



***VILLAGE OF SYRACUSE
MEIGS COUNTY***

Regular Audit

**For the Years Ended
December 31, 2017 and 2016**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Dave Yost • Auditor of State

Village Council
Village of Syracuse
PO Box 266
Syracuse, Ohio 45779

We have reviewed the *Independent Auditor's Report* of the Village of Syracuse, Meigs County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2016 through December 31, 2017. 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.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 24, 2018

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VILLAGE OF SYRACUSE, MEIGS COUNTY
Table of Contents
For the Years Ended December 31, 2017 and 2016

Independent Auditor’s Report.....	1
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2017	3
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, 2017	4
Notes to the Financial Statements For the Year Ended December 31, 2017	5
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2016	13
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, 2016.....	14
Notes to the Financial Statements For the Year Ended December 31, 2016	15
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required By <i>Government Auditing Standards</i>	23
Schedule of Findings.....	25
Schedule of Prior Audit Findings.....	27

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Independent Auditor's Report

Village of Syracuse
Meigs County
P.O. Box 266
Syracuse, OH 45779

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Syracuse, Meigs County, Ohio (the Village) as of and for the years ended December 31, 2017 and 2016.

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 statements misstatement, whether due to fraud or error. In assessing those risks, we consider internal controls 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.

Members of Council
Village of Syracuse, Meigs County
Independent Auditor's Report

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

As described in Note 2 of the December 31, 2017 and 2016 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 American (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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, 2017 and 2016, or changes in financial position or cash flows thereof for the year 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 Syracuse, Meigs County as of December 31, 2017 and 2016, 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) permits, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2018 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.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

June 20, 2018

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, 2017

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	
<u>Cash Receipts:</u>				
Property and Local Taxes	\$37,762	\$63,784	\$0	\$101,546
Intergovernmental	88,174	128,269	5,665	222,108
Charges for Service	0	24,921	0	24,921
Fines, Licenses, and Permits	10,207	385	0	10,592
Earnings on Investments	882	181	0	1,063
Miscellaneous	1,724	15,786	0	17,510
Total Cash Receipts	138,749	233,326	5,665	377,740
<u>Cash Disbursements:</u>				
<i>Current:</i>				
General Government	138,593	2,748	0	141,341
Security of Persons and Property	21,919	139,754	0	161,673
Leisure Time Activities	7,455	6,476	0	13,931
Transportation	0	25,782	0	25,782
Capital Outlay	0	58,168	0	58,168
<i>Debt Service:</i>				
Principal	33,370	38,201	5,665	77,236
Interest and Fiscal Charges	1,001	423	0	1,424
Total Cash Disbursements	202,338	271,552	5,665	479,555
Cash Receipts Over/(Under) Cash Disbursements	(63,589)	(38,226)	0	(101,815)
<u>Other Financing Receipts (Disbursements)</u>				
Other Debt Proceeds	0	62,303	0	62,303
Transfers In	0	14,000	0	14,000
Transfers Out	(15,000)	(9,000)	0	(24,000)
Other Financing Sources	2,100	5,564	0	7,664
Other Financing Uses	0	(1,328)	0	(1,328)
Total Other Financing Receipts (Disbursements)	(12,900)	71,539	0	58,639
Net Change in Fund Cash Balance	(76,489)	33,313	0	(43,176)
Fund Cash Balances, January 1, <i>As Restated</i>	112,904	84,146	0	197,050
Restricted	0	82,463	0	82,463
Committed	0	34,996	0	34,996
Unassigned	36,415	0	0	36,415
Fund Cash Balances, December 31	\$36,415	\$117,459	\$0	\$153,874

See accompanying notes to the financial statements.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Proprietary Fund Types and Similar Fiduciary Funds
For the Year Ended December 31, 2017

