

**VILLAGE OF SYRACUSE
MEIGS COUNTY
Regular Audit
December 31, 2009 and 2008**

Perry & Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA

Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Village of Syracuse, Meigs County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 22, 2010

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**VILLAGE OF SYRACUSE
MEIGS COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

June 28, 2010

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

To the Village Council:

We have audited the accompanying financial statements of the **Village of Syracuse, Meigs County, Ohio**, (the Village) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

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

Village of Syracuse
Meigs County
Independent Accountants' Report
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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 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 2008 or their changes in financial position or cash flows for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Syracuse, Meigs County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2010, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 29,547	\$ 30,560	\$ 60,107
Intergovernmental	517,377	289,286	806,663
Charges for Services	779	11,200	11,979
Fines, Licenses, and Permits	5,771	-	5,771
Earnings on Investments	3,991	1,687	5,678
Miscellaneous	3,900	6,556	10,456
	<u>561,365</u>	<u>339,289</u>	<u>900,654</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	16,691	53,480	70,171
Leisure Time Activities	25,653	41,188	66,841
Transportation	-	67,015	67,015
General Government	45,096	1,162	46,258
Debt Service:			
Redemption of Principal	5,583	3,406	8,989
Interest and Fiscal Charges	60	501	561
Capital Outlay	317,664	257,324	574,988
	<u>410,747</u>	<u>424,076</u>	<u>834,823</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Disbursements	<u>150,618</u>	<u>(84,787)</u>	<u>65,831</u>
Other Financing Receipts/(Disbursements):			
Note Proceeds	-	25,318	25,318
Sale of Fixed Assets	-	3,500	3,500
Advances-In	15,900	15,400	31,300
Advances-Out	(15,900)	(15,400)	(31,300)
Transfer-In	-	44,400	44,400
Transfer-Out	(47,213)	-	(47,213)
	<u>(47,213)</u>	<u>73,218</u>	<u>26,005</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>103,405</u>	<u>(11,569)</u>	<u>91,836</u>
Fund Cash Balances, January 1	<u>110,788</u>	<u>101,321</u>	<u>212,109</u>
Fund Cash Balances, December 31	<u>\$ 214,193</u>	<u>\$ 89,752</u>	<u>\$ 303,945</u>

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency Fund</u>	
Operating Cash Receipts:			
Charges for Services	\$ 164,336	\$ -	\$ 164,336
Fines, Licenses and Permits	-	22	22
Miscellaneous	979	-	979
	<u>165,315</u>	<u>22</u>	<u>165,337</u>
Total Operating Revenues			
Operating Cash Disbursements:			
Personal Services	71,347	-	71,347
Fringe Benefits	13,959	-	13,959
Contractual Services	190,623	-	190,623
Supplies and Materials	29,529	-	29,529
Capital Outlay	75,237	-	75,237
Other	491	996	1,487
	<u>381,186</u>	<u>996</u>	<u>382,182</u>
Total Operating Cash Disbursements			
Operating Income (Loss)	<u>(215,871)</u>	<u>(974)</u>	<u>(216,845)</u>
Non-Operating Cash Receipts/Disbursements:			
Intergovernmental	224,640	-	224,640
Other Non-Operating Cash Receipts	-	11,354	11,354
Redemption of Principal	(35,299)	-	(35,299)
Interest and Other Fiscal Charges	(7,580)	-	(7,580)
	<u>181,761</u>	<u>11,354</u>	<u>193,115</u>
Total Non-Operating Cash Receipts/Disbursements			
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	(34,110)	10,380	(23,730)
Transfer-In	2,813	-	2,813
Advances-In	500	-	500
Advances-Out	(500)	-	(500)
	<u>(31,297)</u>	<u>10,380</u>	<u>(20,917)</u>
Net Receipts Over/(Under) Cash Disbursements			
Fund Cash Balances, January 1	<u>128,814</u>	<u>4,833</u>	<u>133,647</u>
Fund Cash Balances, December 31	<u>\$ 97,517</u>	<u>\$ 15,213</u>	<u>\$ 112,730</u>

