

Village of Attica

Financial Condition

As of

December 31, 2007 and 2008

Together with Auditor's Report



Mary Taylor, CPA

Auditor of State

Village Council
Village of Attica
20 South Main Street
P.O. Box 564
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, 2007 through December 31, 2008. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 13, 2009

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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, 2007 and 2008. 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, 2007 and 2008. Instead of the combined funds the accompanying financial statements present for 2007 and 2008, the revision requires presenting entity wide statements and also to present larger (i.e. major) funds separately for 2007 and 2008. 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, 2007 and 2008, 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, 2007 and 2008 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, 2007 and 2008. 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 August 13, 2009, 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.

August 13, 2009

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, 2007

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 47,533	\$ 86,471	\$ 134,004
Intergovernmental Receipts	72,909	42,636	115,545
Charges for Services	-	9,879	9,879
Fines, Licenses, and Penalties	110	24,972	25,082
Earnings on Investments	3,117	511	3,628
Other Revenue	11,622	5,421	17,043
Total Cash Receipts	135,291	169,890	305,181
Cash Disbursements:			
Current:			
Security of Persons and Property	14,500	114,850	129,350
Public Health Services	2,850	-	2,850
Leisure Time Activities	-	24,648	24,648
Transportation	-	58,760	58,760
General Government	86,823	-	86,823
Debt Service:			
Principal Payments	2,986	4,744	7,730
Interest Payments	5,783	2,200	7,983
Capital Outlay		10,100	10,100
Total Cash Disbursements	112,942	215,302	328,244
Total Receipts Over/(Under) Disbursements	22,349	(45,412)	(23,063)
Other Financing Receipts/(Disbursements)			
Transfers-In	-	21,300	21,300
Transfers-Out	(21,300)	-	(21,300)
Advances-In		4,600	4,600
Advances-Out	(4,600)		(4,600)
Total Other Financing Receipts/(Disbursements)	(25,900)	25,900	-
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements			
	(3,551)	(19,512)	(23,063)
Fund Cash Balance - January 1, 2007	114,450	55,495	169,945
Fund Cash Balance - December 31, 2007	\$ 110,899	\$ 35,983	\$ 146,882
Reserves for Encumbrances, December 31, 2007	\$ 1,065	\$ 1,652	\$ 2,717

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, 2007

Operating Cash Receipts	
Charges for Services	\$ 1,439,411
Total Operating Cash Receipts	<u>1,439,411</u>
Operating Cash Disbursements:	
Personal Services	140,513
Contractual Services	209,719
Supplies and Materials	<u>92,428</u>
Total Operating Cash Disbursements	<u>442,660</u>
Operating Income	996,751
Non-Operating Cash Receipts	
Other Debt Proceeds	498,256
Other Non-Operating Financing Sources	<u>9,805</u>
Total Non-Operating Cash Receipts	508,061
Non-Operating Cash Disbursements	
Capital Outlay	1,169,893
Debt Service - Principal	408,904
Debt Service - Interest and Fiscal Charges	<u>17,712</u>
Total Non-Operating Cash Disbursements	<u>1,596,509</u>
Excess of Receipts Under Disbursements Before Interfund Transfers and Advances	(91,697)
Transfers-In	24,183
Transfers-Out	<u>(24,183)</u>
Net Disbursements Over Receipts	(91,697)
Fund Cash Balance - January 1, 2007	<u>449,309</u>
Fund Cash Balance - December 31, 2007	<u>\$ 357,612</u>
Reserves for Encumbrances, December 31, 2007	<u>\$ 1,834</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, 2008

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 51,823	\$ 80,742	\$ 132,565
Intergovernmental Receipts	75,687	47,050	122,737
Charges for Services	-	12,146	12,146
Fines, Licenses, and Penalties	70	22,141	22,211
Earnings on Investments	2,511	317	2,828
Other Revenue	5,683	17,635	23,318
Total Cash Receipts	135,774	180,031	315,805
Cash Disbursements:			
Current:			
Security of Persons and Property	14,872	141,920	156,792
Public Health Services	2,868		2,868
Leisure Time Activities		26,863	26,863
Transportation	-	49,024	49,024
General Government	85,586	-	85,586
Debt Service:			
Principal Payments	3,093	7,866	10,959
Interest Payments	5,752	2,091	7,843
Capital Outlay		3,917	3,917
Total Cash Disbursements	112,171	231,681	343,852
Total Receipts Over/(Under) Disbursements	23,603	(51,650)	(28,047)
Other Financing Receipts/(Disbursements)			
Transfers-In	-	35,800	35,800
Transfers-Out	(35,800)	-	(35,800)
Other Debt Proceeds	-	11,413	11,413
Advances-In	5,000	6,000	11,000
Advances-Out	(6,000)	(5,000)	(11,000)
Total Other Financing Receipts/(Disbursements)	(36,800)	48,213	11,413
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(13,197)	(3,437)	(16,634)
Fund Cash Balance - January 1, 2008	110,899	35,983	146,882
Fund Cash Balance - December 31, 2008	\$ 97,702	\$ 32,546	\$ 130,248
Reserves for Encumbrances, December 31, 2008	\$ -	\$ 557	\$ 557