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	
	<u>Enterprise</u>	<u>Agency</u>	<u>Totals</u>
<u>Operating Cash Receipts:</u>			
Charges for Services	\$177,053	\$0	\$177,053
Total Operating Cash Receipts	<u>177,053</u>	<u>0</u>	<u>177,053</u>
<u>Operating Cash Disbursements:</u>			
Personal Services	67,653	0	67,653
Employee Fringe Benefits	12,952	0	12,952
Contractual Services	37,046	0	37,046
Supplies and Materials	33,946	0	33,946
Other	<u>323</u>	<u>0</u>	<u>323</u>
Total Operating Cash Disbursements	<u>151,920</u>	<u>0</u>	<u>151,920</u>
Operating Income (Loss)	25,133	0	25,133
<u>Non-Operating Cash Receipts (Disbursements):</u>			
Intergovernmental	8,202	0	8,202
Special Assessments	10,931	0	10,931
Other Debt Proceeds	51,080	0	51,080
Miscellaneous Receipts	3,542	0	3,542
Capital Outlay	(51,080)	0	(51,080)
Principal Retirement	(1,096)	0	(1,096)
Interest and Other Fiscal Charges	(709)	0	(709)
Other Non-Operating Cash Receipts	0	3,455	3,455
Other Non-Operating Cash Disbursements	<u>0</u>	<u>(4,126)</u>	<u>(4,126)</u>
Total Non-Operating Cash Receipts (Disbursements)	<u>20,870</u>	<u>(671)</u>	<u>20,199</u>
Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances	46,003	(671)	45,332
Transfers In	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Net Change in Fund Cash Balances	56,003	(671)	55,332
Fund Cash Balances, January 1, <i>As Restated</i>	<u>136,518</u>	<u>1,645</u>	<u>138,163</u>
<i>Fund Cash Balances, December 31</i>	<u>\$192,521</u>	<u>\$974</u>	<u>\$193,495</u>

See accompanying notes to the financial statements.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Syracuse, Meigs County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides road maintenance, water utilities, park operations, fire protection, and police protection. The Village participates in a jointly governed organization and a public entity risk pool. Notes 13 and 14 to the financial statements provide additional information for these entities. These organizations are the Syracuse-Racine Regional Sewer District and the Ohio Plan Risk Management, Inc.

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

Note 2 – Summary of Significant Accounting Policies

A. Basis of Accounting

The Village's financial statements follow the basis of accounting 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 basis of accounting. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The 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.

B. 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:

General Fund: The General Fund is the general operating fund. It is used to account for all financial resources, except those required by law or contracted to be restricted.

Special Revenue Funds: These funds are used to account for proceeds from specific sources (other than 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 (SCMR) Fund – This fund receives gasoline tax and motor vehicle license tax for constructing, maintaining and repairing Village streets.

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

Capital Project Funds: These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Walking Path Fund – To account for grants received to construct a walking path in the Village.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (continued)

Enterprise Funds: These funds are used to 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 has the following significant Enterprise Fund:

Water Fund - This fund receives charges for services from residents to cover water service costs.

Water Capital Improvement Fund – This fund receives capital improvement fee payments from active water services for water system improvements.

Swimming Pool Fund - This fund accounts for the operation of the Village’s public swimming pool.

Agency Funds: These funds are used to account for custodial funds held by the Village acting as an agent for another government, organization, individual, or fund. The Village has the following significant agency fund:

Mayor’s Court Fund – This agency fund is used to account for the activities of the Mayor’s Court.

C. Budgetary Process

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

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. The County Budget Commission must also approve the annual appropriation measure. Appropriations may not exceed estimated resources. Unencumbered appropriations lapse at year end.

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 certify estimated resources.

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 2017 budgetary activity appears in Note 4.

D. Fund Balances

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:

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

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.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (continued)

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.

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.

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.

E. 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.

F. 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.

Note 3 – Compliance

Fiscal Officer’s year-end review found no compliance issues for the year ended December 31, 2017.

