



***VILLAGE OF SYRACUSE
MEIGS COUNTY***

Regular Audit

**For the Years Ended
December 31, 2019 and 2018**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS



OHIO AUDITOR OF STATE
KEITH FABER

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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, 2018 through December 31, 2019. 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.



Keith Faber
Auditor of State
Columbus, Ohio

November 10, 2020

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VILLAGE OF SYRACUSE, MEIGS COUNTY
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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 of the cash balances, receipts and disbursements by fund type and related notes of the Village of Syracuse, Meigs County, Ohio (the Village) as of and for the years ended December 31, 2019 and 2018.

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.

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

As described in Note 2 of the December 31, 2019 and 2018 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, 2019 and 2018, or the respective 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 cash balances, receipts and disbursements by fund type, and the related notes of the Village of Syracuse, Meigs County as of December 31, 2019 and 2018, 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.

Emphasis of Matter

As discussed in Note 15 of the December 31, 2019 financial statements and Note 16 of the December 31, 2018 financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 27, 2020 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

August 27, 2020

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, 2019

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	
<u>Cash Receipts:</u>				
Property and Local Taxes	\$38,357	\$56,618	\$0	\$94,975
Intergovernmental	73,871	73,674	60,819	208,364
Charges for Service	0	19,637	0	19,637
Fines, Licenses, and Permits	9,980	1,130	0	11,110
Earnings on Investments	2,996	530	0	3,526
Miscellaneous	2,284	22,438	0	24,722
Total Cash Receipts	127,488	174,027	60,819	362,334
<u>Cash Disbursements:</u>				
<i>Current:</i>				
General Government	74,766	2,203	0	76,969
Security of Persons and Property	20,013	56,141	0	76,154
Leisure Time Activities	6,943	17,680	0	24,623
Transportation	0	29,844	0	29,844
Capital Outlay	0	19,000	82,188	101,188
<i>Debt Service:</i>				
Principal	1,161	29,525	0	30,686
Interest and Fiscal Charges	6	1,894	0	1,900
Total Cash Disbursements	102,889	156,287	82,188	341,364
Cash Receipts Over/(Under) Cash Disbursements	24,599	17,740	(21,369)	20,970
<u>Other Financing Receipts (Disbursements)</u>				
Debt Proceeds	0	19,000	0	19,000
Transfers In	0	9,137	21,369	30,506
Transfers Out	0	(30,506)	0	(30,506)
Other Financing Sources	1,473	0	0	1,473
Total Other Financing Receipts (Disbursements)	1,473	(2,369)	21,369	20,473
Net Change in Fund Cash Balance	26,072	15,371	0	41,443
Fund Cash Balances, January 1, <i>As Restated</i>	61,717	136,078	0	197,795
Restricted	0	96,799	0	96,799
Committed	0	54,650	0	54,650
Unassigned	87,789	0	0	87,789
Fund Cash Balances, December 31	\$87,789	\$151,449	\$0	\$239,238

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, 2019

	<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	\$153,025	\$506	\$153,531
Total Operating Cash Receipts	<u>153,025</u>	<u>506</u>	<u>153,531</u>
<u>Operating Cash Disbursements:</u>			
Personal Services	42,844	0	42,844
Employee Fringe Benefits	6,838	0	6,838
Contractual Services	37,276	0	37,276
Supplies and Materials	23,207	0	23,207
Other	607	5,519	6,126
Total Operating Cash Disbursements	<u>110,772</u>	<u>5,519</u>	<u>116,291</u>
Operating Income (Loss)	42,253	(5,013)	37,240
<u>Non-Operating Cash Receipts (Disbursements):</u>			
Intergovernmental	4,881	0	4,881
Special Assessments	12,469	0	12,469
Loans Issued	4,881	0	4,881
Miscellaneous Receipts	209	0	209
Capital Outlay	(2,141)	0	(2,141)
Principal Retirement	(10,847)	0	(10,847)
Interest and Other Fiscal Charges	(1,788)	0	(1,788)
Other Non-Operating Cash Receipts	2,000	4,069	6,069
Total Non-Operating Cash Receipts (Disbursements)	<u>9,664</u>	<u>4,069</u>	<u>13,733</u>
Net Change in Fund Cash Balances	51,917	(944)	50,973
Fund Cash Balances, January 1, <i>As Restated</i>	<u>220,736</u>	<u>2,080</u>	<u>222,816</u>
<i>Fund Cash Balances, December 31</i>	<u>\$272,653</u>	<u>\$1,136</u>	<u>\$273,789</u>

See accompanying notes to the financial statements.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

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 11 and 12 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, 2019

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 2019 budgetary activity appears in Note 3.

