

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

REGULAR AUDIT

January 1, 2007 through December 31, 2008

Years Audited Under GAGAS: 2007 and 2008

CAUDILL & ASSOCIATES CPA's
725 5th Street
Portsmouth, OH 45662



Mary Taylor, CPA

Auditor of State

Members of Council
Village of Glendale
30 Village Square
Glendale, Ohio 45246

We have reviewed the *Independent Auditor's Report* of the Village of Glendale, Hamilton County, prepared by Caudill & Associates, CPA's, for the audit period January 1, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 27, 2009

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VILLAGE OF GLENDALE
HAMILTON COUNTY

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Caudill & Associates, CPA's

725 5th Street
Portsmouth, OH 45662

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

Independent Auditor's Report

Village of Glendale
Hamilton County
30 Village Square
Glendale, Ohio 45246

To the Village Council:

We have audited the accompanying financial statements of the Village of Glendale (the Village), Hamilton County, Ohio, as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*. Those standards require that we plan and perform the audit to 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 opinion.

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

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2008 and 2007. Instead of the combined funds the accompanying financial statements present for 2008 and 2007, the revisions require presenting entity wide statements and also presenting its larger (i.e. major) funds separately for 2008 and 2007. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2008 and 2007, or its changes in financial position or cash-flows of its proprietary funds for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances, and reserves for encumbrances of the Village as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

Village of Glendale
Hamilton County
Independent Auditor's Report

The aforementioned revision to generally accepted accounting principles also require the Village to include Management's Discussion and Analysis for the years ended December 31, 2008 and 2007. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2009, 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. 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 integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Caudill & Associates, CPAs

Caudill & Associates, CPA's

June 20, 2009

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Taxes	\$ 1,832,850	\$ 29,510	\$ 53,375	\$ -	\$ 1,915,735
Intergovernmental	547,214	149,577	9,643	-	706,434
Charges for Services	4,085	-	-	189,682	193,767
Earnings on Investments	69,946	228	-	-	70,174
Fines, Licenses & Permits	49,579	3,483	-	-	53,062
Miscellaneous	46,617	61,006	308,984	48,519	465,126
Total Cash Receipts	2,550,291	243,804	372,002	238,201	3,404,298
Cash Disbursements:					
Current:					
Security of Persons and Property	982,891	36,390	-	-	1,019,281
Public Health Services	5,877	-	-	-	5,877
Leisure Time Activities	33,671	20,895	-	-	54,566
Community Environment	9,306	-	-	-	9,306
Basic Utility Services	468,286	-	7,578	6,595	482,459
Transportation	278,132	30,521	-	-	308,653
General Government	466,563	18,584	-	-	485,147
Capital Outlay	12,238	172,530	-	2,167,397	2,352,165
Debt Services:					
Redemption of Principal	-	-	110,000	-	110,000
Interest and Fiscal Charges	193	-	9,213	-	9,406
Total Cash Disbursements	2,257,157	278,920	126,791	2,173,992	4,836,860
Total Receipts Over (Under) Disbursements	293,134	(35,116)	245,211	(1,935,791)	(1,432,562)
Other Financing Receipts (Disbursements)					
Proceeds from Sale of Public Debt:					
Proceeds of OWDA loan	-	-	-	1,799,727	1,799,727
Transfers In	-	-	-	253,146	253,146
Transfers Out	(253,146)	-	-	-	(253,146)
Total Other Financing Receipts (Disbursements)	(253,146)	-	-	2,052,873	1,799,727
Excess of Cash Receipts and Other Financing Receipts Over/ (Under) Cash Disbursements and Other Financing Disbursements					
	39,988	(35,116)	245,211	117,082	367,165
Fund Cash Balance, January 1	722,486	218,707	495,815	1,703,271	3,140,279
Fund Cash Balance, December 31	\$ 762,474	\$ 183,591	\$ 741,026	\$ 1,820,353	\$ 3,507,444
Reserve for Encumbrances, December 31	\$ 71,518	\$ 2,403	\$ -	\$ 112,950	\$ 186,871