Note 4 – Budgetary Basis of Accounting

The Village’s budgetary activity for the year ending December 31, 2017 was as follows:

2017 Budgeted vs. Actual Receipts			
	Receipts		
Fund Type	Budgeted	Actual	Variance
General	\$170,149	\$140,849	(\$29,300)
Special Revenue	280,013	315,193	35,180
Capital Projects	5,665	5,665	0
Enterprise	213,950	260,808	46,858
<i>Total</i>	\$669,777	\$722,515	\$52,738

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 4 – Budgetary Basis of Accounting (continued)

2017 Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$202,841	\$217,338	(\$14,497)
Special Revenue	279,280	281,880	(2,600)
Capital Projects	5,665	5,665	0
Enterprise	178,639	204,805	(26,166)
<i>Total</i>	\$666,425	\$709,688	(\$43,263)

Note 5 – Cash and Investments

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Village had no investments at year end. The carrying amount of cash at year end was as follows:

	December 31, 2017
Demand Deposits	\$273,430
Certificates of Deposit	73,939
Total	\$347,369

Deposits are insured by the Federal Deposit Insurance Corporation and collateralized through the Ohio Pooled Collateral System (OPCS).

Note 6- Property Taxes

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 area 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. 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.

Note 7 – Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) – formerly known as 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 Ohio governments (“Members”). The Plan is legally separate from its member governments.

Pursuant to 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 7 – Risk Management (continued)

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except effective November 1, 2014 the Plan lowered its retention from 50% to 47% of the first \$250,000 casualty treaty and maintained 10% of the first \$1,000,000 property treaty. In reviewing the Plan’s experience, this continues to be a good reinsurance structure given current market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 790 and 772 members as of December 31, 2016 and 2015, respectively.

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 equity at December 31, 2016 and 2015.

	2016	2015
Assets	\$14,765,712	\$14,643,667
Liabilities	(9,531,506)	(9,112,030)
Members' Equity	\$5,234,206	\$5,531,637

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most 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. 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, 2017.

Employees exempt from OPERS and OP&F in accordance with the Ohio Revised Code 145.01(B) or Ohio Administrative Code Section 145-1-26 and Ohio Revised Code Section 742.01, respectively contribute to Social Security Tax.

Retirement Rates	Year	Member Rate	Employer Rate
OPERS - Local	2012-2017	10%	14%
OPERS - Public Safety	2014-2017	12.00%	18.10%
OPERS - Law Enforcement	2014-2017	13.00%	18.10%

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 8 – Defined Benefit Pension Plans (continued)

Social Security

Some of the Village’s elected officials contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2017.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefits postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualified benefit recipients. OPERS contribute 1 percent of the employer contribution to fund these benefits.

Note 10 – Debt

A schedule of changes in long-term obligations of the Village during 2017 follows:

<u>General Obligation Notes:</u>	Interest Rate	Principal Balance 12-31-16	Issued in 2017	Retired in 2017	Principal Balance 12-31-17
Fire Truck	2.703%	\$9,645	\$0	\$9,645	\$0
Turnout Gear	2.95%	14,770	0	6,244	8,526
Cruiser	2.95%	9,771	0	4,107	5,664
Walking Path	3.15%	34,561	4,135	38,696	0
Fire Truck Upgrade	3.15%	0	58,168	18,544	39,624
Telemetry Project	2.51%	400	51,080	1,096	50,384
		<u>\$69,147</u>	<u>\$113,383</u>	<u>\$78,332</u>	<u>\$104,198</u>

The Village received a note in 2013 through Ohio Valley Bank for the purchase of a truck for the Fire Department in the amount of \$27,482 for six years. The Village will make quarterly payments of \$1,244 over the life of the loan.

The Village received a note in 2015 through Home National Bank for the purchase of a Turnout Gear for the Fire Department in the amount of \$30,625 for six years. The Village will make monthly payments of \$550 over the life of the loan.

The Village received a note in 2015 through Home National Bank for the purchase of a police cruiser in the amount of \$20,150 for six years. The Village will make monthly payments of \$362 over the life of the loan.

The Walking Path – Open Line of Credit refers to a loan agreement between the Village and Home National Bank to finance a reimbursement grant project. The line of credit was established for the Bank to pay invoices on the Village’s behalf, with the understanding that the payments will be repaid upon receipt of the reimbursement grant funding. Interest accrued on the open line of credit is paid by the Village.

