

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

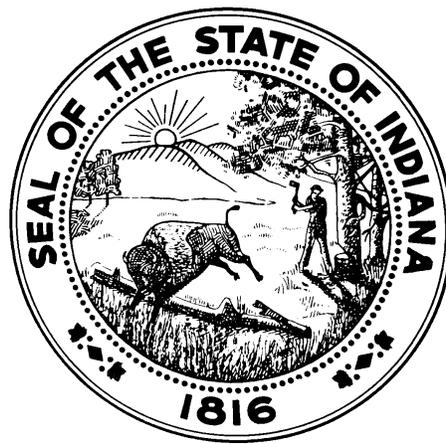
AUDIT REPORT

OF

TOWN OF SYRACUSE

KOSCIUSKO COUNTY, INDIANA

January 1, 2007 to December 31, 2008



FILED
01/13/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Julie A. Kline	01-01-04 to 12-31-11
Town Manager	Jeff Noffsinger	01-01-07 to 02-01-07
	Vacant	02-02-07 to 02-18-07
	Henry DeJulia	02-19-07 to 12-31-09
President of the Town Council	Paul Stoelting	01-01-07 to 12-31-07
	Larry Siegel	01-01-08 to 12-31-08
	Cassandra Cowan	01-01-09 to 12-31-09
Superintendent of Public Works	Clint Houseworth	01-01-07 to 07-31-08
	Jeremy Sponseller	08-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE TOWN OF SYRACUSE, KOSCIUSKO COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Syracuse (Town), as of and for the years ended December 31, 2007 and 2008, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note I, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated December 16, 2009, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Town has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 16, 2009



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF SYRACUSE, KOSCIUSKO COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Syracuse (Town), as of and for the years ended December 31, 2007 and 2008, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Town's management, Town Board and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 16, 2009

TOWN OF SYRACUSE
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2007

Functions/Programs	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Totals
Primary government:						
Governmental activities:						
General government	\$ 572,576	\$ 56,393	\$ -	\$ (516,183)	\$ -	\$ (516,183)
Public safety	1,325,741	59,208	-	(1,266,533)	-	(1,266,533)
Highways and streets	836,883	-	-	(836,883)	-	(836,883)
Culture and recreation	298,199	14,842	4,146	(279,211)	-	(279,211)
Interest on long-term debt	36,789	-	-	(36,789)	-	(36,789)
Total governmental activities	3,070,188	130,443	4,146	(2,935,599)	-	(2,935,599)
Business-type activities:						
Water	767,005	1,090,750	-	-	323,745	323,745
Wastewater	729,447	699,164	-	-	(30,283)	(30,283)
Total business-type activities	1,496,452	1,789,914	-	-	293,462	293,462
Total primary government	\$ 4,566,640	\$ 1,920,357	\$ -	(2,935,599)	293,462	(2,642,137)
General receipts:						
Property taxes				1,512,882	-	1,512,882
Other local sources				9,496	-	9,496
Grants and contributions not restricted to specific programs				1,353,445	-	1,353,445
Unrestricted investment earnings				119,939	102,857	222,796
Total general receipts				2,995,762	102,857	3,098,619
Change in net assets				60,163	396,319	456,482
Net assets - beginning				2,894,438	2,027,384	4,921,822
Net assets - ending				\$ 2,954,601	\$ 2,423,703	\$ 5,378,304
Assets						
Cash and investments				\$ 884,538	\$ 146,634	\$ 1,031,172
Restricted assets:						
Cash and investments				2,070,063	2,277,069	4,347,132
Total assets				\$ 2,954,601	\$ 2,423,703	\$ 5,378,304
Net Assets						
Restricted for:						
Public safety				\$ 61,047	\$ -	\$ 61,047
Highways and streets				589,499	-	589,499
Culture and recreation				208,669	-	208,669
Debt service				-	1,174,471	1,174,471
Capital outlay				371,821	1,102,598	1,474,419
Other purposes				839,027	-	839,027
Unrestricted				884,538	146,634	1,031,172
Total net assets				\$ 2,954,601	\$ 2,423,703	\$ 5,378,304

