



Mary Taylor, CPA
Auditor of State

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountant's Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
2008 Government-wide Financial Statements:	
Statement of Net Assets – Cash Basis – December 31, 2008	11
Statement of Activities – Cash Basis – December 31, 2008	12
2008 Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balance – Governmental Funds - December 31, 2008.....	13
Statement of Cash Receipts, Disbursements and Changes in – Cash Basis Fund Balances – Governmental Funds – December 31, 2008.....	14
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis - General Fund – December 31, 2008.....	15
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Apartment Building Operation Fund – December 31, 2008.....	16
Basic Financial Statements:	
2007 Government-wide Financial Statements:	
Statement of Net Assets – Cash Basis – December 31, 2007	17
Statement of Activities – Cash Basis – December 31, 2007	18
2007 Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balance – Governmental Funds - December 31, 2007.....	19
Statement of Cash Receipts, Disbursements and Changes in – Cash Basis Fund Balances – Governmental Funds – December 31, 2007.....	20
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis - General Fund – December 31, 2007.....	21
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Fire Equipment Fund – December 31, 2007.....	22

VILLAGE OF GREENHILLS
HAMILTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Apartment Building Operation Fund – December 31, 2007.....	23
Notes to the Basic Financial Statements	25
Independent Accountant’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	41



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Greenhills
Hamilton County
11000 Winton Road
Greenhills, Ohio 45218

To the Village Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Greenhills, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. 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 reasonably assure 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Greenhills, Hamilton County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General, Fire Equipment, and Apartment Building Operation Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 25, 2009

**Village of Greenhills
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited**

This discussion and analysis of the Village of Greenhills financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2008, within the limitations of the Village's cash basis accounting. Readers also should review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2008 and 2007 are as follows:

In 2008, total revenues exceeded 2007 by approximately 9%. The General Fund revenue was up 33%, led by an unexpected increase in the inheritance taxes. Income tax collections increased 1.6% over 2007, and rent receipts in the Apartment Building Operation fund increased 3.9%. Overall expenditures decreased 3%.

Also in 2008, significant economic activity remains in the Property Redevelopment Program, which is reported in more detail later in this narrative.

In 2007, total revenues increased approximately 4% over 2006. The General Fund increased only 6%, led by income tax revenues increase of 17% over 2006 (reflecting the first full year of collection at the 1.5% income tax rate approved by voters November 2005, effective January 1, 2006). However, General Fund property tax receipts were down approximately 3% (probably as a result of the problems befalling the real estate market and increased foreclosures, with the concomitant difficulty in collecting property taxes); and estate tax collections were down 59% from 2006. Local governments are beginning to feel the recent changes in tax laws and the reduced sharing of taxes by the state, to say nothing of the economical woes overall.

Also in 2007, Apartment rent receipts increased approximately 16%, reflecting the occupancy levels the Village has been able to maintain. Of the 135 units acquired by the Village of Greenhills since 2000, six have become owner-occupied; fifty-two have been razed; and fifty-six presently are occupied. Of the unoccupied units, five may see major modifications, three require extensive rehabilitation, and four recently have been vacated and will be added to the units available to rent.

Interest receipts in general are lower, throughout the economy. Interest rates fell from an average of 4.30% as of December 31, 2007, to 1.41% as of December 31, 2008. The FDIC-insured amount was increased from \$100,000 to \$250,000, and we attempt to keep only that amount at PNC. The remainder is invested in STAR Ohio. The interest rate offered by both PNC Bank and STAR Ohio as of December 31, 2008, was identical at 1.41%. We decreased our indebtedness overall.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

**Village of Greenhills
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited**

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting of the cash basis of accounting.

Reporting the Village as a Whole

The Village of Greenhills was founded by the Federal Government in 1938. It is a Charter Municipality in the form of a Mayor-Council-Manager Plan (since 1989), governed by the Mayor and six elected councilmembers. The Manager is the Chief Executive and Administrative Officer responsible to Council for the administration of the Municipality. Greenhills is a landlocked primarily residential community of 1.2 square miles, located in Hamilton County, and within ten miles of the City of Cincinnati. The 2000 Census Population was 4,301; however, the present population is estimated to be 3,900. The 2008 assessed valuation of the Village of Greenhills is \$63,770,000.

Reports

The statement of net assets and the statement of activities reflect how the Village performed financially during 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function activity draws from the Village of Greenhills' general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way

**Village of Greenhills
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited**

to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or not. When evaluating the Village's financial condition, you also should consider other nonfinancial factors as well, such as the Village's property tax base, income tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the Village activities are considered Governmental activities. All of the Village's basic services are reported here, including police, fire, streets, apartment operations, and recreation. Property taxes, income taxes, state-shared, and charges support most of these activities. Services provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to comply with Ohio laws, to better manage its many activities, and to help demonstrate that money that is restricted as to how it may be used, is being spent for the intended purpose.