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 28,530	\$ 31,686	\$ 60,216
Intergovernmental	129,319	54,299	183,618
Charges for Services	608	11,460	12,068
Fines, Licenses, and Permits	19,570	-	19,570
Earnings on Investments	5,544	2,130	7,674
Miscellaneous	6,803	3,517	10,320
	<u>190,374</u>	<u>103,092</u>	<u>293,466</u>
Total Cash Receipts			
	<u>190,374</u>	<u>103,092</u>	<u>293,466</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	14,128	48,120	62,248
Leisure Time Activities	11,614	2,815	14,429
Transportation	-	30,071	30,071
General Government	47,346	2,781	50,127
Debt Service:			
Redemption of Principal	5,372	4,375	9,747
Interest and Fiscal Charges	445	284	729
Capital Outlay	28,600	-	28,600
	<u>107,505</u>	<u>88,446</u>	<u>195,951</u>
Total Cash Disbursements			
	<u>107,505</u>	<u>88,446</u>	<u>195,951</u>
Total Cash Receipts Over/(Under) Disbursements	<u>82,869</u>	<u>14,646</u>	<u>97,515</u>
Other Financing Receipts/(Disbursements):			
Advances-In	18,080	12,500	30,580
Advances-Out	(12,500)	(18,080)	(30,580)
Transfer-In	822	15,000	15,822
Transfer-Out	(17,650)	(24,696)	(42,346)
Other Sources	-	2,242	2,242
	<u>(11,248)</u>	<u>(13,034)</u>	<u>(24,282)</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(11,248)</u>	<u>(13,034)</u>	<u>(24,282)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>71,621</u>	<u>1,612</u>	<u>73,233</u>
Fund Cash Balances, January 1	<u>39,167</u>	<u>99,709</u>	<u>138,876</u>
Fund Cash Balances, December 31	<u>\$ 110,788</u>	<u>\$ 101,321</u>	<u>\$ 212,109</u>

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency Fund</u>	
Operating Cash Receipts:			
Charges for Services	\$ 160,146	\$ -	\$ 160,146
Fines, Licenses and Permits	-	2,116	2,116
Miscellaneous	2,433	-	2,433
Total Operating Revenues	<u>162,579</u>	<u>2,116</u>	<u>164,695</u>
Operating Cash Disbursements:			
Personal Services	69,568	-	69,568
Fringe Benefits	12,769	-	12,769
Contractual Services	31,509	-	31,509
Supplies and Materials	28,568	2,333	30,901
Other	403	62	465
Total Operating Cash Disbursements	<u>142,817</u>	<u>2,395</u>	<u>145,212</u>
Operating Income (Loss)	<u>19,762</u>	<u>(279)</u>	<u>19,483</u>
Non-Operating Cash Receipts/Disbursements:			
Intergovernmental	5,000	-	5,000
Other Non-Operating Cash Receipts	-	18,881	18,881
Other Non-Operating Cash Disbursements	-	(17,281)	(17,281)
Redemption of Principal	(33,869)	-	(33,869)
Interest and Other Fiscal Charges	(9,006)	-	(9,006)
Total Non-Operating Cash Receipts/Disbursements	<u>(37,875)</u>	<u>1,600</u>	<u>(36,275)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	(18,113)	1,321	(16,792)
Transfer-In	<u>26,524</u>	<u>-</u>	<u>26,524</u>
Net Receipts Over/(Under) Cash Disbursements	8,411	1,321	9,732
Fund Cash Balances, January 1	<u>120,403</u>	<u>3,512</u>	<u>123,915</u>
Fund Cash Balances, December 31	<u>\$ 128,814</u>	<u>\$ 4,833</u>	<u>\$ 133,647</u>

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Syracuse, Meigs County (the Village), as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides general governmental services, including maintenance of roads, fire protection services, police services, water utilities, cemetery maintenance and park operations. The Village is involved with the Syracuse-Racine Regional Sewer District, which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 8.

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. Deposits and Investments

The Village has an interest bearing checking account and several certificates of deposit. Certificates of deposit are valued at cost.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

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

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

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

State Grant/ODNR Capital Fund – This fund received grant money for improvement projects.