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

TOWN OF SYRACUSE
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	General	Motor Vehicle Highway	Park and Recreation	County Economic Development Income Tax	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 653,318	\$ 405,919	\$ 277,593	\$ -	\$ 176,052	\$ 1,512,882
Licenses and permits	707	256	-	-	1,130	2,093
Intergovernmental	718,223	149,559	25,982	194,480	102,542	1,190,786
Charges for services	70,333	-	12,138	-	48,277	130,748
Fines and forfeits	482	-	-	-	1,266	1,748
Other	245,973	5,544	6,450	-	34,127	292,094
Total receipts	1,689,036	561,278	322,163	194,480	363,394	3,130,351
Disbursements:						
General government	525,008	-	-	-	19,387	544,395
Public safety	1,055,364	-	-	-	270,377	1,325,741
Highways and streets	-	462,802	-	-	50,000	512,802
Culture and recreation	-	-	278,787	-	11,912	290,699
Principal	-	21,950	-	-	25,000	46,950
Interest	-	1,789	-	-	35,000	36,789
Capital outlay:						
General	-	-	-	28,181	-	28,181
Highways and streets	-	-	-	-	284,631	284,631
Total disbursements	1,580,372	486,541	278,787	28,181	696,307	3,070,188
Excess (deficiency) of receipts over disbursements	108,664	74,737	43,376	166,299	(332,913)	60,163
Other financing sources (uses):						
Interfund loans	-	-	30,000	-	60,000	90,000
Interfund loans repaid	-	-	(30,000)	-	(60,000)	(90,000)
Transfers in	-	-	-	-	10,000	10,000
Transfers out	-	-	-	-	(10,000)	(10,000)
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	108,664	74,737	43,376	166,299	(332,913)	60,163
Cash and investment fund balance - beginning	689,235	259,607	135,389	398,004	1,412,203	2,894,438
Cash and investment fund balance - ending	<u>\$ 797,899</u>	<u>\$ 334,344</u>	<u>\$ 178,765</u>	<u>\$ 564,303</u>	<u>\$ 1,079,290</u>	<u>\$ 2,954,601</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 797,899	\$ -	\$ -	\$ -	\$ 86,639	\$ 884,538
Restricted assets:						
Cash and investments	-	334,344	178,765	564,303	992,651	2,070,063
Total cash and investment assets - December 31	<u>\$ 797,899</u>	<u>\$ 334,344</u>	<u>\$ 178,765</u>	<u>\$ 564,303</u>	<u>\$ 1,079,290</u>	<u>\$ 2,954,601</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 61,047	\$ 61,047
Highways and streets	-	334,344	-	-	255,155	589,499
Culture and recreation	-	-	178,765	-	29,904	208,669
Capital outlay	-	-	-	-	371,821	371,821
Other purposes	-	-	-	564,303	274,724	839,027
Unrestricted	797,899	-	-	-	86,639	884,538
Total cash and investment fund balance - December 31	<u>\$ 797,899</u>	<u>\$ 334,344</u>	<u>\$ 178,765</u>	<u>\$ 564,303</u>	<u>\$ 1,079,290</u>	<u>\$ 2,954,601</u>

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

TOWN OF SYRACUSE
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As Of And For The Year Ended December 31, 2007

	Water Utility	Wastewater Utility	Totals
Operating receipts:			
Metered water receipts:			
Residential	\$ 346,750	\$ -	\$ 346,750
Commercial	162,137	-	162,137
Industrial	80,748	-	80,748
Multifamily	183,818	-	183,818
Public authorities	135,295	152,364	287,659
Fire protection receipts	113,103	-	113,103
Turn on fees	3,446	-	3,446
Penalties	12,713	10,215	22,928
Tap fees	4,000	19,053	23,053
Flat rate receipts	-	29,303	29,303
Measured revenue:			
Residential	-	228,450	228,450
Commercial	-	99,145	99,145
Industrial	-	37,198	37,198
Multifamily	-	123,175	123,175
Sales tax	48,486	-	48,486
Other	254	261	515
	<u>1,090,750</u>	<u>699,164</u>	<u>1,789,914</u>
Total operating receipts			
Operating disbursements:			
Salaries and wages	138,314	209,392	347,706
Employee pensions and benefits	38,643	43,074	81,717
Customer accounts	4,920	8,819	13,739
Office supplies	688	1,019	1,707
Purchased water	11,719	-	11,719
Purchased power	31,940	72,782	104,722
Chemicals	11,426	22,375	33,801
Material and supplies, repairs - collection system	18,033	9,227	27,260
Material and supplies, repairs - treatment plant	-	39,241	39,241
Contractual services	45,266	-	45,266
Rents	1,693	-	1,693
Transportation disbursements	3,644	4,597	8,241
Insurance disbursements	15,105	17,024	32,129
Regulatory commission disbursements	1,206	-	1,206
Capital improvements	51,690	22,035	73,725
Utility receipts tax	14,792	-	14,792
Sales tax	51,345	-	51,345
Other	1,120	13,232	14,352
Miscellaneous disbursements	4,064	97,290	101,354
	<u>445,608</u>	<u>560,107</u>	<u>1,005,715</u>
Total operating disbursements			
Excess of operating receipts over operating disbursements	<u>645,142</u>	<u>139,057</u>	<u>784,199</u>
Nonoperating receipts (disbursements):			
Interest and investment receipts	62,677	40,180	102,857
Debt service of principal	(252,000)	(115,000)	(367,000)
Interest and investment disbursement	(69,397)	(54,340)	(123,737)
	<u>(258,720)</u>	<u>(129,160)</u>	<u>(387,880)</u>
Total nonoperating receipts (disbursements)			
Excess of receipts over disbursements and nonoperating receipts (disbursements)	386,422	9,897	396,319
Cash and investment fund balance - beginning	<u>1,166,462</u>	<u>860,922</u>	<u>2,027,384</u>
Cash and investment fund balance - ending	<u>\$ 1,552,884</u>	<u>\$ 870,819</u>	<u>\$ 2,423,703</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 69,069	\$ 77,565	\$ 146,634
Restricted assets:			
Cash and investments	<u>1,483,815</u>	<u>793,254</u>	<u>2,277,069</u>
Total cash and investment assets - December 31	<u>\$ 1,552,884</u>	<u>\$ 870,819</u>	<u>\$ 2,423,703</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 894,395	\$ 280,076	\$ 1,174,471
Capital outlay	589,420	513,178	1,102,598
Unrestricted	<u>69,069</u>	<u>77,565</u>	<u>146,634</u>
Total cash and investment fund balance - December 31	<u>\$ 1,552,884</u>	<u>\$ 870,819</u>	<u>\$ 2,423,703</u>

