortgage Revenue Bonds are for the cost of acquiring, constructing, enlarging, and/or extending the water supply, treatment and distribution system. These loans and will be retired by water revenues.

The Sutton Bank loans are for the purchase of equipment and a police cruiser. It will be retired by the police levy fund and the water fund.

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)

5. DEBT (continued)

The Ohio Water Development Authority (OWDA) loan is for the water project. This loan will be retired by water revenues.

The aggregate amounts of long-term debt maturities for the five years following 2010 are as follows:

Year	Principal	Interest	Total
2011	\$ 63,772	\$ 10,639	\$ 74,411
2012	63,148	10,131	73,279
2013	64,305	9,608	73,913
2014	65,505	9,044	74,549
2015	65,235	8,494	73,729
2016 – 2020	341,265	34,518	375,783
2021 – 2025	377,006	25,354	402,360
2026 – 2030	437,220	16,160	453,380
2031 – 2035	490,306	6,130	496,436
2036 – 2040	559,002	4,865	563,867
2041 – 2045	654,200	-	654,200
2046 – 2048	451,800	-	451,800
Total	<u>\$ 3,632,764</u>	<u>\$ 134,943</u>	<u>\$ 3,767,707</u>

6. DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System.

Plan Description - The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula requirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, and deputy sheriffs and township police) and public safety divisions exists only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)

6. DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2010 and 2009, the members of all three plans were required to contribute 10.0% of their annual covered salaries.

The Village's contribution rate for pension benefits in 2010 and 2009 was 14.0%, except for those plan members in law enforcement or public safety, for whom the Village's contribution rate was 19.5% of covered payroll. For the period January 1 through June 20, 2010, a portion of the Village's contribution equal to 10.0% of covered payroll was allocated to fund the postemployment healthcare plan; for the period July 1 through December 31, 2010. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate of the Village of 14%, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1%.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$ 31,889, \$28,842, and \$32,696. The full amount has been contributed for 2010, 2009, and 2008.

B. Ohio Police and Fire Pension Fund

Plan Description - The Village contributes to the Ohio Police and Fire Pension Fund (OP&F), a costsharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus OH 43215-5164.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary to fund pension obligations. The Village's contribution was 19.5% police officers. Contribution rates are established by State statute. For 2010 and 2009, apportion of the Village's contribution equal to 7.5% of covered payroll was allocated to fund the postemployment healthcare plan. The Village's required contributions to OP&F for the years ended December 31, 2010, 2009, and 2008 were \$5,715, \$11,896, and \$8,512. The full amount has been contributed for 2010, 2009 and 2008.

7. POSTEMPLEMENT BENEFITS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute.

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)

7. POSTEMPLEMENT BENEFITS (continued)

B. Ohio Police and Fire Pension Fund

The 2010 local government employer contribution rate was 14.00% of covered payroll; 4.00% of covered payroll was the portion that was used to fund health care. Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2009, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase between .50% and 4.00% annually for the next seven years and 4.00% annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis.

The total police employer contribution rate is 19.5% of covered payroll, of which 6.75% of covered payroll was applied to the Postemployment health care program. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The Village's actual contributions for 2010, 2009 and 2008 that were used to fund Postemployment benefits police were \$4,068; \$1,953 and \$3,128.

**VILLAGE OF ATTICA
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

(Continued)

8. RISK MANAGEMENT

Commercial Insurance

The Village is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During fiscal year 2009 and 2010, the Village contracted with private carriers for property and fleet insurance for the following:

- Blanket Building and Personal Property - Vehicles
- Boiler and Machinery
- General Liability
- Public Officials Liability
- Employee Benefits Liability

Settled claims have not exceeded the commercial coverage in any of the past three years.

9. CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.



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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards

Village of Attica
Seneca County
20 South Main Street
Attica, Ohio 44807

I have audited the financial statements of Village of Attica as of and for the year ended December 31, 2009 and 2010, and have issued my report thereon dated May 24, 2011. I conducted my audit in accordance with generally accepted auditing standards 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. My report on the financial statements disclosed that, as described in Note 1 to the financial statements, the Village prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of Ohio, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Village of Attica's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Attica's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Village of Attica's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village of Attica's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings that I consider to be significant deficiencies in internal control over financial reporting. 2010-1; 2010-2. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Attica's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings as items 2010-3; 2010-4; 2010-5 and 2010-6.