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

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	Enterprise	Agency	
<u>Operating Cash Receipts:</u>			
Charges for Services	\$ 675,080	\$ -	\$ 675,080
Total Operating Cash Receipts	<u>675,080</u>	<u>-</u>	<u>675,080</u>
<u>Operating Cash Disbursements:</u>			
Personal Services	250,289	-	250,289
Contractual Services	288,371	-	288,371
Transportation	2,326	-	2,326
Supplies and Materials	48,899	-	48,899
Other	7,412	-	7,412
Total Operating Cash Disbursements	<u>597,297</u>	<u>-</u>	<u>597,297</u>
Operating Income	<u>77,783</u>	<u>-</u>	<u>77,783</u>
<u>Non-Operating Cash Receipts:</u>			
Earnings on Investments	1,601	-	1,601
Other Non-Operating Receipts	-	75,810	75,810
Total Non-Operating Cash Receipts	<u>1,601</u>	<u>75,810</u>	<u>77,411</u>
<u>Non-Operating Cash Disbursements:</u>			
Redemption of Principal	52,719	-	52,719
Interest and Other Fiscal Charges	1,876	-	1,876
Other Non - Operating Cash Disbursements	577	75,810	76,387
Total Non-Operating Cash Disbursements	<u>55,172</u>	<u>75,810</u>	<u>130,982</u>
Excess of Cash Receipts and Non-operating Receipts Over/ (Under) Disbursements and Non-operating Disbursements	24,212	-	24,212
Fund Cash Balances, January 1	<u>102,709</u>	<u>5,889</u>	<u>108,598</u>
Fund Cash Balances, December 31	<u>\$ 126,921</u>	<u>\$ 5,889</u>	<u>\$ 132,810</u>
Reserve for Encumbrances, December 31	<u>\$ 21,698</u>	<u>\$ -</u>	<u>\$ 21,698</u>

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

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<u>Cash Receipts</u>					
Property and Local Taxes	\$ 1,811,563	\$ 28,976	\$ 67,319	\$ 1,377	\$ 1,909,235
Intergovernmental Receipts	472,972	145,769	10,609	-	629,350
Charges for Services	4,855	-	-	178,976	183,831
Earnings on Investments	143,118	6,155	165	341	149,779
Fines, Licenses & Permits	60,117	3,197	-	-	63,314
Miscellaneous	51,006	72,542	310,931	53,794	488,273
	<u>2,543,631</u>	<u>256,639</u>	<u>389,024</u>	<u>234,488</u>	<u>3,423,782</u>
Total Cash Receipts					
<u>Cash Disbursements</u>					
Current:					
Security of Persons and Property	952,983	58,818	-	-	1,011,801
Public Health Services	5,785	-	-	-	5,785
Leisure Time Activities	30,348	19,228	-	-	49,576
Community Environment	2,597	-	-	-	2,597
Basic Utility Services	396,616	-	43,256	-	439,872
Transportation	257,710	35,383	-	-	293,093
General Government	444,713	27,236	-	-	471,949
Capital Outlay	8,288	103,137	-	5,500,128	5,611,553
Debt Services:					
Redemption of Principal	-	-	110,000	17,989	127,989
Interest and Fiscal Charges	-	-	18,425	264	18,689
	<u>2,099,040</u>	<u>243,802</u>	<u>171,681</u>	<u>5,518,381</u>	<u>8,032,904</u>
Total Cash Disbursements					
Total Receipts Over/ (Under) Disbursements	<u>444,591</u>	<u>12,837</u>	<u>217,343</u>	<u>(5,283,893)</u>	<u>(4,609,122)</u>
<u>Other Financing Receipts/ (Disbursements)</u>					
Proceeds from Sale of Public Debt:					
Proceeds of OWDA loan	-	-	-	4,428,270	4,428,270
Sale of Fixed Assets	5,050	-	-	51,031	56,081
Transfers In	-	-	-	806,625	806,625
Transfers Out	(806,625)	-	-	-	(806,625)
Total Other Financing Receipts (Disbursements)	<u>(801,575)</u>	<u>-</u>	<u>-</u>	<u>5,285,926</u>	<u>4,484,351</u>
Excess of Cash Receipts and Other Financing Sources Over/ (Under) Cash Disbursements and Other Financing Disbursements	(356,984)	12,837	217,343	2,033	(124,771)
Fund Cash Balance, January 1	<u>1,079,470</u>	<u>205,870</u>	<u>278,472</u>	<u>1,701,238</u>	<u>3,265,050</u>
Fund Cash Balance, December 31	<u>\$ 722,486</u>	<u>\$ 218,707</u>	<u>\$ 495,815</u>	<u>\$ 1,703,271</u>	<u>\$ 3,140,279</u>
Reserve for Encumbrances, December 31	<u>\$ 86,816</u>	<u>\$ 15,355</u>	<u>\$ -</u>	<u>\$ 70,447</u>	<u>\$ 172,618</u>