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

TOWN OF SYRACUSE
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUND
For The Year Ended December 31, 2007

	<u>Agency Fund</u>
Cash and investment fund balance - ending	<u>\$ 8,170</u>

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

TOWN OF SYRACUSE
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 601,335	\$ 27,276	\$ -	\$ -	\$ (574,059)	\$ -	\$ (574,059)
Public safety	1,221,418	117,619	11,810	-	(1,091,989)	-	(1,091,989)
Highways and streets	884,892	413	-	-	(884,479)	-	(884,479)
Economic development	78,364	-	-	69,712	(8,652)	-	(8,652)
Culture and recreation	304,395	18,269	-	-	(286,126)	-	(286,126)
Interest on long-term debt	35,158	-	-	-	(35,158)	-	(35,158)
Total governmental activities	<u>3,125,562</u>	<u>163,577</u>	<u>11,810</u>	<u>69,712</u>	<u>(2,880,463)</u>	<u>-</u>	<u>(2,880,463)</u>
Business-type activities:							
Water	1,135,344	1,063,897	-	-	-	(71,447)	(71,447)
Wastewater	824,858	740,454	-	-	-	(84,404)	(84,404)
Total business-type activities	<u>1,960,202</u>	<u>1,804,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(155,851)</u>	<u>(155,851)</u>
Total primary government	<u>\$ 5,085,764</u>	<u>\$ 1,967,928</u>	<u>\$ 11,810</u>	<u>\$ 69,712</u>	<u>(2,880,463)</u>	<u>(155,851)</u>	<u>(3,036,314)</u>
General receipts:							
Property taxes					1,436,673	-	1,436,673
Other local sources					14,498	-	14,498
Grants and contributions not restricted to specific programs					1,196,182	-	1,196,182
Unrestricted investment earnings					52,711	58,681	111,392
Total general receipts					<u>2,700,064</u>	<u>58,681</u>	<u>2,758,745</u>
Change in net assets					(180,399)	(97,170)	(277,569)
Net assets - beginning					<u>2,954,601</u>	<u>2,423,703</u>	<u>5,378,304</u>
Net assets - ending					<u>\$ 2,774,202</u>	<u>\$ 2,326,533</u>	<u>\$ 5,100,735</u>
Assets							
Cash and investments					\$ 673,720	\$ 127,758	\$ 801,478
Restricted assets:							
Cash and investments					<u>2,100,482</u>	<u>2,198,775</u>	<u>4,299,257</u>
Total assets					<u>\$ 2,774,202</u>	<u>\$ 2,326,533</u>	<u>\$ 5,100,735</u>
Net Assets							
Restricted for:							
Public safety					\$ 46,940	\$ -	\$ 46,940
Highways and streets					499,833	-	499,833
Culture and recreation					218,654	-	218,654
Urban redevelopment and housing					25,203	-	25,203
Debt service					413	1,188,319	1,188,732
Capital outlay					1,308,818	1,010,456	2,319,274
Other purposes					621	-	621
Unrestricted					<u>673,720</u>	<u>127,758</u>	<u>801,478</u>
Total net assets					<u>\$ 2,774,202</u>	<u>\$ 2,326,533</u>	<u>\$ 5,100,735</u>

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

TOWN OF SYRACUSE
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2008

	General	Motor Vehicle Highway	Park and Recreation	County Economic Development Income Tax	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 552,181	\$ 461,633	\$ 265,028	\$ -	\$ 157,831	\$ 1,436,673
Licenses and permits	718	510	-	-	950	2,178
Intergovernmental	663,426	106,035	12,440	197,444	241,003	1,220,348
Charges for services	127,813	510	9,935	-	21,535	159,793
Fines and forfeits	135	-	-	-	1,058	1,193
Other	85,694	7,045	9,506	-	22,733	124,978
Total receipts	1,429,967	575,733	296,909	197,444	445,110	2,945,163
Disbursements:						
General government	548,984	-	-	-	44,223	593,207
Public safety	1,172,406	-	-	-	49,012	1,221,418
Highways and streets	-	559,784	-	-	110,000	669,784
Culture and recreation	-	-	286,480	-	10,665	297,145
Urban redevelopment and housing	-	-	-	-	78,364	78,364
Debt service:						
Principal	-	22,582	-	-	25,000	47,582
Interest	-	1,158	-	-	34,000	35,158
Capital outlay:						
General	-	-	-	8,128	-	8,128
Highways and streets	-	-	-	-	174,776	174,776
Total disbursements	1,721,390	583,524	286,480	8,128	526,040	3,125,562
Excess (deficiency) of receipts over disbursements	(291,423)	(7,791)	10,429	189,316	(80,930)	(180,399)
Other financing sources (uses):						
Interfund loans	-	100,000	50,000	150,000	50,000	350,000
Interfund loans repaid	-	(100,000)	(50,000)	(150,000)	(50,000)	(350,000)
Transfers in	-	-	-	-	32,000	32,000
Transfers out	-	-	-	-	(32,000)	(32,000)
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(291,423)	(7,791)	10,429	189,316	(80,930)	(180,399)
Cash and investment fund balance - beginning	797,899	334,344	178,765	564,303	1,079,290	2,954,601
Cash and investment fund balance - ending	\$ 506,476	\$ 326,553	\$ 189,194	\$ 753,619	\$ 998,360	\$ 2,774,202
Cash and Investment Assets - December 31						
Cash and investments	\$ 506,476	\$ -	\$ -	\$ -	\$ 167,244	\$ 673,720
Restricted assets:						
Cash and investments	-	326,553	189,194	753,619	831,116	2,100,482
Total cash and investment assets - December 31	\$ 506,476	\$ 326,553	\$ 189,194	\$ 753,619	\$ 998,360	\$ 2,774,202
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 46,940	\$ 46,940
Highways and streets	-	326,553	-	-	173,280	499,833
Culture and recreation	-	-	189,194	-	29,460	218,654
Urban redevelopment and housing	-	-	-	-	25,203	25,203
Debt service	-	-	-	-	413	413
Capital outlay	-	-	-	753,619	555,199	1,308,818
Other purposes	-	-	-	-	621	621
Unrestricted	506,476	-	-	-	167,244	673,720
Total cash and investment fund balance - December 31	\$ 506,476	\$ 326,553	\$ 189,194	\$ 753,619	\$ 998,360	\$ 2,774,202