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, 2008

Operating Cash Receipts	
Charges for Services	<u>\$ 658,917</u>
Total Operating Cash Receipts	658,917
Operating Cash Disbursements:	
Personal Services	144,372
Contractual Services	169,918
Supplies and Materials	<u>108,853</u>
Total Operating Cash Disbursements	423,143
Operating Income	235,774
Non-Operating Cash Receipts	
Other Debt Proceeds	2,950,000
Other Non-Operating Cash Receipts	<u>10,163</u>
Total Non-Operating Cash Receipts	2,960,163
Non-Operating Cash Disbursements	
Capital Outlay	33,076
Debt Service - Principal	2,965,929
Debt Service - Interest and Fiscal Charges	<u>219,326</u>
Total Non-Operating Cash Disbursements	3,218,331
Excess of Receipts Under Disbursements Before Interfund Transfers and Advances	(22,394)
Transfers-In	9,413
Transfers-Out	<u>(9,413)</u>
Net Disbursements Over Receipts	(22,394)
Fund Cash Balance - January 1, 2008	<u>357,612</u>
Fund Cash Balance - December 31, 2008	<u>\$ 335,218</u>
Reserves for Encumbrances, December 31, 2008	<u>\$ 361</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, 2008 AND 2007

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, 2008 AND 2007
(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, 2008 AND 2007
(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 2008 and 2007 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, 2008 AND 2007
(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, 2008 AND 2007
(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 \$465,466 for 2008 and \$504,494 for 2007 and the bank balance was \$443,074 for 2008 and \$483,877 for 2007. Of the bank balance, \$250,000 and \$100,000 was covered by federal depository insurance for 2008 and 2007, and \$193,074 for 2008 and \$383,877 for 2007 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, 2008 AND 2007
(Continued)

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts

Fund Type:	Budgeted Receipts	Actual Receipts	Variance
General	\$ 242,800	\$ 140,774	\$ (102,026)
Special Revenue	245,754	233,244	(12,510)
Enterprise	<u>3,976,270</u>	<u>3,628,493</u>	<u>(347,777)</u>
Total	<u>\$ 4,464,824</u>	<u>\$ 4,002,511</u>	<u>\$ (462,313)</u>

2008 Budgeted vs Actual Budgetary Basis Expenditures

Fund Type:	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 242,800	\$ 153,971	\$ 88,829
Special Revenue	232,081	237,238	(5,157)
Enterprise	<u>824,912</u>	<u>3,651,248</u>	<u>(2,826,336)</u>
Total	<u>\$ 1,299,793</u>	<u>\$ 4,042,457</u>	<u>\$ (2,742,664)</u>

2007 Budgeted vs. Actual Receipts

Fund Type:	Budgeted Receipts	Actual Receipts	Variance
General	\$ 238,515	\$ 135,291	\$ (103,224)
Special Revenue	266,101	195,790	(70,311)
Enterprise	<u>2,118,364</u>	<u>1,971,655</u>	<u>(146,709)</u>
Total	<u>\$ 2,622,980</u>	<u>\$ 2,302,736</u>	<u>\$ (320,244)</u>

2007 Budgeted vs Actual Budgetary Basis Expenditures

Fund Type:	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 236,450	\$ 139,907	\$ 96,543
Special Revenue	245,093	216,954	28,139
Enterprise	<u>1,911,347</u>	<u>2,065,186</u>	<u>(153,839)</u>
Total	<u>\$ 2,392,890</u>	<u>\$ 2,422,047</u>	<u>\$ (29,157)</u>

During the 2007 and 2008 calendar year, the Special Revenue Fund and the Enterprise Fund had expenditures that exceeded appropriations.