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, 2019

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 – Budgetary Basis of Accounting

The Village's budgetary activity for the year ending December 31, 2019 was as follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$116,825	\$128,961	\$12,136
Special Revenue	143,870	202,164	58,294
Capital Projects	81,988	82,188	200
Enterprise	229,770	177,465	(52,305)
<i>Total</i>	\$572,453	\$590,778	\$18,325

2019 Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$142,912	\$115,036	\$27,876
Special Revenue	236,673	198,520	38,153
Capital Projects	82,188	82,188	0
Enterprise	261,423	129,988	131,435
<i>Total</i>	\$723,196	\$525,732	\$197,464

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – 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>2019</u>
Demand Deposits	<u>\$438,727</u>
Certificates of Deposit	<u>74,300</u>
Total	<u><u>\$513,027</u></u>

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

Note 5- 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 6 – 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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5%.

OPRM had 776 and 774 members as of December 31, 2019 and 2018, 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, 2019

Note 6 – 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, 2019 and 2018.

	2019	2018
Assets	\$15,920,504	\$15,065,412
Liabilities	(11,329,011)	(10,734,623)
Members’ Equity	\$4,591,493	\$4,330,789

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

Note 7 – 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, 2019.

Retirement Rates	Year	Member Rate	Employer Rate
OPERS - Local	2019	10%	14%

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, 2019.

Note 8 – 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, 2019

Note 9 – Debt

A schedule of changes in long-term obligations of the Village during 2019 follows:

<u>General Obligation Notes:</u>	<u>Interest Rate</u>	<u>Principal Balance 12-31-18</u>	<u>Issued in 2019</u>	<u>Retired in 2019</u>	<u>Principal Balance 12-31-19</u>
Turnout Gear	2.95%	\$1,682	\$0	\$1,682	\$0
Cruiser	2.95%	1,161	0	1,161	0
Fire Truck Upgrade - Line of Credit	3.15%	25,532	0	15,604	9,928
Telemetry Project - OWDA Loan	2.51%	48,151	0	1,608	46,543
Water Truck	3.50%	23,794	0	4,358	19,436
Sand & Gravel Storage Shed	3.50%	58,800	0	11,888	46,912
Fire Equipment (Mule)	3.65%	0	19,000	351	18,649
OWDA 8279	0.00%	0	4,881	4,881	0
		<u>\$159,120</u>	<u>\$23,881</u>	<u>\$41,533</u>	<u>\$141,468</u>

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 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

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, 2019, 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.

Water Truck - The Village entered into a loan in 2018 through Home National Bank for the purchase of a Water Truck for the amount of \$25,000 for 5 years. The Village will make monthly payments of \$459, including interest, over the life of the loan.

Sand and Gravel Storage Shed - The Village entered into a loan in 2018 through Home National Bank for the purchase of a Sand and Gravel Shed for the amount of \$58,800 for 5 years. The Village will make monthly payments of \$1,073, including interest, over the life of the loan.

Fire Equipment (Mule) - The Village entered into a loan through Home National Bank for the purchase of a 2020 Kawasaki Mule for the amount of \$19,000 for 5 years. The Village will make monthly payments of \$351, including interest, over the life of the loan.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt (continued)

Ohio Water Development Authority (OWDA) 8279 -The Village entered into a loan through OWDA 8279 for Asset Management Plan for the amount of \$10,000. This loan will be paid with principal forgiveness through OWDA.

The Village’s taxing authority collateralized the notes.