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

TOWN OF SYRACUSE
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As Of And For The Year Ended December 31, 2008

	Water Utility	Wastewater Utility	Totals
Operating receipts:			
Metered water receipts:			
Residential	\$ 325,009	\$ -	\$ 325,009
Commercial	167,684	-	167,684
Industrial	84,144	-	84,144
Multifamily	172,552	-	172,552
Public authorities	117,997	95,914	213,911
Fire protection receipts	115,240	-	115,240
Penalties	14,232	-	14,232
Reconnect fee	3,498	-	3,498
Tap fees	-	25,676	25,676
Flat rate receipts	-	27,045	27,045
Measured revenue:			
Residential	-	220,033	220,033
Commercial	-	101,153	101,153
Industrial	-	40,002	40,002
Multifamily	-	119,310	119,310
Other	-	99,882	99,882
Insurance proceeds	9,200	-	9,200
Sales tax	51,980	-	51,980
Other	2,361	11,439	13,800
	<u>1,063,897</u>	<u>740,454</u>	<u>1,804,351</u>
Total operating receipts			
Operating disbursements:			
Salaries and wages	149,434	219,361	368,795
Employee pensions and benefits	38,185	50,924	89,109
Customer accounts	5,338	3,368	8,706
Office supplies	1,430	1,455	2,885
Purchased water	5,223	-	5,223
Purchased power	50,977	75,685	126,662
Chemicals	4,510	26,023	30,533
Material and supplies, repairs - collection system	22,080	9,187	31,267
Material and supplies, repairs - treatment plant	-	50,403	50,403
Contractual services	48,646	96,695	145,341
Rents	1,452	-	1,452
Transportation disbursements	5,977	6,438	12,415
Insurance disbursements	15,108	13,460	28,568
Regulatory commission disbursements	1,211	-	1,211
Capital improvement	253,011	88,007	341,018
Utility receipts tax	14,662	-	14,662
Sales tax	51,985	-	51,985
Other	513	-	513
Miscellaneous disbursements	7,635	15,837	23,472
	<u>677,377</u>	<u>656,843</u>	<u>1,334,220</u>
Total operating disbursements			
Excess of operating receipts over operating disbursements			
	<u>386,520</u>	<u>83,611</u>	<u>470,131</u>
Nonoperating receipts (disbursements):			
Interest and investment receipts	33,578	25,103	58,681
Debt service of principal	(264,000)	(120,000)	(384,000)
Interest and investment disbursement	(193,967)	(48,015)	(241,982)
	<u>(424,389)</u>	<u>(142,912)</u>	<u>(567,301)</u>
Total nonoperating receipts (disbursements)			
Deficiency of receipts over disbursements and nonoperating receipts (disbursements)			
	(37,869)	(59,301)	(97,170)
Cash and investment fund balance - beginning			
	<u>1,552,884</u>	<u>870,819</u>	<u>2,423,703</u>
Cash and investment fund balance - ending			
	<u>\$ 1,515,015</u>	<u>\$ 811,518</u>	<u>\$ 2,326,533</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments			
Restricted assets:	\$ 64,397	\$ 63,361	\$ 127,758
Cash and investments	<u>1,450,618</u>	<u>748,157</u>	<u>2,198,775</u>
Total cash and investment assets - December 31	<u>\$ 1,515,015</u>	<u>\$ 811,518</u>	<u>\$ 2,326,533</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 916,423	\$ 271,896	\$ 1,188,319
Capital outlay	534,195	476,261	1,010,456
Unrestricted	<u>64,397</u>	<u>63,361</u>	<u>127,758</u>
Total cash and investment fund balance - December 31	<u>\$ 1,515,015</u>	<u>\$ 811,518</u>	<u>\$ 2,326,533</u>

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

TOWN OF SYRACUSE
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUND
For The Year Ended December 31, 2008

	<u>Agency Fund</u>
Cash and investment fund balance - ending	<u>\$ 7,128</u>

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

TOWN OF SYRACUSE
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides the following services: public safety (police), highways and streets, culture and recreation, public improvements, general administrative services, water, and wastewater.

The Town's financial reporting entity is composed of the following:

Primary Government: Town of Syracuse

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The motor vehicle highway fund (MVH) is used to account for state highway distributions received from the state auditor and is used to maintain the Town's streets.