All the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column.

Governmental funds are sub-divided into the General, Special Revenue, Debt Retirement, Capital Improvement, and Special Assessment Funds. Of these, the major funds for 2008, are the General Fund, Apartment Building Operation Fund, General Obligation Bond Retirement, and Other Debt Service Funds. For 2007, the major funds are the General, Fire Equipment, Apartment Building Operations, and Debt Retirement funds.

The Government as a Whole

Table 1 provides a summary of the Village's net assets for 2008 compared to 2007 and 2007 compared to 2006 on a cash basis.

**Village of Greenhills
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited**

(Table 1)
Net Assets

	2008	2007	2006
Assets			
Cash/Cash Equivalents	\$ 969,471.59	\$ 390,508.41	\$341,165.30
Total Assets	<u>\$ 969,471.59</u>	<u>\$ 390,508.41</u>	<u>\$341,165.30</u>
Net Assets			
Restricted for:			
Debt Service	\$ 225,569.68	\$ 114,012.53	\$ 56,726.17
Capital Projects	40,423.91	0.00	29,875.03
Other Purposes	245,766.06	148,738.74	164,606.56
Unrestricted	<u>457,711.94</u>	<u>127,757.14</u>	<u>89,957.54</u>
Total Net Assets	<u>\$ 969,471.59</u>	<u>\$ 390,508.41</u>	<u>\$341,165.30</u>

As previously mentioned, net assets of the Village increased \$578,963.18 during 2008. The primary reasons contributing to the increases in cash balances are as follows:

- Increased estate taxes. We received an unexpected \$500,000 in estate (inheritance) taxes during 2008. Anticipated revenue in the category always has been modest. Actual receipts over the years have been closer to, or even less than, \$100,000.
- Increased rent receipts in the Apartment Operation Fund. This reflects increased rent amounts, more occupancy, and the collection of late fees.
- Debt reduction. The scheduled principal and interest payments are lessening according to schedule. In addition, the larger Councilmatic note was replaced by a lesser Councilmatic bond, with the more predictable repayment schedule.
- The ballfield experienced a modest increased in revenue.

Table 2 reflects the changes in net assets in 2008 and 2007.

**Village of Greenhills
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited**

(Table 2)
Changes in Net Assets

	Governmental Activities 2008	Governmental Activities 2007	Governmental Activities 2006
Receipts:			
Program Receipts:			
Operating Grants and Contributions	\$ 186,982.51	\$ 185,978.09	\$ 186,621.14
Charges for Services	736,872.42	765,052.60	690,595.30
Total Program Receipts	\$ 923,854.93	\$ 951,030.69	\$ 877,216.71
General Receipts:			
Property & Other Local Taxes	1,055,044.79	1,079,025.04	\$1,117,556.41
Income Taxes	1,141,861.78	1,123,954.42	960,296.51
Interest	28,252.52	35,951.13	46,249.80
Miscellaneous	181,071.02	90,256.68	65,669.34
Grants & Entitlements	901,134.00	290,208.74	365,685.78
Sale of Bonds	2,186,108.25	.00	.00
Sale of Note	.00	2,405,000.00	2,100,000.00
Sale of Assets	70,101.80	.00	218,993.96
Total General Receipts	\$5,563,574.16	\$5,024,396.01	\$4,874,451.53
Total Receipts	\$6,487,429.09	\$5,975,426.70	\$5,751,668.24
Disbursements:			
Security of Persons & Property	992,259.79	1,044,499.87	1,027,473.97
Public Health Services	3,500.04	3,370.06	3,225.04
Leisure Time Activities	214,147.47	225,395.12	216,797.08
Community Environment	831,926.34	804,589.30	734,041.97
Transportation	69,256.68	179,293.29	79,423.77
General Government	794,032.46	749,303.34	659,066.51
Capital Outlay	109,382.65	351,271.21	963,124.52,
Debt Service:			
Principal	2,610,000.00	2,295,000.00	2,045,000.00
Interest	167,671.40	180,402.64	195,138.77
Other	116,380.08	93,093.76	100,303.50
Total Disbursements	\$5,908,556.91	\$5,926,218.59	\$6,023,595.13
Excess (Deficiency) Before Transfers	578,872.18	49,208.11	(271,926.89)
Increase (Decrease) in Net Assets	578,872.18	49,208.11	(271,926.89)
Encumbered	.00	.00	(1,221.37)
Net Assets January 1	390,599.41*	341,300.30	612,005.82
Net Assets, December 31	\$ 969,471.59	\$ 390,508.41*	\$ 341,300.30

*stale checks added back in: \$75.00, \$15.00, \$1.00

Program receipts represent only 14% in 2008 and 16% in 2007 of total receipts and are primarily comprised of restricted intergovernmental receipts, such as motor vehicle license and gasoline tax money, building permits and inspection fees.