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

	Telemetry Project		Sand & Gravel Storage				2020 Kawasaki Mule		Fire Truck Upgrade	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$2,139	\$1,150	\$4,920	\$590	\$11,416	\$1,459	\$3,614	\$601	\$9,928	\$163
2021	2,194	1,096	5,095	415	11,822	1,053	3,748	467	0	0
2022	2,248	1,040	5,276	233	12,242	632	3,888	328	0	0
2023	2,306	984	4,145	52	11,432	197	4,032	184	0	0
2024	2,364	926	0	0	0	0	3,367	40	0	0
2025-2029	12,746	3,703	0	0	0	0	0	0	0	0
2030-2034	14,438	2,012	0	0	0	0	0	0	0	0
2035-2037	8,108	301	0	0	0	0	0	0	0	0
Total	<u>\$46,543</u>	<u>\$11,212</u>	<u>\$19,436</u>	<u>\$1,290</u>	<u>\$46,912</u>	<u>\$3,341</u>	<u>\$18,649</u>	<u>\$1,620</u>	<u>\$9,928</u>	<u>\$163</u>

Note 10 – 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 11 – 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 \$1,000 for sewer services during 2019.

Note 12 – 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, 2019

Note 13 – Fund Cash Balances

As of December 31, 2019, fund balances are composed of the following:

	General	Special Revenue	Total
<i>Restricted:</i>			
Fire Operations	0	42,403	42,403
Mayor's Computer Fund	0	1,067	1,067
Police Operations	0	12,722	12,722
Road Maintenance and Improvements	0	40,607	40,607
<i>Committed:</i>			
Fire Truck Upgrade	0	18,589	18,589
Recreation Programs	0	31,660	31,660
Salt Building	0	3,551	3,551
Shelter House	0	325	325
Veterans Memorial	0	525	525
<i>Unassigned</i>	87,789	0	87,789
Total	\$87,789	\$151,449	\$239,238

Note 14 – Prior Period Adjustment

In January 2019, the Village had voided previously issued checks in the General Fund and made a prior period entry to correct CD balances noted in the prior audit. This resulted in a restatement of the prior period cash balance.

	General Fund	Enterprise Fund
Fund Balance at December 31, 2019	\$61,548	\$233,226
Over (Under) statement of Cash and Cash Equivalents	169	(12,490)
Adjusted Fund Balance at December 31, 2019	\$61,717	\$220,736

Note 15 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio and the investments of the pension and other employee benefit plan in which the Village participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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, 2018

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
<u>Cash Receipts:</u>			
Property and Local Taxes	\$38,663	\$31,630	\$70,293
Intergovernmental	68,540	100,316	168,856
Charges for Service	0	22,601	22,601
Fines, Licenses, and Permits	11,764	338	12,102
Earnings on Investments	991	179	1,170
Miscellaneous	1,186	29,226	30,412
Total Cash Receipts	121,144	184,290	305,434
<u>Cash Disbursements:</u>			
<i>Current:</i>			
General Government	49,914	6,987	56,901
Security of Persons and Property	23,773	55,741	79,514
Leisure Time Activities	9,509	42,575	52,084
Transportation	0	39,808	39,808
Capital Outlay	0	83,800	83,800
Debt Service:			
Principal	4,503	20,936	25,439
Interest and Fiscal Charges	198	1,419	1,617
Total Cash Disbursements	87,897	251,266	339,163
Cash Receipts Over/(Under) Cash Disbursements	33,247	(66,976)	(33,729)
<u>Other Financing Receipts (Disbursements)</u>			
Debt Proceeds	0	83,800	83,800
Transfers Out	(10,000)	0	(10,000)
Advances In	0	13,220	13,220
Advances Out	0	(13,220)	(13,220)
Other Financing Sources	2,100	1,795	3,895
Total Other Financing Receipts (Disbursements)	(7,900)	85,595	77,695
Net Change in Fund Cash Balance	25,347	18,619	43,966
Fund Cash Balances, January 1, <i>As Restated (See Note 15)</i>	36,201	117,459	153,660
Restricted	0	83,968	83,968
Committed	0	52,110	52,110
Unassigned	61,548	0	61,548
Fund Cash Balances, December 31	\$61,548	\$136,078	\$197,626