The park and recreation fund is a tax levied fund and is used for the operation of the Town's parks.

The county economic development income tax fund (CEDIT) is a tax levied fund and is used for capital projects.

TOWN OF SYRACUSE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Town reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations, and collection systems.

Additionally, the Town reports the following fund type:

The agency fund (payroll) accounts for assets held by the Town as an agent for employees and serves as a control for certain cash transactions during the time they are a liability to the Town.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the town and the utilities. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government. The Town does not have any internal service funds.

TOWN OF SYRACUSE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the Town's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

TOWN OF SYRACUSE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

TOWN OF SYRACUSE
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the Town submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the Town receives approval of the Indiana Department of Local Government Finance.

The Town's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At December 31, 2008, the bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended December 31, 2007 and 2008, were as follows:

Transfer From	Transfer To	2007	2008
Other governmental funds	Other governmental funds	\$ 10,000	\$ 32,000

The Town typically uses transfers for cash flow purposes as provided by various statutory provisions.

TOWN OF SYRACUSE
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Job Related Illness or Injury to Employees

During 1991, the Town joined the Indiana Public Employer's Plan, Inc. (IPEP), a public entity risk pool currently operating as a common risk management and insurance program for approximately 330 member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of worker's compensation claims. The Town pays an annual premium to the risk pool for its coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Holding Corporation

The Town has entered into a capital lease with Syracuse Municipal Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Town. The lessor has been determined to be a related party of the Town. Lease payments during the years 2007 and 2008 totaled \$60,000 and \$59,000, respectively.

C. State Revolving Loan Fund

Under the terms of the State Revolving Loan Fund, revenue bonds have been purchased by the Indiana Bond Bank. The proceeds are set aside to finance the construction of the Water System Project. Funds are loaned to the Town as construction costs are accrued to the maximum allowed. The maximum amount of the loan is \$7,000,000 and, as of December 31, 2008, the total drawn was \$6,687,485. Repayment on the loan began in 2006.

D. Rate Structure – Enterprise Funds

Water Utility

On March 20, 1990, the Town Council adopted Ordinance No. 89-11 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on March 18, 2003, with rate changes taking effect on January 1, 2005, and on January 1, 2006.

Wastewater Utility

The current rate structure was approved by the Town Council on July 14, 1992.

TOWN OF SYRACUSE
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Subsequent Event

The Town is in the process of extending the water and sewer lines to and through their industrial park. This will be done with a grant from the Economic Development Administration for \$2,100,000 and the Town's matching funds of \$900,000. The Town has currently spent \$151,177 in the design and other professional fees and will award the construction bid in 2010.

TOWN OF SYRACUSE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007

	Local Road and Street	Cumulative Capital Development	Rainy Day	Donations	Police Donations	Law Enforcement Continuing Education
Receipts:						
Taxes	\$ -	\$ 49,918	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	1,130
Intergovernmental	29,933	4,672	17,471	-	-	-
Charges for services	-	-	-	-	-	330
Fines and forfeits	-	-	-	-	-	1,266
Other	1,292	-	-	17,736	10,100	120
Total receipts	31,225	54,590	17,471	17,736	10,100	2,846
Disbursements:						
General government	-	-	-	1,107	-	-
Public safety	-	-	-	-	-	4,541
Highways and streets	50,000	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	17,500	-	-	-	-
Interest	-	24,500	-	-	-	-
Capital outlay:						
Highways and streets	-	61,496	-	-	-	-
Total disbursements	50,000	103,496	-	1,107	-	4,541
Excess (deficiency) of receipts over disbursements	(18,775)	(48,906)	17,471	16,629	10,100	(1,695)
Other financing sources (uses):						
Interfund loans	-	30,000	-	-	-	-
Interfund loans repaid	-	(30,000)	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(10,000)	-	-	-
Total other financing sources (uses)	-	-	(10,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(18,775)	(48,906)	7,471	16,629	10,100	(1,695)
Cash and investment fund balance - beginning	273,930	323,009	19,519	2,671	-	11,033
Cash and investment fund balance - ending	<u>\$ 255,155</u>	<u>\$ 274,103</u>	<u>\$ 26,990</u>	<u>\$ 19,300</u>	<u>\$ 10,100</u>	<u>\$ 9,338</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ 26,990	\$ 17,926	\$ -	\$ -
Restricted assets:						
Cash and investments	255,155	274,103	-	1,374	10,100	9,338
Total cash and investment assets - December 31	\$ 255,155	\$ 274,103	\$ 26,990	\$ 19,300	\$ 10,100	\$ 9,338
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 10,100	\$ 9,338
Highways and streets	255,155	-	-	-	-	-
Culture and recreation	-	-	-	1,374	-	-
Capital outlay	-	-	-	-	-	-
Other purposes	-	274,103	-	-	-	-
Unrestricted	-	-	26,990	17,926	-	-
Total cash and investment fund balance - December 31	\$ 255,155	\$ 274,103	\$ 26,990	\$ 19,300	\$ 10,100	\$ 9,338