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

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	Enterprise	Agency	
<u>Operating Cash Receipts:</u>			
Charges for Services	\$ 667,050	\$ -	\$ 667,050
Total Operating Cash Receipts	<u>667,050</u>	<u>-</u>	<u>667,050</u>
<u>Operating Cash Disbursements:</u>			
Personal Services	254,557	-	254,557
Contractual Services	215,197	-	215,197
Transportation	797	-	797
Supplies and Materials	41,914	-	41,914
Total Operating Cash Disbursements	<u>512,465</u>	<u>-</u>	<u>512,465</u>
Operating Income/ (Loss)	<u>154,585</u>	<u>-</u>	<u>154,585</u>
<u>Non-Operating Cash Receipts:</u>			
Other Non-Operating Receipts	6,861	75,810	82,671
Total Non-Operating Cash Receipts	<u>6,861</u>	<u>75,810</u>	<u>82,671</u>
<u>Non-Operating Cash Disbursements:</u>			
Capital Outlay	16,122	-	16,122
Redemption of Principal	105,391	-	105,391
Interest and Other Fiscal Charges	3,980	-	3,980
Other Non - Operating Cash Disbursements	-	75,810	75,810
Total Non-Operating Cash Disbursements	<u>125,493</u>	<u>75,810</u>	<u>201,303</u>
Excess of Cash Receipts and Non-operating Receipts Over/ (Under) Disbursements and Non-operating Disbursements	35,953	-	35,953
Fund Cash Balances, January 1	<u>66,756</u>	<u>5,889</u>	<u>72,645</u>
Fund Cash Balances, December 31	<u>\$ 102,709</u>	<u>\$ 5,889</u>	<u>\$ 108,598</u>
Reserve for Encumbrances, December 31	<u>\$ 29,184</u>	<u>\$ -</u>	<u>\$ 29,184</u>

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

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Glendale, Hamilton County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides water and sewer utilities, park operations, police services and has a volunteer fire department.

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

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements basis of accounting. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements adequately disclose material matters the Auditor of State prescribes.

C. Cash and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. The Village records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values certificates of deposit, U.S Treasury Notes and bonds at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual fund reports.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

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

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund (Continued)

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

Police and Fire Disability and Pension Fund – This fund receives local monies to fund the police and fire pension obligation.

3. Debt Service Fund

These funds account for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Fund:

Sanitary Sewer Bond Retirement Fund – This fund receives property tax money for repaying the principal and interest of bonds.

4. Capital Projects Fund

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Funds:

Village Capital Project Fund – This fund receives transfers from the general fund. The proceeds are being used to purchase various equipment for the Village.

Village Plan & General improvement Fund – This fund receives grant proceeds and donations to fund building improvements.

Wastewater Treatment Facilities improvement Fund – This fund receives proceeds of an OWDA loan. The proceeds are being used to design and building of new wastewater treatment plant.

5. Enterprise Funds

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

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

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

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

6. Fiduciary Funds

Village fiduciary funds include only agency funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for activity of the Village of Glendale Mayor's Court and Unclaimed Funds.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2008	2007
Demand deposits	\$3,221,833	\$2,837,659
Certificates of Deposit	130,000	130,000
Total Deposits	\$3,351,833	\$2,967,659
 STAR OHIO	 288,421	 281,218
Total Investments	\$288,421	\$281,218
Total deposits and investments	\$3,640,254	\$3,248,877

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,451,341	\$2,550,291	\$98,950
Special Revenue	252,325	243,804	(8,521)
Debt Service	329,593	372,002	42,409
Capital Projects	682,845	2,291,074	1,608,229
Enterprise Fund	680,000	676,681	(3,319)
Fiduciary Fund	100	0	(100)
Total	\$4,396,204	\$6,133,852	\$1,737,648

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

3. BUDGETARY ACTIVITY (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,645,788	\$2,581,821	\$63,967
Special Revenue	419,524	281,323	138,201
Debt Service	525,213	126,790	398,423
Capital Projects	1,166,120	2,286,942	(1,120,822)
Enterprise Fund	708,677	674,167	34,510
Fiduciary Fund	1,076	0	1,076
Total	<u>\$5,466,398</u>	<u>\$5,951,043</u>	<u>(\$484,645)</u>