General fund receipts represent 62% in 2008 and 33% in 2007 of the Village's total receipts, and of this amount, over 44% in 2008 and 57% in 2007 are income taxes. State and federal grants and entitlements make up the balance of the Village's general receipts. Other receipts can be less significant and somewhat unpredictable (with the exception in 2008 of the estate taxes).

**Village of Greenhills
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited**

Disbursements for General Government represent the overhead costs of operating the Village and the support services provided for the other Village activities. These include the costs of the Mayor, Council, Law Director, finance and income tax activities, and general Village administrative services, as well as internal services such as payroll and purchasing.

Security of Persons and Property are the costs of the Police Department and the contract with the Greenhills Volunteer Fire Department. Leisure time activities include the costs of the Golf Course, Swimming Pool, banquet hall (Molloy's-on-the-Green), and the activities attributed to the Recreation Levy (including senior activities). Community Environment refers to the Service Department, and includes payments to Rumpke for trash collection. Transportation refers to the maintenance of streets throughout the Village, including street repairs and the costs of snow removal.

Governmental Activities

The Statement of Activities shows the major services provided by the Village in Column 1. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for security of persons and property and the service department, which account for 17% and 14% of all governmental disbursements, respectively. General government also represents a cost, of approximately 13%. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Government that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Governmental Activities

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
Security of Persons & Property	\$ 992,259.79	\$ (992,259.79)	\$1,044,499.87	\$(1,044,499.87)	\$ 1,027,474	\$ (1,027,474)
Public Health Services	3,500.04	(3,500.04)	3,370.06	(3,370.06)	3,225	(3,225)
Leisure Time Activities	214,147.47	(47,242.94)	225,395.12	(48,833.37)	216,797	(43,302)
Community Environment	831,926.345	(823,029.23)	804,589.30	(797,983.39)	734,042	(727,455)
Basic Utility Service	0	483,678.79	0	494,834.41	0	124,502
Transportation	69,256.68	107,566.79	179,293.29	(3,684.46)	9,589	163,128
General Government	794,032.46	(706,481.42)	749,303.34	(651,883.55)	657,846	(257,930)
Capital Outlay	109,382.65	(109,382.65)	351,271.12	(351,271.12)	963,125	(963,125)
Debt Service:						
Principal	2,610,000.00	(2,610,000.00)	2,295,000.00	(2,255,755.00)	2,090,000	(2,090,000)
Interest	167,671.40	(167,671.40)	180,402.64	(219,627.64)	219,973	(219,973)
Other	116,380.08	(116,380.08)	93,093.76	(93,093.76)	100,439	(100,439)
Total Expenses	\$5,908,556.91	\$(4,984,701.98)	\$5,926,218.59	\$(4,975,187.90)	\$6,022,509	\$(5,145,292)

The Government's Funds

During 2008, total governmental funds had receipts of \$6,487,429.09 and disbursements of \$5,908,556.91. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$354,477.50, or 130%, as the result of

**Village of Greenhills
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited**

increased estate taxes. During 2007, total governmental funds had receipts of \$5,975,426.70 and disbursements of \$5,926,218.59. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased 33%, a modest increase considering the income taxes generated by the voted tax rate increase.

The Streets Maintenance Fund made debt service payments attributable to the Streets reconstruction projects that included granite curbs in designated sections of the Village. The Apartment Operations Fund receives rental income from those units not yet razed, sold, or being rehabbed for sale. Currently, seventy-five townhomes are owned by the Village, with fifty-five rented. The rental receipts are used for utilities, property taxes, property insurance, as well as the maintenance, repair, and renovation of these units. The Village's goal is not only to cover operational expenses, but also to provide substantial relief for the indebtedness which has occurred in underwriting this program the past several years.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budget fund is the General Fund.

During 2008, the Village amended its appropriations several times to reflect changing circumstances. The annual appropriation ordinance approved by Council in March 2008 reflected an anticipated \$6,505,084 in total resources, including the beginning year balance. During the course of the year, amended certificates were requested, with the December 2008 total resources being increased to \$7,316,638. Actual receipts were \$6,487,520, making total resources available in 2008 \$7,316,638.

All fund receipts matched or exceeded the final certificate.

While the Spoils Ballfield had a much better year than 2007, two of the four components of our recreation program – the Golf Course and the Swimming Pool, merely matched 2007, and did not live up to original expectations for 2008. The Banquet Hall (the fourth component) supports (when necessary) deficiencies at the Golf Course and/or Swimming Pool. The Ballfield is expected to operate at least minimally profitably on its own.