TOWN OF SYRACUSE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Riverboat	Park Nonreverting Operating	Federal Grant	Emergency Medical Services	Cumulative Capital Improvement	Park Nonreverting Capital
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 7,549	\$ 31,655	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	19,156	-	8,832	707	13,634	-
Charges for services	-	6,850	-	41,097	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	4,879	-	-	-	-
Total receipts	19,156	11,729	8,832	49,353	45,289	-
Disbursements:						
General government	9,106	-	9,174	-	-	-
Public safety	-	-	-	162,283	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	11,912	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	59,105	-
Total disbursements	9,106	11,912	9,174	162,283	59,105	-
Excess (deficiency) of receipts over disbursements	10,050	(183)	(342)	(112,930)	(13,816)	-
Other financing sources (uses):						
Interfund loans	-	-	-	-	30,000	-
Interfund loans repaid	-	-	-	-	(30,000)	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,050	(183)	(342)	(112,930)	(13,816)	-
Cash and investment fund balance - beginning	31,673	6,150	963	118,967	203,849	18
Cash and investment fund balance - ending	<u>\$ 41,723</u>	<u>\$ 5,967</u>	<u>\$ 621</u>	<u>\$ 6,037</u>	<u>\$ 190,033</u>	<u>\$ 18</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 41,723	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	5,967	621	6,037	190,033	18
Total cash and investment assets - December 31	\$ 41,723	\$ 5,967	\$ 621	\$ 6,037	\$ 190,033	\$ 18
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ 6,037	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	5,967	-	-	-	18
Capital outlay	-	-	-	-	190,033	-
Other purposes	-	-	621	-	-	-
Unrestricted	41,723	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 41,723	\$ 5,967	\$ 621	\$ 6,037	\$ 190,033	\$ 18

TOWN OF SYRACUSE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Cumulative Fire	Cumulative Park and Recreation	Cumulative Storm Sewer	Unsafe Building	Totals
Receipts:					
Taxes	\$ 16,558	\$ 16,558	\$ 53,814	\$ -	\$ 176,052
Licenses and permits	-	-	-	-	1,130
Intergovernmental	1,550	1,550	5,037	-	102,542
Charges for services	-	-	-	-	48,277
Fines and forfeits	-	-	-	-	1,266
Other	-	-	-	-	34,127
Total receipts	18,108	18,108	58,851	-	363,394
Disbursements:					
General government	-	-	-	-	19,387
Public safety	103,553	-	-	-	270,377
Highways and streets	-	-	-	-	50,000
Culture and recreation	-	-	-	-	11,912
Debt service:					
Principal	-	7,500	-	-	25,000
Interest	-	10,500	-	-	35,000
Capital outlay:					
Highways and streets	-	-	164,030	-	284,631
Total disbursements	103,553	18,000	164,030	-	696,307
Excess (deficiency) of receipts over disbursements	(85,445)	108	(105,179)	-	(332,913)
Other financing sources (uses):					
Interfund loans	-	-	-	-	60,000
Interfund loans repaid	-	-	-	-	(60,000)
Transfers in	-	-	-	10,000	10,000
Transfers out	-	-	-	-	(10,000)
Total other financing sources (uses)	-	-	-	10,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(85,445)	108	(105,179)	10,000	(332,913)
Cash and investment fund balance - beginning	111,017	22,437	286,967	-	1,412,203
Cash and investment fund balance - ending	<u>\$ 25,572</u>	<u>\$ 22,545</u>	<u>\$ 181,788</u>	<u>\$ 10,000</u>	<u>\$ 1,079,290</u>
Cash and Investment Assets - December 31					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 86,639
Restricted assets:					
Cash and investments	25,572	22,545	181,788	10,000	992,651
Total cash and investment assets - December 31	\$ 25,572	\$ 22,545	\$ 181,788	\$ 10,000	\$ 1,079,290
Cash and Investment Fund Balance - December 31					
Restricted for:					
Public safety	\$ 25,572	\$ -	\$ -	\$ 10,000	\$ 61,047
Highways and streets	-	-	-	-	255,155
Culture and recreation	-	22,545	-	-	29,904
Capital outlay	-	-	181,788	-	371,821
Other purposes	-	-	-	-	274,724
Unrestricted	-	-	-	-	86,639
Total cash and investment fund balance - December 31	\$ 25,572	\$ 22,545	\$ 181,788	\$ 10,000	\$ 1,079,290

TOWN OF SYRACUSE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For The Year Ended December 31, 2007

	Agency Fund
Additions:	
Agency fund additions	\$ 1,609,541
Deductions:	
Agency fund deductions	1,609,987
Deficiency of total additions over total deductions	(446)
Cash and investment fund balance - beginning	8,616
Cash and investment fund balance - ending	\$ 8,170

