



Dave Yost • Auditor of State

VILLAGE OF SAVANNAH
ASHLAND COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Savannah
Ashland County
P.O. Box 164
Savannah, Ohio 44874

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Savannah, Ashland County, Ohio, (the Village) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Savannah, Ashland County, Ohio, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

January 5, 2015

**VILLAGE OF SAVANNAH
ASHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 6,461	\$ -	\$ 6,461
Intergovernmental	18,278	14,771	33,049
Fines, Licenses and Permits	120	-	120
Earnings on Investments	428	10	438
Miscellaneous	311	-	311
<i>Total Cash Receipts</i>	<u>25,598</u>	<u>14,781</u>	<u>40,379</u>
Cash Disbursements			
Current:			
Security of Persons and Property	9,791	-	9,791
Leisure Time Activities	1,550	-	1,550
Community Environment	54	-	54
Transportation	-	13,245	13,245
General Government	27,882	-	27,882
Capital Outlay	124	-	124
<i>Total Cash Disbursements</i>	<u>39,401</u>	<u>13,245</u>	<u>52,646</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(13,803)</u>	<u>1,536</u>	<u>(12,267)</u>
Other Financing (Disbursements)			
Other Financing Uses	(3,817)	(2,666)	(6,483)
<i>Total Other Financing (Disbursements)</i>	<u>(3,817)</u>	<u>(2,666)</u>	<u>(6,483)</u>
<i>Net Change in Fund Cash Balances</i>	(17,620)	(1,130)	(18,750)
<i>Fund Cash Balances, January 1</i>	<u>65,149</u>	<u>6,174</u>	<u>71,323</u>
Fund Cash Balances, December 31			
Restricted	-	5,044	5,044
Assigned	47,529	-	47,529
<i>Fund Cash Balances, December 31</i>	<u>\$ 47,529</u>	<u>\$ 5,044</u>	<u>\$ 52,573</u>

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

**VILLAGE OF SAVANNAH
ASHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 94,849
<i>Total Operating Cash Receipts</i>	94,849
Operating Cash Disbursements	
Personal Services	16,393
Contractual Services	5,188
Supplies and Materials	3,982
<i>Total Operating Cash Disbursements</i>	25,563
<i>Operating Income</i>	69,286
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	3,700
Principal Retirement	(20,000)
Interest and Other Fiscal Charges	(15,669)
Other Financing Uses	(6,631)
<i>Total Non-Operating Receipts (Disbursements)</i>	(38,600)
<i>Net Change in Fund Cash Balance</i>	30,686
<i>Fund Cash Balance, January 1</i>	198,717
<i>Fund Cash Balance, December 31</i>	\$ 229,403

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

**VILLAGE OF SAVANNAH
ASHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 6,686	\$ -	\$ 6,686
Intergovernmental	29,708	15,782	45,490
Fines, Licenses and Permits	247	-	247
Earnings on Investments	399	40	439
Miscellaneous	9,050	-	9,050
<i>Total Cash Receipts</i>	<u>46,090</u>	<u>15,822</u>	<u>61,912</u>
Cash Disbursements			
Current:			
Security of Persons and Property	9,650	-	9,650
Leisure Time Activities	3,111	-	3,111
Community Environment	50	-	50
Basic Utility Services	4,577	-	4,577
Transportation	20,554	8,824	29,378
General Government	33,621	-	33,621
Capital Outlay	2,144	-	2,144
<i>Total Cash Disbursements</i>	<u>73,707</u>	<u>8,824</u>	<u>82,531</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(27,617)</u>	<u>6,998</u>	<u>(20,619)</u>
Other Financing (Disbursements)			
Other Financing Uses	(782)	(3,001)	(3,783)
<i>Total Other Financing (Disbursements)</i>	<u>(782)</u>	<u>(3,001)</u>	<u>(3,783)</u>
<i>Net Change in Fund Cash Balances</i>	(28,399)	3,997	(24,402)
<i>Fund Cash Balances, January 1</i>	<u>93,548</u>	<u>2,177</u>	<u>95,725</u>
Fund Cash Balances, December 31			
Restricted	-	6,174	6,174
Assigned	65,149	-	65,149
<i>Fund Cash Balances, December 31</i>	<u>\$ 65,149</u>	<u>\$ 6,174</u>	<u>\$ 71,323</u>

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

**VILLAGE OF SAVANNAH
ASHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 98,192
<i>Total Operating Cash Receipts</i>	98,192
Operating Cash Disbursements	
Personal Services	16,256
Contractual Services	5,450
Supplies and Materials	1,362
<i>Total Operating Cash Disbursements</i>	23,068
<i>Operating Income</i>	75,124
Non-Operating Receipts (Disbursements)	
Sale of Bonds	445,000
Other Financing Sources	30,000
Principal Retirement	(429,371)
Interest and Other Fiscal Charges	(31,567)
Bond Issuance Costs	(36,546)
Discount on Sale of Bonds	(1,048)
Other Financing Uses	(4,639)
<i>Total Non-Operating Receipts (Disbursements)</i>	(28,171)
<i>Net Change in Fund Cash Balance</i>	46,953
<i>Fund Cash Balance, January 1</i>	151,764
<i>Fund Cash Balance, December 31</i>	\$ 198,717

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

**VILLAGE OF SAVANNAH
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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 Savannah, Ashland County, Ohio, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services, road and bridge maintenance, sewer utilities and park operations. The Village contracts with the Ashland County Sheriff's Department to provide security of persons and property.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits

The Village values certificates of deposit at cost.