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, 2018

	<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	\$146,634	\$498	\$147,132
Total Operating Cash Receipts	<u>146,634</u>	<u>498</u>	<u>147,132</u>
<u>Operating Cash Disbursements:</u>			
Personal Services	42,492	0	42,492
Employee Fringe Benefits	7,485	0	7,485
Contractual Services	47,953	0	47,953
Supplies and Materials	25,149	0	25,149
Other	<u>0</u>	<u>3,149</u>	<u>3,149</u>
Total Operating Cash Disbursements	<u>123,079</u>	<u>3,149</u>	<u>126,228</u>
Operating Income (Loss)	23,555	(2,651)	20,904
<u>Non-Operating Cash Receipts (Disbursements):</u>			
Special Assessments	9,894	0	9,894
Miscellaneous Receipts	1,629	0	1,629
Principal Retirement	(3,439)	0	(3,439)
Interest and Other Fiscal Charges	(1,548)	0	(1,548)
Other Non-Operating Cash Receipts	<u>400</u>	<u>3,757</u>	<u>4,157</u>
Total Non-Operating Cash Receipts (Disbursements)	<u>6,936</u>	<u>3,757</u>	<u>10,693</u>
Income (Loss) before Transfers	30,491	1,106	31,597
Transfers In	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Net Change in Fund Cash Balances	40,491	1,106	41,597
Fund Cash Balances, January 1, <i>As Restated (See Note 15)</i>	<u>192,735</u>	<u>974</u>	<u>193,709</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$233,226</u></u>	<u><u>\$2,080</u></u>	<u><u>\$235,306</u></u>

See accompanying notes to the financial statements.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 11 and 12 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, 2018

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 2018 budgetary activity appears in Note 3.

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, 2018

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 – Budgetary Basis of Accounting

The Village's budgetary activity for the year ending December 31, 2018 was as follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$93,897	\$123,244	\$29,347
Special Revenue	243,483	269,855	26,372
Enterprise	471,675	168,557	(303,118)
<i>Total</i>	\$809,055	\$561,656	(\$247,399)

2018 Budgeted vs. Actual Budgetary Disbursements			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Disbursements	
General	\$116,969	\$110,044	\$6,925
Special Revenue	205,127	262,993	(57,866)
Enterprise	223,552	132,506	91,046
<i>Total</i>	\$545,648	\$505,543	\$40,105

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 4 – 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>2018</u>
Demand Deposits	<u>\$358,632</u>
Certificates of Deposit	<u>74,300</u>
Total	<u><u>\$432,932</u></u>

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

Note 5- 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 6 – 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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%.

OPRM had 774 and 764 members as of December 31, 2018 and 2017, 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, 2018

Note 6 – 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, 2018 and 2017.

	2018	2017
Assets	\$15,065,412	\$14,853,620
Liabilities	10,734,623	(9,561,108)
Members’ Equity	\$4,330,789	\$5,292,512

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

Note 7 – 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, 2019.

Retirement Rates	Year	Member Rate	Employer Rate
OPERS - Local	2019	10%	14%

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, 2018.

Note 8 – 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, 2018

Note 9 – Debt

A schedule of changes in long-term obligations of the Village during 2018 follows:

<u>General Obligation Notes:</u>	<u>Interest Rate</u>	<u>Principal Balance 12-31-17</u>	<u>Issued in 2018</u>	<u>Retired in 2018</u>	<u>Principal Balance 12-31-18</u>
Turnout Gear	2.95%	\$8,526	\$0	\$6,844	\$1,682
Cruiser	2.95%	5,664	0	4,503	1,161
Fire Truck Upgrade - Line of Credit	3.15%	39,624	0	14,092	25,532
Telemetry Project - OWDA Loan	2.51%	50,384	0	2,233	48,151
Water Truck	3.50%	0	25,000	1,206	23,794
Sand & Gravel Storage Shed	3.50%	0	58,800	0	58,800
		<u>\$104,198</u>	<u>\$83,800</u>	<u>\$28,878</u>	<u>\$159,120</u>

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 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

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, 2018, 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.

Water Truck - The Village entered into a loan in 2018 through Home National Bank for the purchase of a Water Truck for the amount of \$25,000 for 5 years. The Village will make monthly payments of \$459, including interest, over the life of the loan.

Sand and Gravel Storage Shed - The Village entered into a loan in 2018 through Home National Bank for the purchase of a Sand and Gravel Shed for the amount of \$58,800 for 5 years. The Village will make monthly payments of \$1,073, including interest, over the life of the loan.