I noted certain matters that I reported to management of Village of Attica in a separate letter dated May 24, 2011.

The Village of Attica's response to the finding identified in my audit is described in the accompanying schedule of findings. I did not audit the Village of Attica's response and, accordingly, I express no opinion on it.

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

Kevin L. Penn, Inc.

May 24, 2011

Village of Attica
Seneca County

Schedule of Findings
December 31, 2009 and 2010

Finding Related to the Financial Statements
Required to be Reported in Accordance with GAGAS

2010-1

Separation of Duties

Condition:

The Fiscal Officer, signs and issues checks; receives and makes deposits, and reconciles the bank accounts. The basic premise is that no one individual should have access to both physical assets the related accounting records or to various phases of a transaction. One of the most critical areas of separation is cash, where I noted that there is not proper separation of duties, pertaining to the handling incoming checks; preparation of the deposit slips; and the reviewing of the monthly bank accounts.

Criteria:

The following functions should be performed by individuals/board member who are totally independent:

- Issuing and signing checks
- Maintaining the accounting records
- Reviewing the bank statements
- Performing bank reconciliations
- Maintaining vendor statements and invoices

Effect:

Resulted in inadequate separation of duties.

Cause:

As a result of the number of staff employed by the Village, there is a limit to the extent of separation of duties.

Recommendation:

In order to improve internal controls, I recommend that a board member performs the following functions: 1) signs the checks; 2) reviews invoices before disbursements are made, and 3) receives the bank statements directly from the bank so they can be reviewed prior to the Fiscal Officer's performance of the bank reconciliation. By performing these procedures, the risk of an inadequate segregation of duties over cash transactions will be significant reduced.

Village of Attica
Seneca County

Schedule of Findings
December 31, 2009 and 2010

Finding Related to the Financial Statements
Required to be Reported in Accordance with GAGAS

2010-1

Separation of Duties (continued)

Auditee's Response:

Due to limited staff/funds for the Village of Attica, Council reviews and signs the monthly bank reconciliations for the village account. The Administrative Assistant for the Village reviews invoices prior to disbursement by the Fiscal Officer. The Village will try to incorporate measures to ensure safer controls over the operation of village funds/procedures.

2010-2

Account Classification

Condition:

The Village received loans and grants from OPWC and OWDA for its Water Treatment and Reservoir project. However, it classified some of these monies as "charges for services" from OWDA.

Criteria:

Ohio Admin. Code Section 117-2-02(A) provides that all local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance and finance-related legal and contractual requirements and prepare financial statements. Furthermore, the Auditor of State provided, through Auditor of State Bulletins 2000-008 and 2002-004, the recommended accounting treatment for on-behalf of grants and loans.

Effect:

Cash receipts and expenses were not properly classified.

Cause:

Oversight by management.

Village of Attica
Seneca County

Schedule of Findings
December 31, 2009 and 2010

Finding Related to the Financial Statements
Required to be Reported in Accordance with GAGAS

2010-2

Account Classification (continued)

Recommendation:

I further recommend the Village refer to Auditor of State Bulletins 2000-008 and 2002-004 and follow the recommended accounting treatment for all loans expended directly to vendors on behalf of the Village.

Auditee's Response:

The Village will refer to Auditor of State Bulletins regarding any future loans and grants for proper classification when received on any upcoming projects, including a new WWTP.

2010-3

Certificate of Estimated Resources

Condition:

The Village received a revised amended official certificate of estimated resources from the Office of the Budget Commission in 2010 and 2009. However, the Fiscal Officer-Treasurer did not update the records in UAN after receipt of the revised amended certificate.

Criteria:

The Village should update its records to reflect the latest amended certificate of estimated resources in its financial report to the Auditor of State.

Effect:

Budgetary amounts are not properly recorded.

Cause:

Oversight by management.

Village of Attica
Seneca County

Schedule of Findings
December 31, 2009 and 2010

Finding Related to the Financial Statements
Required to be Reported in Accordance with GAGAS

2010-3

Certificate of Estimated Resources (continued)

Recommendation:

I recommend that the Village update its records to reflect the latest amended certificate of estimated resources in its financial report to the Auditor of State. This will allow management to have accurate comparisons of budget versus actual information.