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,366,321	\$2,548,681	\$182,360
Special Revenue	199,450	256,639	57,189
Debt Service	370,062	389,024	18,962
Capital Projects	6,951,022	5,520,414	(1,430,608)
Enterprise Fund	646,625	673,911	27,286
Fiduciary Fund	500	0	(500)
Total	<u>\$10,533,980</u>	<u>\$9,388,669</u>	<u>(\$1,145,311)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,057,383	\$2,992,481	\$64,902
Special Revenue	327,843	259,157	68,686
Debt Service	484,425	171,681	312,744
Capital Projects	7,434,489	5,588,828	1,845,661
Enterprise Fund	705,522	667,142	38,380
Fiduciary Fund	1,400	0	1,400
Total	<u>\$12,011,062</u>	<u>\$9,679,289</u>	<u>\$2,331,773</u>

4. NOTED NON-COMPLIANCE

- (1) Contrary to Ohio Rev. Code Section 5705.36 appropriations exceeded available resources for the Glendale Wastewater Facilities Improvement Fund in 2007 and for the Park Board Trustee Fund in 2008.
- (2) Contrary to Ohio Rev. Code Section 5705.41(B) expenditures exceeded appropriations for the Glendale Wastewater Facilities Improvement Fund in 2008.

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

5. PROPERTY TAX

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

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

Property owners assess tangible personal property tax. They must file a list of tangible property to the County by each April 30. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on the Villages behalf.

6. DEBT

As of December 31, 2006 there was a variance between the outstanding debt amount disclosed in the footnote and actual remaining debt obligation. The actual amount outstanding as of 12/31/06 in the Sanitary Sewer Bonds was \$220,000 and not \$110,000 as disclosed in the prior audit report.

Debt outstanding at December 31, 2008 was as follows:

	Principal	Interest Rate
Ohio Public Works Loan - CB411	\$ 36,161	3.00%
Ohio Public Works Loan - CB327	61,670	0.00%
Ohio Water Development Authority Loan - 4644	6,003,798	2.75%
State Capital Improvements Loan Program	224,199	0.00%
Total	<u>\$ 6,325,828</u>	

The Village borrowed \$444,000 from the Ohio Public Works Commission in 1992 for the replacement of their water storage facility. Principal and interest paid semi-annually, over 15 years. The loan is collateralized by water receipts.

The Village borrowed \$352,000 from the Ohio Public Works Commission in 1991 for the replacement of their water storage facility. Principal and interest are paid semi-annually, over 15 years. The loan is collateralized by water receipts.

The Village received a State Capital Improvements Program Loan in 2007 and 2008 for the construction of a new wastewater treatment plant. As of December 31, 2008, the Village has received \$5,889,001 of the \$6,185,833 awarded and \$114,797 in capitalized interest. On January 1, 2009, the Village will begin repayments of this loan, in semi- annual amounts of \$202,087 over 20 years.

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

6. DEBT (Continued)

The Village received a State Capital Improvements Program Loan in 2007 and 2008 for the construction of a new wastewater treatment plant. As of December 31, 2008, the Village has received \$224,199 of the \$1,500,000 awarded. On June 1, 2009, the Village will begin repayments of this loan, in semi-annual amounts of \$75,000 over 10 years.

The Village's taxing authority collateralized the bonds.

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

Years ending December 31:	OPWC CB411	OPWC CB327	Water Pollution Control Loan	State Capital Improvements Program Loan
2009	\$ 36,975	\$ 17,620	\$ 404,174	\$ 150,000
2010	-	17,620	404,174	150,000
2011	-	17,620	404,174	150,000
2012	-	8,810	404,174	150,000
2013	-	-	404,174	150,000
2014 - 2018	-	-	2,020,870	750,000
2019 - 2023	-	-	2,020,870	-
2024 - 2028	-	-	2,020,870	-
Total	<u>\$ 36,975</u>	<u>\$ 61,670</u>	<u>\$ 8,083,480</u>	<u>\$ 1,500,000</u>

7. RETIREMENT SYSTEM

The Village's law enforcement officers and firefighters belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multi-employer plans. The Ohio Revised Code prescribes the plans retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OP & F participants contributed 10 percent of their wages. The Village contributed an amount equal to 19.55 percent of the police participant wages. For 2008 and 2007, OPERS members contributed 10 percent and 9.5, respectively, of their gross salaries and the Village contributed an amount equaling 14 and 13.85 percent respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2008.