The Fire Truck Upgrade – Line of Credit was established for a maximum principal of \$70,000, with advances paid from the lender to the vendors to pay for the upgrade of Engine 34. Revenue for the payments comes from levy revenue passed for that specific purpose.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 10 – Debt (continued)

The Ohio Water Development Authority (OWDA) loan relates to a water telemetry project required to bring water system management up to current operational standards for the system’s size and function. The OWDA approved a loan of \$56,480 to the Village for this project. The Village will repay the loans in semiannual installments of \$1,805, including interest, over 20 years starting on July 1, 2017. The scheduled payment amount assumes that the full amount of \$56,480 will be borrowed. As of December 31, 2016, the \$400 loan issuance fees were the only principal balance, with \$51,080 disbursed in 2017 upon completion of the project. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village’s taxing authority collateralized the notes.

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

Year Ending December 31:	Turnout Gear	Cruiser	Fire Truck Upgrade	Telemetry Project	Total
2018	\$6,596	\$4,340	\$15,211	\$3,609	\$29,756
2019	2,108	1,445	15,211	3,609	22,373
2020	0	0	11,406	3,609	15,015
2021	0	0	0	3,609	3,609
2022	0	0	0	3,609	3,609
2023-2027	0	0	0	18,045	18,045
2028-2032	0	0	0	18,045	18,045
2033-2037	0	0	0	8,011	8,011
	<u>\$8,704</u>	<u>\$5,785</u>	<u>\$41,828</u>	<u>\$62,146</u>	<u>\$118,463</u>

Note 11 – Construction and Contractual Commitments

The Village is expected to receive grant approvals in 2018 for a water well project and a water line upgrade which were applied for in 2017. Preliminary engineering was completed in previous years. Construction and related contractual commitments may be affected by any changes in grant financing.

Note 12 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 13 – Jointly Governed Organization

Syracuse-Racine Regional Sewer District – The Syracuse-Racine Regional Sewer District is a regional sewer district organized under Chapter 6119 of the Ohio Revised Code. The District operates under the direction of a three member board of Trustees whose membership is 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 \$903 for sewer services during 2017.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 14 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 15 – Fund Cash Balances

As of December 31, 2017, fund balances are composed of the following:

	General	Special Revenue	Total
<i>Restricted:</i>			
Police Operations	\$0	\$10,171	\$10,171
Fire Operations	0	30,059	30,059
Mayor's Computer Fund	0	369	369
Road Maintenance and Improvements	0	41,864	41,864
<i>Committed:</i>			
Recreation Programs	0	20,854	20,854
Fire Truck Upgrade	0	4,617	4,617
Salt Building	0	9,000	9,000
Veterans Memorial	0	525	525
<i>Unassigned</i>	36,415	0	36,415
Total	\$36,415	\$117,459	\$153,874

Note 16 – Prior Period Adjustment

In January 2017, the Village had voided previously issued checks. This resulted in a restatement of the prior period cash balance.

	General Fund	Enterprise Fund	Agency Fund
Fund Balance at December 31, 2016	\$113,473	\$135,949	\$1,383
Over (Under) statement of Cash and Cash Equivalents	(569)	569	262
Adjusted Fund Balance at December 31, 2016	\$112,904	\$136,518	\$1,645

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, 2016

	Governmental Fund Types		
	General	Special Revenue	Totals
<u>Cash Receipts:</u>			
Property and Local Taxes	\$39,005	\$50,460	\$89,465
Intergovernmental	64,423	53,399	117,822
Charges for Service	0	8,656	8,656
Fines, Licenses, and Permits	11,070	210	11,280
Earnings on Investments	867	155	1,022
Miscellaneous	2,518	15,626	18,144
Total Cash Receipts	117,883	128,506	246,389
<u>Cash Disbursements:</u>			
<i>Current:</i>			
General Government	45,466	3,444	48,910
Security of Persons and Property	25,839	58,211	84,050
Leisure Time Activities	8,405	22,719	31,124
Transportation	0	49,000	49,000
Capital Outlay	0	34,561	34,561
<i>Debt Service:</i>			
Principal	3,988	15,884	19,872
Interest and Fiscal Charges	352	1,147	1,499
Total Cash Disbursements	84,050	184,966	269,016
Cash Receipts Over/(Under) Cash Disbursements	33,833	(56,460)	(22,627)
<u>Other Financing Receipts (Disbursements)</u>			
Proceeds of Loan	0	40,020	40,020
Transfers Out	(15,000)	0	(15,000)
Advances In	8,000	0	8,000
Advances Out	0	(3,000)	(3,000)
Other Financing Sources	2,105	0	2,105
Total Other Financing Receipts (Disbursements)	(4,895)	37,020	32,125
Net Change in Fund Cash Balance	28,938	(19,440)	9,498
Fund Cash Balances, January 1, <i>As Restated</i>	84,535	103,586	188,121
Restricted	0	70,306	70,306
Committed	0	13,840	13,840
Unassigned	113,473	0	113,473
Fund Cash Balances, December 31	\$113,473	\$84,146	\$197,619