Auditee's Response:

The Fiscal Officer of the Village will update (on computer) all changes to the Certificate of Estimated Resources to properly reflect budgetary amounts.

2010-4

Purchase Orders

Condition:

The Village did not properly certify the availability of funds for 80 of 80 non-payroll expenditures tested for the audit period. Failure to certify the availability of funds and encumber appropriations could result overspending and negative cash balances.

Criteria:

Ohio Revised Code Section 5705.41 (D), requires, in part, that no subdivision or taxing unit shall make any contract or order any expenditure unless there is attached thereto a certificate of the Fiscal Officer/Treasurer of the subdivision certifying that the amount required to meet the obligation has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Every contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a Fiscal Officer/Treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

Village of Attica
Seneca County

Schedule of Findings
December 31, 2009 and 2010

Finding Related to the Financial Statements
Required to be Reported in Accordance with GAGAS

2010-4

Purchase Orders (continued)

"Then and Now" Certificate — If the Fiscal Officer/Treasurer can certify that both at the time the contract or order was made ("then"), and at the time that the Fiscal Officer/Treasurer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the Fiscal Officer/Treasurer without an ordinance or resolution upon completion of the "then and now" certificate provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditure by the Village.

Blanket Certificate — Fiscal Officer/Treasurers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by an ordinance or resolution adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

Super Blanket Certificate — The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Fiscal Officer/Treasurer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item.

Effect:

Purchase orders were not properly approved.

Cause:

Oversight by management.

Village of Attica
Seneca County

Schedule of Findings
December 31, 2009 and 2010

Finding Related to the Financial Statements
Required to be Reported in Accordance with GAGAS

2010-4

Purchase Orders (continued)

Recommendation:

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, I recommend the Fiscal Officer/Treasurer certify the availability of funds prior to the commitment for the expenditure of Village money. The Village should consider the use of blanket purchase orders and "then and now" certificates to assist in complying with the above requirement. The Fiscal Officer-Treasurer has agreed to implement this requirement.

Auditee's Response:

As per the Auditor of State Guidelines and UAN procedures, the Village uses Blanket and Super Blanket certificates for the majority of routine purchases /contracts to encumber expenditures. In addition limited "then and now purchase orders are written when the Fiscal Officer is not at work. Council has adopted (Oct. 2010) a "purchase order request" policy for any purchase in excess of \$100 for expenses for all departments within the Village.

2010-5

Appropriations

Condition:

The following funds were found to have expenditures plus encumbrances exceeding appropriations in year 2009:

Fund	Appropriations	Expenditures	Budgetary Variance
Special Revenue – Park & Recreation	\$ 46,844	\$ 80,148	\$(33,304)
Special Revenue – Police Fund	\$130,200	\$132,279	\$(2,079)
Enterprise Fund – Water Operating	\$518,225	\$518,404	\$(179)
Enterprise Fund – Sewer Operating	\$153,124	\$153,235	\$(111)

Village of Attica
Seneca County

Schedule of Findings
December 31, 2009 and 2010

Finding Related to the Financial Statements
Required to be Reported in Accordance with GAGAS

2010-5

Appropriations (continued)

Condition: (continued)

The following funds were found to have expenditures plus encumbrances exceeding appropriations in the year 2010:

Fund	Appropriations	Expenditures	Budgetary Variance
Special Revenue – Permanent Vehicle			
License	\$5,105	\$5,932	\$(827)

Criteria:

Ohio Revised Code Section 5705.41 (B) prohibits a subdivision from making an expenditure unless it has been properly appropriated. Testing of budgetary compliance, indicated instances in which expenditures exceeded appropriations.

Effect:

Resulted in expenditures exceeding appropriations.

Cause:

Oversight by management.

Recommendation:

The Fiscal Officer-Treasurer should not certify the availability of funds and should deny payments requests exceeding appropriations. The Fiscal Officer-Treasurer may request Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

Auditee's Response:

The Fiscal Officer will closely monitor the appropriations (carry-over balance plus anticipated receipts) to avoid expenditures and encumbrances exceeding appropriations. The Certificate of Estimated Resources will be amended to reflect true monies available to all funds within the Village.