TOWN OF SYRACUSE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008

	Local Road and Street	Cumulative Capital Development	Rainy Day	Donations	Police Donations	Law Enforcement Continuing Education
Receipts:						
Taxes	\$ -	\$ 46,756	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	950
Intergovernmental	28,125	2,194	95,011	-	-	-
Charges for services	-	-	-	-	-	288
Fines and forfeits	-	-	-	-	-	1,058
Other	-	-	-	16,590	3,060	99
Total receipts	28,125	48,950	95,011	16,590	3,060	2,395
Disbursements:						
General government	-	-	-	13,413	-	-
Public safety	-	-	-	-	13,000	3,176
Highways and streets	110,000	-	-	-	-	-
Culture and recreation	-	-	-	3,003	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	17,750	-	-	-	-
Interest	-	24,250	-	-	-	-
Capital outlay:						
Highways and streets	-	91,679	-	-	-	-
Total disbursements	110,000	133,679	-	16,416	13,000	3,176
Excess (deficiency) of receipts over disbursements	(81,875)	(84,729)	95,011	174	(9,940)	(781)
Other financing sources (uses):						
Interfund loans	-	50,000	-	-	-	-
Interfund loans repaid	-	(50,000)	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(15,000)	-	-	-
Total other financing sources (uses)	-	-	(15,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(81,875)	(84,729)	80,011	174	(9,940)	(781)
Cash and investment fund balance - beginning	255,155	274,103	26,990	19,300	10,100	9,338
Cash and investment fund balance - ending	<u>\$ 173,280</u>	<u>\$ 189,374</u>	<u>\$ 107,001</u>	<u>\$ 19,474</u>	<u>\$ 160</u>	<u>\$ 8,557</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ -	\$ -	\$ 107,001	\$ 18,463	\$ -	\$ -
Restricted assets:						
Cash and investments	173,280	189,374	-	1,011	160	8,557
Total cash and investment assets - December 31	\$ 173,280	\$ 189,374	\$ 107,001	\$ 19,474	\$ 160	\$ 8,557
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 160	\$ 8,557
Highways and streets	173,280	-	-	-	-	-
Culture and recreation	-	-	-	1,011	-	-
Urban development and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	189,374	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	107,001	18,463	-	-
Total cash and investment fund balance - December 31	\$ 173,280	\$ 189,374	\$ 107,001	\$ 19,474	\$ 160	\$ 8,557

TOWN OF SYRACUSE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Riverboat	Park Nonreverting Operating	Federal Grant	Emergency Medical Services	Cumulative Capital Improvement	Park Nonreverting Capital
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 29,651	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	19,057	-	11,810	-	11,273	-
Charges for services	-	8,334	-	12,913	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	9	-	-	-	-
Total receipts	19,057	8,343	11,810	12,913	40,924	-
Disbursements:						
General government	19,000	-	11,810	-	-	-
Public safety	-	-	-	14,736	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	7,662	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	19,000	7,662	11,810	14,736	-	-
Excess (deficiency) of receipts over disbursements	57	681	-	(1,823)	40,924	-
Other financing sources (uses):						
Interfund loans	-	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(17,000)	-
Total other financing sources (uses)	-	-	-	-	(17,000)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	57	681	-	(1,823)	23,924	-
Cash and investment fund balance - beginning	41,723	5,967	621	6,037	190,033	18
Cash and investment fund balance - ending	<u>\$ 41,780</u>	<u>\$ 6,648</u>	<u>\$ 621</u>	<u>\$ 4,214</u>	<u>\$ 213,957</u>	<u>\$ 18</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 41,780	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	6,648	621	4,214	213,957	18
Total cash and investment assets - December 31	\$ 41,780	\$ 6,648	\$ 621	\$ 4,214	\$ 213,957	\$ 18
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ 4,214	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	6,648	-	-	-	18
Urban development and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	213,957	-
Other purposes	-	-	621	-	-	-
Unrestricted	41,780	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 41,780	\$ 6,648	\$ 621	\$ 4,214	\$ 213,957	\$ 18

TOWN OF SYRACUSE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Cumulative Fire	Cumulative Park and Recreation	Cumulative Storm Sewer	Unsafe Building	Community Grants Emergency Housing Repair Loan
Receipts:					
Taxes	\$ 15,509	\$ 15,509	\$ 50,406	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	1,028	729	2,064	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other	-	-	707	-	757
Total receipts	16,537	16,238	53,177	-	757
Disbursements:					
General government	-	-	-	-	-
Public safety	18,100	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	8,652
Debt service:					
Principal	-	7,250	-	-	-
Interest	-	9,750	-	-	-
Capital outlay:					
Highways and streets	-	-	83,097	-	-
Total disbursements	18,100	17,000	83,097	-	8,652
Excess (deficiency) of receipts over disbursements	(1,563)	(762)	(29,920)	-	(7,895)
Other financing sources (uses):					
Interfund loans	-	-	-	-	-
Interfund loans repaid	-	-	-	-	-
Transfers in	-	-	-	-	15,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	15,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,563)	(762)	(29,920)	-	7,105
Cash and investment fund balance - beginning	25,572	22,545	181,788	10,000	-
Cash and investment fund balance - ending	\$ 24,009	\$ 21,783	\$ 151,868	\$ 10,000	\$ 7,105
Cash and Investment Assets - December 31					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	24,009	21,783	151,868	10,000	7,105
Total cash and investment assets - December 31	\$ 24,009	\$ 21,783	\$ 151,868	\$ 10,000	\$ 7,105
Cash and Investment Fund Balance - December 31					
Restricted for:					
Public safety	\$ 24,009	\$ -	\$ -	\$ 10,000	\$ -
Highways and streets	-	-	-	-	-
Culture and recreation	-	21,783	-	-	-
Urban development and housing	-	-	-	-	7,105
Debt service	-	-	-	-	-
Capital outlay	-	-	151,868	-	-
Other purposes	-	-	-	-	-
Unrestricted	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 24,009	\$ 21,783	\$ 151,868	\$ 10,000	\$ 7,105