3. Enterprise Funds

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

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

Swimming Pool Fund – This fund accounts for the operation of the Village's public swimming pool, located next to the village hall.

ARC/Water Improvement Fund – This fund receives grant money for improvements to water lines.

4. Fiduciary Funds (Trust and Agency Funds)

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

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

2. EQUITY IN POOLED DEPOSITS

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(Continued)**

2. EQUITY IN POOLED CASH (Continued)

	2009	2008
Demand deposits	\$370,126	\$300,522
Certificates of Deposit	46,549	45,234
Total deposits	\$416,675	\$345,756

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 471,961	\$ 561,365	\$ 89,404
Special Revenue	392,896	412,507	19,611
Enterprise	402,324	392,768	(9,556)
Total	\$ 1,267,181	\$ 1,366,640	\$ 99,459

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 492,692	\$ 457,960	\$ 34,732
Special Revenue	486,622	424,076	62,546
Enterprise	426,141	424,065	2,076
Total	\$ 1,405,455	\$ 1,306,101	\$ 99,354

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 446,202	\$ 191,196	\$ (255,006)
Special Revenue	441,355	120,334	(321,021)
Enterprise	409,867	194,103	(215,764)
Total	\$ 1,297,424	\$ 505,633	\$ (791,791)

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 379,828	\$ 125,155	\$ 254,673
Special Revenue	527,854	113,142	414,712
Enterprise	455,506	185,692	269,814
Total	\$ 1,363,188	\$ 423,989	\$ 939,199

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. DEBT

Debt outstanding at December 31, 2009 was as follows:

	<u>Principal</u>	<u>Interest</u>
General Obligation Note - Water Upgrade	\$ 128,319	4.60%
General Obligation Note - Truck	22,997	3.73%
	<u>\$ 151,316</u>	

The Fire Equipment note was issued in 2004 for acquiring new gear. The note was for \$10,500 and will be repaid in semi-annual installments of \$1,176. The note was collateralized by the Village's taxing authority. This loan was paid off in 2009.

The Police Cruiser note was for the purchase of a new cruiser in 2004. This note was for \$25,855 and will be repaid in semi-annual installments of \$5,817. The note was collateralized by the Village's taxing authority. This loan was paid off in 2009.

The Ford Truck note was issued in 2007 for the purchase of a new truck for the meter reader. This loan was for \$29,071 and will be repaid in annual installments of \$15,547. The note was collateralized by the Village's taxing authority. This loan was paid off in 2009.

The Boat/Trailer note was issued in 2007 for acquiring a small boat and trailer for the fire department. This note was for \$5,000 and will be repaid in quarterly installments of \$883. The note was collateralized by the Village's taxing authority. This loan was paid off in 2008.

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(Continued)**

5. DEBT (Continued)

The Truck note was issued in 2009 for the purchase of a new truck for the meter reader. This loan was for \$25,318 and will be repaid in semi-annual installments of \$2,803. The note is collateralized by the Village's taxing authority.

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

Year Ending	GO Note	GO Note
December 31:	Water Upgrade	Truck
2010	\$ 27,309	\$ 5,605
2011	27,309	5,605
2012	27,309	5,605
2013	27,309	5,605
2014	27,309	2,803
thereafter	11,628	-
	\$ 148,173	\$ 25,223

6. RETIREMENT SYSTEMS

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries, and the Village contributed an amount equaling 14% respectively, of participants' gross salaries. The Village had paid all contributions required through December 31, 2009.

7. RISK MANAGEMENT

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

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(Continued)**

7. RISK MANAGEMENT (Continued)

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses.

Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2008 and 2007 (the latest information available):

	2008	2007
Assets	\$10,471,114	\$11,136,455
Liabilities	<u>(5,286,781)</u>	<u>(4,273,553)</u>
Members' Equity	<u>\$5,184,333</u>	<u>\$6,862,902</u>

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

8. JOINTLY GOVERNED ORGANIZATIONS

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

To obtain financial information, write to the Syracuse-Racine Regional Sewer District, Secretary-Treasurer, at PO Box 201, Racine, Ohio 45771. The Village paid the District \$591 and \$752 for sewer services during 2008 and 2009, respectively.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008
(Continued)**

9. INTERFUND TRANSFERS

Interfund transfers out of Special Revenue Funds for the audit period, consisted of the following:

For Year Ended December 31, 2008	<u>Transfer In</u>	<u>Transfer Out</u>
From FEMA/Sept 2004 to General Fund	\$ 52	\$ (52)
From FEMA/Jan 2005 to General Fund	770	(770)
	<u>\$ 822</u>	<u>\$ (822)</u>

In 2008, the transfer from the FEMA Funds to the General Fund to reimburse Fund for expenditures paid from General Fund before FEMA was available. Transfers were determined to in compliance with Ohio Revised Code.

Perry & Associates
Certified Public Accountants, A.C.

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

MARIETTA
428 Second Street
Marietta, OH 45750
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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

June 28, 2010

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

To the Village Council:

We have audited the financial statements of the **Village of Syracuse, Meigs County, Ohio** (the Village) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 28, 2010 wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. 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 entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2009-001 and 2009-002 described in the accompanying schedule of findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2009-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 28, 2010.

We intend this report solely for the information and use of management and the Village Council. We intend it for no one other than these specified parties.

Respectfully Submitted,

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

Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 and 2008**

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

FINDING NUMBER 2009-001

Material Weakness/Noncompliance Citation

Ohio Revised Code Section 733.40 requires, except as otherwise provided in Ohio Revised Code Section 4511.193, all fines, forfeitures, and cost in ordinance cases and all fees collected by the Mayor, or which in any manner come into his or her hands, or which are due to such Mayor or a Marshal, Chief of Police, or other officer of the municipal corporation, any other fees and expenses which have been advanced out of the treasury of the municipal corporation, and all money received by such Mayor for the use of such municipal corporation, shall be paid by Court Clerk into the Village's treasury on the first Monday of each month.

Our review of the Village's Mayor's Court disclosed the following:

- Remittances to the Village were not paid to the Village by the first Monday of the month, after August of 2008 no remittances were made to Village or State
- Mayor's Court Agency Fund was not maintained
- Mayor's Court checking account was not reconciled to the Mayor's Court Cashbook

These weaknesses could allow recording errors and irregularities to occur and remain undetected. Reclassifications were made to the accompanying financial statements to properly reflect the activity of the Mayor's Court.

We recommend the Village establish a Mayor's Court Agency Fund and distribute fines collected by the Village's Mayor's Court to the Village's General Fund and other applicable agencies by the required dates.

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 and 2008**

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

FINDING NUMBER 2009-002

Material Weakness

Posting Receipts and Expenditures

Receipts and expenditures should be posted to the fund and line item accounts as established by Ohio Administrative Code.

During 2009 and 2008, several receipts and expenditures were not posted into accurate classifications based on the source of the receipt or expenditure. The following posting errors were noted:

- Mayor's Court Agency Fund was not maintained
- Grant funding that was paid directly to vendors was not booked and other grant monies were posted as Miscellaneous rather than Intergovernmental
- Sale of Fixed Assets were booked as Miscellaneous receipts
- Debt payments were booked as Security of Persons and Property rather than Principal and Interest

Not posting revenues and expenditures accurately resulted in the financial statements requiring several reclassifications. The financial statements reflect all reclassifications.

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

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

**VILLAGE OF SYRACUSE
MEIGS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Advances were not paid back	No	Partially Corrected; Repeated in Management Letter
2007-002	Water Department – No formal extension/delinquent policy	No	Partially Corrected; Repeated in Management Letter
2007-003	Estimated Receipts in system were not accurate	Yes	N/A
2007-004	Posting of Receipts and Expenditures	No	Not Corrected; Repeated as Finding 2009-002
2007-005	Mayor’s Court Cashbook and Reconciliation	No	Not Corrected; Repeated as part of Finding 2009-001



Mary Taylor, CPA
Auditor of State

VILLAGE OF SYRACUSE

MEIGS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 3, 2010**