Village of Attica
Seneca County

Schedule of Findings
December 31, 2009 and 2010

Finding Related to the Financial Statements
Required to be Reported in Accordance with GAGAS

2010-6

Transfers and Advances

Condition:

There were numerous instances, whereby, the Village did not authorize transfers and advances (which were otherwise allowable) by a vote of two-thirds from the governing board.

Criteria:

Ohio Revised Code Section 5705.14, requires a resolution of the taxing authority passed by an affirmative vote of two-thirds of the members, relating to transfers and advances.

Effect:

Transfers and advances were not properly approved by the governing board.

Cause:

Oversight by management.

Recommendation:

I recommend that all transfers and advances be authorized by the vote of two-thirds of the governing board. Furthermore, if an advance has not or is determined that the advance will not be repaid, the Village should convert the advance into a transfer, in compliance with Ohio Revised Code sections pertaining to transfers.

Auditee's Response:

Village Council will approve all transfers for the Village. Advances not being repaid will be converted into Transfers and per the Ohio Revised Code.

Village of Attica
Seneca County

Schedule of Prior Audit Findings
December 31, 2009 and 2010

2008-1

Separation of Duties

Recommendation:

In order to improve internal controls, I recommend that a board member performs the following functions: 1) signs the checks; 2) reviews invoices before disbursements are made, and 3) receives the bank statements directly from the bank so they can be reviewed prior to the Fiscal Officer's performance of the bank reconciliation. By performing these procedures, the risk of an inadequate segregation of duties over cash transactions will be significantly reduced.

Auditee's Response:

The Village of Attica lacks enough qualified staff employees to perform all the functions stated.

Current Status:

The finding will be repeated in the 2010 audit.

2008-2

Account Classification

Recommendation:

I recommend the Village follow the budgetary scheme of Chapter 5705 of the Revised Code and monitor appropriations, amending them as appropriate to record these funds. I further recommend the Village refer to Auditor of State Bulletins 2000-008 and 2002-004 and follow the recommended accounting treatment for all loans expended directly to vendors on behalf of the Village.

Auditee's Response:

The Village of Attica will comply with the above recommendations pertaining to loans and grants.

Current Status:

The finding will be repeated in the 2010 audit.

Village of Attica
Seneca County

Schedule of Prior Audit Findings
December 31, 2009 and 2010

2008-3

Certificate of Estimated Resources

Recommendation:

I recommend that the Village update its records to reflect the latest amended certificate of estimated resources in its financial report to the Auditor of State. This will allow management to have accurate comparisons of budget versus actual information.

Auditee's Response:

The Village of Attica will update the UAN system upon receipt of the amended certificates.

Current Status:

The finding will be repeated in the 2010 audit.

2008-4

Purchase Orders

Recommendation:

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, I recommend the Fiscal Officer/Treasurer certify the availability of funds prior to the commitment for the expenditure of Village money. The Village should consider the use of blanket purchase orders and "then and now" certificates to assist in complying with the above requirement. The Fiscal Officer-Treasurer has agreed to implement this requirement.

Auditee's Response:

The Then and Now and Blanket Purchases Order systems are now in use at the Village of Attica.

Current Status:

The finding will be repeated in the 2010 audit.

Village of Attica
Seneca County

Schedule of Prior Audit Findings
December 31, 2009 and 2010

2008-5

Appropriations

Recommendation:

The Fiscal Officer-Treasurer should not certify the availability of funds and should deny payments requests exceeding appropriations. The Fiscal Officer-Treasurer may request Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

Auditee's Response:

The Village of Attica will comply with Ohio Revised Code 5705.41B. Council will be requested to approve increases in appropriations.

Current Status:

The finding will be repeated in the 2010 audit.

2008-6

Transfers and Advances

Recommendation:

I recommend that all transfers and advances be authorized by the vote of two-thirds of the governing board. Furthermore, if an advance has not or is determined that the advance will not be repaid, the Village should convert the advance into a transfer, in compliance with Ohio Revised Code sections pertaining to transfers.

Auditee's Response:

The Village of Attica will have all transfers and advances authorized by a vote of the governing body. All advances will be converted to transfers at the time it is determined they cannot be repaid.

Current Status:

The finding will be repeated in the 2010 audit.

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Dave Yost • Auditor of State

VILLAGE OF ATTICA

SENECA 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
JULY 21, 2011