See accompanying notes to the financial statements.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Proprietary Fund Types and Similar Fiduciary Funds
For the Year Ended December 31, 2016

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	
	<u>Enterprise</u>	<u>Agency</u>	<u>Totals</u>
<u>Operating Cash Receipts:</u>			
Charges for Services	\$166,901	\$0	\$166,901
Total Operating Cash Receipts	<u>166,901</u>	<u>0</u>	<u>166,901</u>
<u>Operating Cash Disbursements:</u>			
Personal Services	85,925	0	85,925
Employee Fringe Benefits	12,877	0	12,877
Contractual Services	38,291	0	38,291
Supplies and Materials	36,795	0	36,795
Other	<u>339</u>	<u>0</u>	<u>339</u>
Total Operating Cash Disbursements	<u>174,227</u>	<u>0</u>	<u>174,227</u>
Operating Income (Loss)	(7,326)	0	(7,326)
<u>Non-Operating Cash Receipts (Disbursements):</u>			
Intergovernmental	16,403	0	16,403
Special Assessments	4,850	0	4,850
Other Debt Proceeds	400	0	400
Miscellaneous Receipts	4,916	0	4,916
Other Non-Operating Cash Receipts	0	5,595	5,595
Other Non-Operating Cash Disbursements	<u>0</u>	<u>(5,595)</u>	<u>(5,595)</u>
Total Non-Operating Cash Receipts (Disbursements)	<u>26,569</u>	<u>0</u>	<u>26,569</u>
Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances	19,243	0	19,243
Transfers In	15,000	0	15,000
Advances Out	<u>(5,000)</u>	<u>0</u>	<u>(5,000)</u>
Net Change in Fund Cash Balances	29,243	0	29,243
Fund Cash Balances, January 1, <i>As Restated</i>	<u>106,706</u>	<u>1,383</u>	<u>108,089</u>
<i>Fund Cash Balances, December 31</i>	<u>\$135,949</u>	<u>\$1,383</u>	<u>\$137,332</u>

See accompanying notes to the financial statements.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Syracuse, Meigs County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides road maintenance, water utilities, park operations, fire protection, and police protection. The Village participates in a jointly governed organization and a public entity risk pool. Notes 13 and 14 to the financial statements provide additional information for these entities. These organizations are the Syracuse-Racine Regional Sewer District and the Ohio Plan Risk Management, Inc.

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

Note 2 – Summary of Significant Accounting Policies

A. Basis of Accounting

The Village's financial statements follow the basis of accounting 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 basis of accounting. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The 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.

B. 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:

General Fund: The General Fund is the general operating fund. It is used to account for all financial resources, except those required by law or contracted to be restricted.

Special Revenue Funds: These funds are used to account for proceeds from specific sources (other than 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 (SCMR) Fund – This fund receives gasoline tax and motor vehicle license tax for constructing, maintaining and repairing Village streets.

Street Paving Fund – This fund receives grant monies for street improvements.

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

Enterprise Funds: These funds are used to 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 has the following significant Enterprise Fund:

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 2 – Summary of Significant Accounting Policies (continued)

Water Fund - This fund receives charges for services from residents to cover water service costs.

Swimming Pool Fund - This fund accounts for the operation of the Village's public swimming pool.

Agency Funds: These funds are used to account for custodial funds held by the Village acting as an agent for another government, organization, individual, or fund. The Village has the following significant agency fund:

Mayor's Court Fund – This agency fund is used to account for the activities of the Mayor's Court.