The Village’s taxing authority collateralized the notes.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt (continued)

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

	Turnout Gear		Cruiser		Fire Truck Upgrade	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$1,682	\$13	\$1,161	\$9	\$14,586	\$625
2020	0	0	0	0	10,946	163
2021	0	0	0	0	0	0
2022	0	0	0	0	0	0
2023	0	0	0	0	0	0
2024-2029	0	0	0	0	0	0
2030-2034	0	0	0	0	0	0
2035-2037	0	0	0	0	0	0
Total	<u>\$1,682</u>	<u>\$13</u>	<u>\$1,161</u>	<u>\$9</u>	<u>\$25,532</u>	<u>\$788</u>

	Telemetry Project OWDA Loan		Water Truck		Sand & Gravel Storage Shed	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$1,050	\$595	\$4,751	\$759	\$11,925	\$2,022
2020	2,139	1,150	4,920	590	11,416	1,459
2021	2,194	1,096	5,095	415	11,822	1,053
2022	2,248	1,040	5,276	233	12,242	632
2023	2,306	984	3,752	52	11,395	197
2024-2029	15,110	4,629	0	0	0	0
2030-2034	14,438	2,012	0	0	0	0
2035-2037	8,666	301	0	0	0	0
Total	<u>\$48,151</u>	<u>\$11,807</u>	<u>\$23,794</u>	<u>\$2,049</u>	<u>\$58,800</u>	<u>\$5,363</u>

Note 10 – 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 11 – 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 \$1,200 for sewer services during 2018.

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 12 – 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 13 – 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.

Note 14 – Fund Cash Balances

As of December 31, 2018, fund balances are composed of the following:

	General	Special Revenue	Total
<i>Restricted:</i>			
Fire Operations	0	34,715	34,715
Mayor's Computer Fund	0	237	237
Police Operations	0	8,386	8,386
Road Maintenance and Improvements	0	40,630	40,630
<i>Committed:</i>			
Fire Truck Upgrade	0	12,776	12,776
Recreation Programs	0	27,776	27,776
Salt Building	0	7,288	7,288
Shelter House	0	3,745	3,745
Veterans Memorial	0	525	525
<i>Unassigned</i>	61,548	0	61,548
Total	\$61,548	\$136,078	\$197,626

VILLAGE OF SYRACUSE, MEIGS COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 15 – Prior Period Adjustment

In January 2018, the Village made an adjustment to correct an entry made to the wrong fund. This resulted in a restatement of the prior period cash balance.

	General Fund	Enterprise Fund
Fund Balance at December 31, 2018	\$36,415	\$192,521
Over (Under) statement of Cash and Cash Equivalents	(214)	214
Adjusted Fund Balance at December 31, 2018	\$36,201	\$192,735

Note 16 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The Village’s investment portfolio and the investments of the pension and other employee benefit plan in which the Village participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**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 cash balances, receipts and disbursements by fund type of the Village of Syracuse, Meigs County, Ohio (the Village), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated August 27, 2020, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures that will input subsequent periods of the Village.

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 2019-001 and 2019-002 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 2019-001.

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

August 27, 2020

VILLAGE OF SYRACUSE, MEIGS COUNTY
Schedule of Findings
For the Years Ended December 31, 2019 and 2018

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

Finding Number 2019-001

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:

- 2019 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, 2019 and 2017

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

Finding Number 2009-002

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 2019:

- Special Revenue Funds intergovernmental revenue of \$5,356 misposted as taxes revenue;
- Special Revenue Funds to record debt proceeds of \$19,000;
- Mayor's Court Fund other non-operating receipts of \$3,961 was unrecorded;
- Mayor's Court Fund other non-operating disbursements of \$4,069 was unrecorded.

In 2018:

- Special Revenue Funds to record debt proceeds of \$83,800;
- Special Revenue Funds intergovernmental revenue of \$38,745 misposted as tax revenue;
- Enterprise Funds to grant proceeds of \$4,881;

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, 2019 and 2018

Finding Number	Description	Status	Comments
<i>Government Auditing Standards:</i>			
2017-001	Maintain the books – Mayor’s Court and Law Enforcement Trust Fund accounts not included in Village reports.	Not Corrected	Reissued as Finding 2019-001
2017-002	Financial Record Keeping - audit adjustments were made to correct the Financial Statements.	Not Corrected	Reissued as Finding 2019-002

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SYRACUSE

MEIGS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/24/2020

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Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
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