TOWN OF SYRACUSE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Community Improvement Commercial/Retail Facade Improvement	Federal Grant 2 Community Development	Housing Grant Affordable Housing	Forrest Park Debt	Totals
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 157,831
Licenses and permits	-	-	-	-	950
Intergovernmental	-	69,712	-	-	241,003
Charges for services	-	-	-	-	21,535
Fines and forfeits	-	-	-	-	1,058
Other	-	-	1,098	413	22,733
Total receipts	-	69,712	1,098	413	445,110
Disbursements:					
General government	-	-	-	-	44,223
Public safety	-	-	-	-	49,012
Highways and streets	-	-	-	-	110,000
Culture and recreation	-	-	-	-	10,665
Urban redevelopment and housing	-	69,712	-	-	78,364
Debt service:					
Principal	-	-	-	-	25,000
Interest	-	-	-	-	34,000
Capital outlay:					
Highways and streets	-	-	-	-	174,776
Total disbursements	-	69,712	-	-	526,040
Excess (deficiency) of receipts over disbursements	-	-	1,098	413	(80,930)
Other financing sources (uses):					
Interfund loans	-	-	-	-	50,000
Interfund loans repaid	-	-	-	-	(50,000)
Transfers in	17,000	-	-	-	32,000
Transfers out	-	-	-	-	(32,000)
Total other financing sources (uses)	17,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,000	-	1,098	413	(80,930)
Cash and investment fund balance - beginning	-	-	-	-	1,079,290
Cash and investment fund balance - ending	<u>\$ 17,000</u>	<u>\$ -</u>	<u>\$ 1,098</u>	<u>\$ 413</u>	<u>\$ 998,360</u>
Cash and Investment Assets - December 31					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 167,244
Restricted assets:					
Cash and investments	17,000	-	1,098	413	831,116
Total cash and investment assets - December 31	<u>\$ 17,000</u>	<u>\$ -</u>	<u>\$ 1,098</u>	<u>\$ 413</u>	<u>\$ 998,360</u>
Cash and Investment Fund Balance - December 31					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 46,940
Highways and streets	-	-	-	-	173,280
Culture and recreation	-	-	-	-	29,460
Urban development and housing	17,000	-	1,098	-	25,203
Debt service	-	-	-	413	413
Capital outlay	-	-	-	-	555,199
Other purposes	-	-	-	-	621
Unrestricted	-	-	-	-	167,244
Total cash and investment fund balance - December 31	<u>\$ 17,000</u>	<u>\$ -</u>	<u>\$ 1,098</u>	<u>\$ 413</u>	<u>\$ 998,360</u>

TOWN OF SYRACUSE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For The Year Ended December 31, 2008

	Agency Fund
Additions:	
Agency fund additions	\$ 1,631,584
Deductions:	
Agency fund deductions	1,632,626
Deficiency of total additions over total deductions	(1,042)
Cash and investment fund balance - beginning	8,170
Cash and investment fund balance - ending	\$ 7,128

TOWN OF SYRACUSE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 863,109
Infrastructure	15,088,697
Buildings	2,665,912
Improvements other than buildings	291,283
Machinery and equipment	1,295,628
Construction in progress	<u>54,478</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 20,259,107</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 37,979
Construction in progress	70,140
Buildings	5,747,573
Improvements other than buildings	2,814,786
Machinery and equipment	<u>106,979</u>
 Total Water Utility capital assets	 <u>8,777,457</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	216,205
Construction in progress	145,013
Buildings	4,339,395
Improvements other than buildings	3,354,545
Machinery and equipment	<u>1,044,251</u>
 Total Wastewater Utility capital assets	 <u>9,099,409</u>
Total business-type activities capital assets	 <u>\$ 17,876,866</u>

TOWN OF SYRACUSE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Community Center	\$ 565,000	\$ 63,000
Street Sweeper	<u>23,237</u>	<u>23,739</u>
Total governmental activities debt	<u>\$ 588,237</u>	<u>\$ 86,739</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
Waterworks refunding bonds of 2004 SRF	\$ 320,000	\$ 51,643
Drinking water SRF loan program	<u>5,892,390</u>	<u>418,246</u>
Total Water Utility	<u>6,212,390</u>	<u>469,889</u>
Wastewater Utility:		
Revenue bonds:		
Sewage refunding bonds of 1995	<u>710,000</u>	<u>166,415</u>
Total business-type activities long term debt	<u>\$ 6,922,390</u>	<u>\$ 636,304</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF SYRACUSE, KOSCIUSKO COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Syracuse (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2008. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2008.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a Town's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the Town's management, Town Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 16, 2009

TOWN OF SYRACUSE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended December 31, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-07	Total Federal Awards Expended 12-31-08
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Natural Resources Cooperative Forestry Assistance	10.664		\$ 4,146	\$ -
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Pass-Through Indiana Housing and Community Development Authority Community Development Block Grants/Entitlement Grants	14.218	HD-007-018	-	69,712
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
Pass-Through Indiana Department of Environmental Management Capitalization Grants for Drinking Water State Revolving Funds	66.468		2,091,032	71,181
<u>U.S. Department of Homeland Security</u>				
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DPB-013	-	5,275
Total federal awards expended			<u>\$ 2,095,178</u>	<u>\$ 146,168</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF SYRACUSE
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Syracuse (Town) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of Towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF SYRACUSE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.468	Capitalization Grants For Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF SYRACUSE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF SYRACUSE
EXIT CONFERENCE

The contents of this report were discussed on December 16, 2009, with Julie A. Kline, Clerk-Treasurer. Our audit disclosed no material items that warrant comment at this time.