C. Budgetary Process

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

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. The County Budget Commission must also approve the annual appropriation measure. Appropriations may not exceed estimated resources. Unencumbered appropriations lapse at year end.

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 certify estimated resources.

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 2016 budgetary activity appears in Note 4.

D. Fund Balances

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:

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

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.

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.

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.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 2 – Summary of Significant Accounting Policies (continued)

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.

E. 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.

F. 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.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Police Department Fund by \$1,052 and the Swimming Pool Fund by \$4,238 for the year ended December 31, 2016.

Note 4 – Budgetary Basis of Accounting

The Village's budgetary activity for the year ending December 31, 2016 was as follows:

2016 Budgeted vs. Actual Receipts			
	Receipts		
Fund Type	Budgeted	Actual	Variance
General	\$115,909	\$127,988	\$12,079
Special Revenue	256,884	168,526	(88,358)
Enterprise	678,811	208,470	(470,341)
<i>Total</i>	\$1,051,604	\$504,984	(\$546,620)

2016 Budgeted vs. Actual Budgetary Disbursements			
	Appropriation	Budgetary	
Fund Type	Authority	Disbursements	Variance
General	\$130,796	\$99,050	\$31,746
Special Revenue	208,474	187,966	20,508
Enterprise	250,761	179,227	71,534
<i>Total</i>	\$590,031	\$466,243	\$123,788

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 5 – Cash and Investments

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Village had no investments at year end. The carrying amount of cash at year end was as follows:

	December 31,
	<u>2016</u>
Demand Deposits	<u>\$230,930</u>
Certificates of Deposit	<u>103,621</u>
Total	<u><u>\$334,551</u></u>

Deposits are insured by the Federal Deposit Insurance Corporation and collateralized through the Ohio Pooled Collateral System (OPCS).

Note 6- Property Taxes

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 area 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. 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.

Note 7 – Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) – formerly known as 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 Ohio governments (“Members”). The Plan is legally separate from its member governments.

Pursuant to 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except effective November 1, 2014 the Plan lowered its retention from 50% to 47% of the first \$250,000 casualty treaty and maintained 10% of the first \$1,000,000 property treaty. In reviewing the Plan’s experience, this continues to be a good reinsurance structure given current market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014, respectively.

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.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 7 – Risk Management (continued)

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 equity at December 31, 2015 and 2014.

	2015	2014
Assets	\$14,643,667	\$14,830,185
Liabilities	(9,112,030)	(8,942,504)
Members’ Equity	\$5,531,637	\$5,887,681

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most 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. 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, 2016.

Employees exempt from OPERS and OP&F in accordance with the Ohio Revised Code 145.01(B) or Ohio Administrative Code Section 145-1-26 and Ohio Revised Code Section 742.01, respectively contribute to Social Security Tax.

Retirement Rates	Year	Member Rate	Employer Rate
OPERS - Local	2012-2016	10%	14%
OPERS - Public Safety	2014-2016	12.00%	18.10%
OPERS - Law Enforcement	2014-2016	13.00%	18.10%

Social Security

Some of the Village’s elected officials contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2016.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefits postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualified benefit recipients. OPERS contribute 1 percent of the employer contribution to fund these benefits.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 10 – Debt

A schedule of changes in long-term obligations of the Village during 2016 follows:

<u>General Obligation Notes:</u>	<u>Interest Rate</u>	<u>Principal Balance 12-31-15</u>	<u>Issued in 2016</u>	<u>Retired in 2016</u>	<u>Principal Balance 12-31-16</u>
Fire Truck	2.703%	\$14,007	\$0	\$4,362	\$9,645
Turnout Gear	2.95%	20,833	0	6,063	14,770
Cruiser	2.95%	13,759	0	3,988	9,771
Walking Path	3.15%	0	34,561	0	34,561
Dock Project		0	5,459	5,459	0
Telemetry Project	2.51%	0	400	0	400
		<u>\$48,599</u>	<u>\$40,420</u>	<u>\$19,872</u>	<u>\$69,147</u>

The Village received a note in 2013 through Ohio Valley Bank for the purchase of a truck for the Fire Department in the amount of \$27,482 for six years. The Village will make quarterly payments of \$1,244 over the life of the loan.