8. RISK MANAGEMENT

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

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

8. RISK MANAGEMENT (Continued)

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

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and December 31, 2007.

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

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

9. CONTINGENT LIABILITIES

As of December 31, 2008, there was pending litigation against the Village. In the opinion of management and legal counsel, the Village may be liable for attorney fees, related to litigation proceedings in the amount of \$125,000. In the opinion of management, this will not materially affect the financial position of the Village.

10. MISCELLANEOUS RECEIPTS

In 2008 and 2007, miscellaneous receipts in the Debt Service Fund are comprised entirely of monies received from utility billings of water and sewer. All such revenues are used to repay related debt.

Caudill & Associates, CPA's

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Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

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*

Village of Glendale
Hamilton County
30 Village Square
Glendale, Ohio 45246

To the Village Council:

We have audited the accompanying financial statements of Village of Glendale, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Village's financial statements, and have issued our report dated June 20, 2009, wherein we noted the Village uses accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control. We consider the following deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting as item 2008-003.

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 Village's internal control.

Village of Glendale
Hamilton County

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*

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 over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider the following deficiency as described in the accompanying schedule of findings and responses to be a material weakness in internal control over financial reporting as items 2008-003

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 two instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Responses as items 2008-001 and 2008-002.

We noted certain other matters that we reported to the Village's management in a separate letter dated June 20, 2009.

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

This report is intended for the information and use of management, Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

Caudill & Associates, CPA's

Caudill & Associates, CPA's

June 20, 2009

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2008 AND 2007**

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

FINDING NUMBER 2008-001

Noncompliance Citation – Ohio Rev. Code Section 5705.36

The Ohio Revised Code Section 5705.36 (A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. The Ohio Revised Code Section 5705.36 (A)(2) requires the Village to obtain a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation.

Appropriations exceeded available resources for the Glendale Wastewater Facilities Fund in 2007 and for the Park Board Trustee Fund in 2008.

Failure to obtain reduced amended certificate, when actual revenues are less than the budgeted revenues, may lead to expenditures in excess of available fund balances.

We recommend the Village obtain a reduced certificate of estimated resources when it is determined that estimated receipts will be less than the actual receipts causing resources to fall below the level of appropriations. Approval of the modifications should be enacted and documented in the Village Minutes.

Village Response:

The Village will implement procedures to monitor the actual receipts for each fund and will request an amended certificate when actual revenues fall short of budgeted revenues and will reduce appropriations accordingly.

FINDING NUMBER 2008-002

Noncompliance Citation – Expenditures Exceeding Appropriations

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from making an expenditure unless it has been appropriated.

Expenditures exceeded appropriations for the Glendale Wastewater Facilities Fund in 2008.

The Village Clerk should deny payment requests and not certify the availability of funds exceeding appropriations. The Village Clerk may request Council to approved increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

Village Response:

The Village Clerk will deny payment requests and not certify the availability of funds exceeding appropriations.

VILLAGE OF GLENDALE
HAMILTON COUNTY

SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2008 AND 2007

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

FINDING NUMBER 2008-003

Significant Deficiency/ Material Weakness – Recording of Pass-Through Monies

The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 112 establishes standards, responsibilities and guidance for audits during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This new standard requires the auditor to report *in writing* to management and the governing body any control deficiencies found during the engagement that are considered significant deficiencies and/or material weaknesses.

During 2007 and 2008, the Village received debt proceeds for Wastewater Treatment Plant Improvements. The larger amount of the debt proceeds was paid directly to the contractors. The Village did not record the proceeds that went directly to the contractors as revenue in its books. These required adjustments to properly record all debt proceeds.

We recommend the Village implement control procedures related to financial reporting that enable management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes.

Village Response:

The Village will ensure that all postings are made appropriately

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

*Schedule of Prior Audit Findings
For the Fiscal Years Ended December 31, 2008 and 2007*

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-001	Timely Certification of Funds	Yes	N/A
2006-002	Timely Deposit of Funds	Yes	N/A



Mary Taylor, CPA
Auditor of State

VILLAGE OF GLENDALE

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 8, 2009**