D. Fund Accounting

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

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

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

**VILLAGE OF SAVANNAH
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

3. Enterprise Funds

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

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

Sewer Debt Service Fund – This fund receives charges for services from residents to cover sewer debt service costs for principal and interest.

Sewer Debt Reserve Fund – This fund receives charges for services from residents to cover sewer debt requirements for principal and interest reserves.

E. Budgetary Process

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

1. 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 Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

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 approve estimated resources.

3. Encumbrances

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

A summary of 2013 and 2012 budgetary activity appears in Note 3.

VILLAGE OF SAVANNAH
ASHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. **Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. **Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. **Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. **Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. **Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

**VILLAGE OF SAVANNAH
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

2. Equity in Pooled Deposits

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

	2013	2012
Demand deposits	\$276,976	\$265,040
Certificates of deposit	5,000	5,000
Total deposits	281,976	270,040

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$26,258	\$25,598	(\$660)
Special Revenue	25,836	14,781	(11,055)
Enterprise	186,355	98,549	(87,806)
Total	\$238,449	\$138,928	(\$99,521)

2013 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$91,406	\$43,218	\$48,188
Special Revenue	32,010	15,911	16,099
Enterprise	385,072	67,863	317,209
Total	\$508,488	\$126,992	\$381,496

2012 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$39,575	\$46,090	\$6,515
Special Revenue	25,936	15,822	(10,114)
Enterprise	626,820	573,192	(53,628)
Total	\$692,331	\$635,104	(\$57,227)

2012 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$133,123	\$74,489	\$58,634
Special Revenue	28,013	11,825	16,188
Enterprise	779,581	526,239	253,342
Total	\$940,717	\$612,553	\$328,164

**VILLAGE OF SAVANNAH
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

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, 2013 was as follows:

	Principal	Interest Rate
Sewer System Revenue Bonds	\$175,000	4%
General Obligation Sewer System Bonds	250,000	2.75-3.625%
Total	\$425,000	

On October 25, 2012, the Village issued Series 2012 General Obligation Sewer System Bonds in the amount of \$265,000 and Series 2012 Sewer System Revenue Bonds in the amount of \$180,000 to refund outstanding Series 1995 Sewer System Mortgage Revenue Bonds. The original Series 1995 bonds were issued for the purpose of paying the cost of establishing a municipal sewage system. The Village has pledged net revenues of the sewer system to pay debt service requirements of the Series 2012 General Obligation and Sewer System Revenue Bonds. The Village has also pledged property tax levied within the ten-mill limitation to pay debt service requirements of the General Obligation Sewer System Bonds to the extent net revenues of the sewer system are not sufficient to pay debt service requirements.

The Sewer System Revenue Bond covenant requires the Village to establish and fund a Sewer Debt Service Fund and a Sewer Debt Service Reserve Fund, both included as enterprise funds. The balance in these funds at December 31, 2013 was \$41,725 and \$1,472, respectively.

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

**VILLAGE OF SAVANNAH
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

5. Debt (Continued)

Year ending December 31:	General	
	Obligation Sewer System Bonds	Sewer System Revenue Bonds
2014	\$23,056	\$12,000
2015	27,644	11,800
2016	27,094	11,600
2017	26,544	11,400
2018	25,994	11,200
2019-2023	125,669	53,000
2024-2028	52,719	96,200
2029-2030	0	53,000
Total	\$308,720	\$260,200

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 the plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2013.

7. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.



Dave Yost • Auditor of State

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

Village of Savannah
Ashland County
P.O. Box 164
Savannah, Ohio 44874

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Savannah, Ashland County, Ohio, (the Village) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated January 5, 2015, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Finding

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

January 5, 2015

**VILLAGE OF SAVANNAH
ASHLAND COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2013-001

**Financial Statement Presentation
Material Weakness**

Sound financial reporting is the responsibility of management and the Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following adjustments and reclassifications were made to the Village's financial statements:

- Reclassification of General fund balance at December 31, 2013 and December 31, 2012 from unassigned to assigned in the amount of \$47,529 and \$65,149, respectively.
- Reclassification to report local grant in 2012 totaling \$5,681 as intergovernmental receipts rather than miscellaneous receipts in the General fund.
- Reclassification to report paving project expenditures in 2012 totaling \$20,554 as transportation rather than other uses in the General fund.
- Reclassification to report interest and fiscal charges in 2012 totaling \$31,567 rather than other uses (\$30,000) and contractual services (\$1,567) in the Enterprise fund.
- Reclassification of legal and financial fees related to bond refunding totaling \$25,500 in 2012 from other financing uses to bond issuance costs in the Enterprise fund.
- Adjustments to record sale of bonds (\$445,000), principal retirement (\$429,371), bond issuance costs (\$11,046), and discount on sale of bonds (\$1,048) in 2012 in the Enterprise fund.

The adjustments and reclassifications identified above should be reviewed by management and the Council to ensure that similar errors are not reported on financial statements in subsequent years. In addition, the Council should develop procedures for the periodic review of the activity posted to the accounting records, as well as, for the review of the financial statement information to ensure it accurately reflects the Council's activity.

Officials' Response:

We are aware of the issues and taking steps to make corrections.

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Dave Yost • Auditor of State

VILLAGE OF SAVANNAH

ASHLAND 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
FEBRUARY 3, 2015**