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(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>2007</u>	<u>2008</u>
Real Property:		
Residential and Agricultural	\$ 9,900,350	\$10,345,710
Commercial/Industrial/Mineral	3,121,360	3,121,360
Public Utilities	3,300	2,840
 Tangible Personal Property:		
General	181,060	0
Public Utilities	<u>367,340</u>	<u>363,430</u>
Total Valuation	<u>\$13,573,410</u>	<u>\$13,833,340</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, 2008 was as follows:

Ohio Public Works Commissions Loans	\$ 97,131	0%
Water System Improvement Mortgage Revenue Bonds - Series A	2,450,000	4.25%
Water System Improvement Mortgage Revenue Bonds - Series B	500,000	4.50%
Sutton Bank Loans	<u>234,673</u>	4.00% - 4.75%
Total	<u>\$3,281,804</u>	

The debt footnote as of December 31, 2006 was understated by \$23,050.

The Ohio Public Works Commission (OPWC) loans are for the water and sewer projects. These loans and 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, 2008 AND 2007
(Continued)

5. DEBT (continued)

The aggregate amounts of long-term debt maturities for the five years following 2008 are as follows:

Year	Principal	Interest	Total
2009	\$ 50,975	\$ 8,679	\$ 59,654
2010	52,486	8,293	60,779
2011	52,989	7,724	60,713
2012	52,092	7,289	59,381
2013	53,939	6,842	60,781
2014 – 2018	295,760	27,025	322,785
2019 – 2023	275,344	18,062	293,406
2024 – 2028	337,926	11,779	349,705
2029 – 2033	414,548	4,358	418,906
2034 – 2038	451,952	3	451,955
2039 – 2043	556,800	0	556,800
2044 – 2048	<u>\$ 686,993</u>	<u>0</u>	<u>686,993</u>
Total	<u>\$3,281,804</u>	<u>\$100,054</u>	<u>\$3,381,858</u>

6. PENSION PLAN

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Ohio Public Employees Retirement System

All Village full-time employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

- The Traditional Pension Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan;
- The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings;
- The Combined Plan (CO) - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Ohio Public Employees Retirement System

PERS provides retirement, disability, survivor, and death benefits and annual cost of living adjustments to members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Village to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report.

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)

6. PENSION PLAN (continued)

Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory Village for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans (TP, MD, and CO). Plan members are required to contribute 10 percent for 2008 and 9.5 percent for 2007 of their annual covered salary to fund pension obligations. The employer pension contribution rate for the Village was 14% for 2008 and 13.85% for 2007 for OPERS and for OP&F 17.40% for 2008 and 17.17% for 2007 of covered payroll. The Village's required contributions to OPERS for the fiscal years ended December 31, 2008, 2007, and 2006 were \$32,696, \$31,347, and \$30,019 respectively, and the Village's required contributions to OP&F for the fiscal years ended December 31, 2008, 2007, and 2006 were \$6,439, \$6,383 and \$6,383 respectively. 100 percent has been contributed for 2008, 2007 and 2006.

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

Ohio Public Employees Retirement System

All Village full-time employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

- The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings;
- The Traditional Pension Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan;
- The Combined Plan (CO) - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)

7. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available with both the Traditional and the Combined Plan; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

The Ohio Revised Code provides statutory Village for employer contributions. The 2008 and 2007 employer contribution rate were 14 percent and 13.85 percent of covered payroll, 4 percent was the portion that was used to fund health care for 2008.

Benefits are advance-funded using the entry age normal actuarial cost method of valuation. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2008, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases.

Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 percent to 5 percent for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 5% (January to June 2007); 6% (July to December 2007) and 7% for the 2008 calendar year (the projected wage inflation rate).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

At December 31, 2008, the number of active contributing participants in the Traditional Pension and Combined Plans totaled 374,130. The actual contribution and the actuarially required contribution amounts are the same. OPERS' net assets available for payment of benefits at December 31, 2008 (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2007 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2008. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

**VILLAGE OF ATTICA
SENECA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

(Continued)

7. POST-EMPLOYMENT BENEFITS (continued)

Ohio Public Employees Retirement System

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

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 2007 and 2008, 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.



Kevin L.
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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, 2007 and 2008, and have issued my report thereon dated August 13, 2009. 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.