The Village received a note in 2015 through Home National Bank for the purchase of a Turnout Gear for the Fire Department in the amount of \$30,625 for six years. The Village will make monthly payments of \$550 over the life of the loan.

The Village received a note in 2015 through Home National Bank for the purchase of a police cruiser in the amount of \$20,150 for six years. The Village will make monthly payments of \$362 over the life of the loan.

The Walking Path – Open Line of Credit refers to a loan agreement between the Village and Home National Bank to finance a reimbursement grant project. The line of credit was established for the Bank to pay invoices on the Village’s behalf, with the understanding that the payments will be repaid upon receipt of the reimbursement grant funding. Interest accrued on the open line of credit is paid by the Village.

The Dock Project – Line of Credit was established to pay for repair/replacement of damaged dock parts at the Village Marina, and was paid off in full with a portion of a variable annual disbursement from a local donor’s trust.

The Ohio Water Development Authority (OWDA) loan relates to a water telemetry project required to bring water system management up to current operational standards for the system’s size and function. The OWDA approved a loan of \$56,480 to the Village for this project. The Village will repay the loans in semiannual installments of \$1,805, including interest, over 20 years starting on July 1, 2017. The scheduled payment amount assumes that the full amount of \$56,480 will be borrowed. As of December 31, 2016, the \$400 loan issuance fees were the only principal balance, with the remainder of the approved loan balance expected to be disbursed in the first quarter of 2017. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village’s taxing authority collateralized the notes.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 10 – Debt (continued)

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

Year Ending December 31:	Fire Truck	Turnout Gear	Cruiser	Total
2017	\$4,976	\$6,596	\$4,340	\$15,912
2018	4,976	6,596	4,340	15,912
2019	6,174	2,108	1,445	9,727
	<u>\$16,126</u>	<u>\$15,300</u>	<u>\$10,125</u>	<u>\$41,551</u>

Note 11 – Construction and Contractual Commitments

The Village is in the planning process of the second stage of a grant-funded Walking Path Project with ODOT and other state agencies. There are current engineering commitments and construction is projected to be bid in spring 2017 at this time. Construction and related contractual commitments may be affected by any changes in grant financing.

Note 12 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 13 – Jointly Governed Organization

Syracuse-Racine Regional Sewer District – The Syracuse-Racine Regional Sewer District is a regional sewer district organized under Chapter 6119 of the Ohio Revised Code. The District operates under the direction of a three member board of Trustees whose membership is 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 \$902 for sewer services during 2016.

Note 14 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 15 – Subsequent Events

The Village has a 2.5 mill, five year, Fire Truck Upgrade Levy which began collection during 2016 for receipt in 2017-2021. The Village entered into a line of credit contract for up to \$70,000 in February 2017, to be repaid quarterly from the levy proceeds.

Note 16 – Fund Cash Balances

As of December 31, 2016, fund balances are composed of the following:

	General	Special Revenue	Total
<i>Restricted:</i>			
Disaster Relief	\$0	\$1,328	\$1,328
Police Operations	0	11,105	11,105
Fire Operations	0	27,171	27,171
Mayor's Computer Fund	0	570	570
Road Maintenance and Improvements	0	30,132	30,132
<i>Committed:</i>			
Recreation Programs	0	13,315	13,315
Veterans Memorial	0	525	525
<i>Unassigned</i>	113,473	0	113,473
Total	\$113,473	\$84,146	\$197,619

Note 17 – Prior Period Adjustment

In January 2016, the Village had voided previously issued checks. This resulted in a restatement of the prior period cash balance.

	General Fund	Enterprise Fund
Fund Balance at December 31, 2015	\$84,903	\$106,338
Over (Under) statement of Cash and Cash Equivalents	368	(368)
Adjusted Fund Balance at December 31, 2015	\$84,535	\$106,706

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards***

Village Council
Village of Syracuse, Meigs County
P.O. Box 266
Syracuse, OH 45779

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 Syracuse, Meigs County, Ohio (the Village), as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated June 20, 2018, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 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.