My 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, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of control does not allow management of employees, in the normal course of 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 Village of Attica's ability to initiate, authorize, record, process, or report financial data reliably in accordance with a comprehensive basis of accounting other than generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Village of Attica's financial statements that is more than inconsequential will not be prevented or detected by Village of Attica's internal control. I consider the deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting. 2008-1 to 2008-6.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Village of Attica's internal control.

My consideration of 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 internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above I consider items 2008-4, 2008-5 and 2008-6 to be a material weakness.

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 2008-4; 2008-4 and 2008-6.

I noted certain matters that I reported to management of Village of Attica in a separate letter dated August 13, 2009.

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.

August 13, 2009

Village of Attica
Seneca County

Schedule of Findings
December 31, 2007 and 2008

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

2008-1

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, 2007 and 2008

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

2008-1

Separation of Duties (continued)

Auditee's Response:

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

2008-2

Account Classification

Condition:

The Village received loans and grants from OPWC and OWDA for its Water Treatment and Reservoir project. However, it classified all of these monies as "charges for services" from OWDA. It also classified payments for loans used for construction as capital outlay instead of redemption of principal and interest. Moreover, the Village Fiscal Officer did not obtain an amended certificate for the proceeds of the loans and grants. The Village Council did not amend their appropriations for the disbursement of the related construction project.

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. Ohio Rev. Code Section 5705.40 requires that any appropriation ordinance or measure may be amended or supplemented, provided that such amendment or supplement shall comply with all provisions of law governing the taxing authority in making an original appropriation. Ohio Rev. Code Section 5705.36(A)(3) allows all subdivisions to request an increased amended certificate of estimated resources upon determination by the fiscal officer that revenue to be collected will be greater than the amount in the official certificate. An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue.

Effect:

Cash receipts and expenses were not properly classified.

Village of Attica
Seneca County

Schedule of Findings
December 31, 2007 and 2008

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

2008-2

Account Classification (continued)

Cause:

Oversight by management.

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.

2008-3

Certificate of Estimated Resources

Condition:

The Village received a revised amended official certificate of estimated resources from the Office of the Budget Commission in 2008 and 2007. 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, 2007 and 2008

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

2008-3

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

2008-4

Purchase Orders

Condition:

The Village did not properly certify the availability of funds for 60 of 60 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, 2007 and 2008

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

2008-4

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, 2007 and 2008

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

2008-4

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:

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

2008-5

Appropriations

Condition:

The following funds were found to have expenditures plus encumbrances exceeding appropriations in year 2007:

Fund	Appropriations	Expenditures	Budgetary Variance
Special Revenue – Park & Recreation	\$22,646	\$25,028	\$(2,382)
Enterprise - Water Improvement Fund	\$1,121,118	\$1,586,150	\$(465,032)

Village of Attica
Seneca County

Schedule of Findings
December 31, 2007 and 2008

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

2008-5

Appropriations (continued)

Condition: (continued)

The following funds were found to have expenditures plus encumbrances exceeding appropriations in the year 2008:

Fund	Appropriations	Budgetary Expenditures	Variance
Special Revenue - Police Fund	\$122,957	\$151,636	\$(28,679)
Special Revenue – Park & Recreation	\$24,495	\$27,420	\$(2,925)
Enterprise-Water Improvement Fund	\$43,548	\$3,188,588	\$(3,145,040)

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

Village of Attica
Seneca County

Schedule of Findings
December 31, 2007 and 2008

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

2008-6

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:

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.

Village of Attica
Seneca County

Schedule of Prior Audit Findings
December 31, 2007 and 2008

2006-1

Recommendation:

We 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. We 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 Fiscal Officer agrees and will budget for these type receipts and disbursements.

Current Status:

The finding will be repeated in the 2008 audit.

2006-2

Recommendation:

We 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 will has implemented procedures to comply with these requirements.

Current Status:

The finding will be repeated in the 2008 audit.

2006-3

Recommendation:

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we 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.

Village of Attica
Seneca County

Schedule of Prior Audit Findings
December 31, 2007 and 2008

2006-3

Auditee's Response:

The Fiscal Officer-Treasurer has agreed to implement this requirement.

Current Status:

The finding will be repeated in the 2008 audit.

2006-4

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-Treasurer has indicated that, if necessary, he will amend appropriations in the future to meet requirements.

Current Status:

The finding will be repeated in the 2008 audit.



Mary Taylor, CPA
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
DECEMBER 1, 2009