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 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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider findings 2017-001 and 2017-002 to be material weaknesses.

Village Council
Village of Syracuse, Meigs County
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*

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 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 2017-001.

Entity's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

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.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

June 20, 2018

VILLAGE OF SYRACUSE, MEIGS COUNTY
Schedule of Findings
For the Years Ended December 31, 2017 and 2016

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

Finding Number 2017-001

Noncompliance/Material Weakness

Ohio Rev. Code 733.28 requires Village Fiscal Officers to maintain the books of the Village and exhibit accurate statements of all monies received and expended.

Ohio Admin. Code 117-2-02(A) requires public offices to 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 with finance-related legal and contractual requirements and prepare financial statements.

Using these accounting records will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

The Village utilized the UAN accounting system which provided all of the required journals and ledgers. The UAN software also included a monthly reconciliation process to assist the Fiscal Officer in the monthly book to bank reconciliation. Although the monthly reconciliation were included in the accounting records, there were other adjusting factors noted during testing which indicated the underlying accounting records were inaccurate. These inaccuracies also resulted in significant adjustments to the financial statements as follows:

- Mayor's Court activity from the bank statement that was never updated in the accounting system; and,

Due to the errors noted above, the financial statements provided to the Village Council did not represent a true picture of the financial position of the Village.

We recommend the Fiscal Officer prepare the monthly book-to-bank reconciliation in a timely manner. We also recommend the Fiscal Officer immediately follow-up on any discrepancies noted in the reconciliation process. This will allow the Village to maintain accurate records which the Village Council can rely on for budgeting and planning purposes.

Officials' Response: The current Fiscal Officer was not trained to record Mayor's Court activity from their respective statements in UAN, but will do so now that she has been made aware of the requirement.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Schedule of Findings
For the Years Ended December 31, 2017 and 2016

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

Finding Number 2017-002

Material Weakness

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

As a result of the audit procedures performed, the financial statements had the following errors that required audit adjustments or reclassifications.

In 2017:

- General Fund intergovernmental revenue of \$3,458 misposted as taxes revenue;
- General Fund to reclassify principal of \$3,988 and interest of \$352 payments misposted as general government;
- Special Revenue Funds intergovernmental revenue of \$3,195 misposted as taxes revenue;
- Special Revenue Funds intergovernmental revenue of \$1,350 misposted as other revenue;
- Special Revenue Funds charges for services revenue of \$24,921 misposted as intergovernmental revenue;
- Special Revenue Funds to reclassify principal of \$10,425 and interest of \$1,147 misposted as other financing uses;

In 2016:

- General Fund intergovernmental revenue of \$2,835 misposted as taxes revenue;
- General Fund to reclassify principal of \$29,158 and interest of \$873 payments misposted as other financing uses;
- Special Revenue Funds to reclassify principal of \$58,325 misposted as interest;
- Special Revenue Funds to reclassify principal of \$2,783 and interest of \$217 misposted as transportation;
- Special Revenue Funds to reclassify debt proceeds of \$4,315 misposted as intergovernmental revenue;
- Special Revenue Funds intergovernmental revenue of \$5,527 misposted as tax revenue;

The Fiscal Officer made classification errors in posting of revenues and expenditures. This caused the mispostings and unrecorded revenues and expenditures as noted above.

The audited financial statements and the Village's UAN accounting system have been adjusted for the issues noted above.

We recommend the Fiscal Officer review the Village Officer's Handbook for guidance on the correct line items to post various receipts and disbursements of the Village to ensure the Village's financial statements are complete and accurate.

Officials' Response: The current Fiscal Officer will review the amounts provided and review current line items to ensure future postings are accurate.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Schedule of Prior Audit Findings
For the Years Ended December 31, 2017 and 2016

Finding Number	Description	Status	Comments
<i>Government Auditing Standards:</i>			
2015-001	Maintain the books – Mayor’s Court and Law Enforcement Trust Fund accounts not included in Village reports.	Not Corrected	Reissued as Finding 2017-001
2015-002	Financial Record Keeping - audit adjustments were made to correct the Financial Statements.	Not Corrected	Reissued as Finding 2017-002

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Dave Yost • 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 7, 2018