The anticipated revenue for all funds receiving property taxes can be forecast as early as the March deadline. The Village Administration attempts to disburse completely the property tax revenue of two funds – Police Operating Levy Fund and Fire Department (Contract) Fund. As a result, the certificate for these funds is amended at the end of the year to provide for full disbursement of all receipts for appropriated purposes, which including the auditors' fees.

Capital Assets and Debt Administration

Capital assets and infrastructure are recorded in the Office of the Municipal Manager. All capital assets also are recorded within the Village's comprehensive property and liability insurance coverage files.

As of December 31, 2008, the Village's outstanding debt included \$205,000 principal for the Swimming Pool Renovation Issue, voted March 19, 1996; \$1,175,000 principal for the November 1997 voted Curb Replacement Issue; \$865,000 principal for the Voted Redevelopment Issue, November 2004; a Councilmatic Bond of \$2,195,000; and \$930,000 principal on the 2002 Councilmatic Bond, for a total of \$5,370,000. More detail regarding the Village's debt can be found in the Notes to the Financial Statements.

**Village of Greenhills
Hamilton County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited**

Current Issues

Municipal Revelopment Program

The Village of Greenhills embarked on a residential redevelopment/improvement program in 2000. The objective of this effort is to reduce the number of rental units in Greenhills, and increase the number of owner-occupied homes. As of December 31, 2008, a total of 135 units have been purchased by the Village of Greenhills. Of these, 52 units have been razed and eight units have been sold. Total cost of acquisitions is \$5,928,100.00 to date. In 2004, a developer purchased sixteen lots, and nine of the sixteen DeWitt Landing homes have been constructed. Fifty-three (53) rental units of the seventy-five (75) owned and operated by the Village presently have tenants, creating a revenue stream to cover the operations of the rental units and relieve some of the indebtedness. Other units owned by the Village are planned to become owner-occupied, or demolished for further redevelopment opportunities.

The Municipal Redevelopment Program is a large undertaking on the part of the Village of Greenhills. It has become a model for other communities which are facing similar housing circumstances: older housing stock, often-neglected rental housing, declining revenues, and resident flight from the inner city and the first ring of suburbs to the "exurbs."

National, State, and County Economic Impacts

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, revenue funding sources. The Village relies heavily on the generation of local taxes and has very limited industry to support our tax base. Greenhills' five-year forecast does not show any significant increase in the overall taxation or revenue-producing picture. The Village of Greenhills will feel experience the effects of the national economic downturn as will other units of government across our nation. Decreased income tax collections will reflect residents' un- and under-employment; reduced revenue from the State of Ohio already is forecast; as national and state services are reduced, the challenge will be for local governments to respond to increased unfunded mandates for services. The increasing of charges and fees for services will be weighed against the ability of the population to withstand these increased charges and fees. Reductions in real property valuations will impact property taxes; delinquent property taxes most likely will increase due to foreclosures. Interest rates have fallen to under 1%, so as a result, interest earnings will all but disappear.

Contacting the Village of Greenhills Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Jane A. Berry, Municipal Manager (jberry@greenhillsohio.org) or Kathryn L. Brokaw, Finance Director, Village of Greenhills, 11000 Winton Road, Greenhills, Ohio 45218 (kbrokaw@greenhillsohio.org)

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

*Statement of Net Assets - Cash Basis
December 31, 2008*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$969,471.59
<i>Total Assets</i>	<u><u>\$969,471.59</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$40,423.91
Debt Service	225,569.68
Other Purposes	245,766.06
Unrestricted	457,711.94
<i>Total Net Assets</i>	<u><u>\$969,471.59</u></u>

See accompanying notes to the basic financial statements

VILLAGE OF GREENHILLS
HAMILTON COUNTY
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Program Cash Receipts				Governmental Activities
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Security of Persons and Property	\$992,259.79	\$0.00	\$0.00	\$0.00	(\$992,259.79)
Public Health Services	3,500.04	0.00	0.00	0.00	(3,500.04)
Leisure Time Activities	214,147.47	166,904.53	0.00	0.00	(47,242.94)
Community Environment	831,926.34	8,897.11	0.00	0.00	(823,029.23)
Basic Utility Services	0.00	483,678.78	0.00	0.00	483,678.78
Transportation	69,256.68	0.00	176,823.47	0.00	107,566.79
General Government	794,032.46	77,392.00	10,159.04	0.00	(706,481.42)
Capital Outlay	109,382.65	0.00	0.00	0.00	(109,382.65)
Debt Service:					
Principal	2,610,000.00	0.00	0.00	0.00	(2,610,000.00)
Interest	167,671.40	0.00	0.00	0.00	(167,671.40)
Other	116,380.08	0.00	0.00	0.00	(116,380.08)
<i>Total Governmental Activities</i>	<u>\$5,908,556.91</u>	<u>\$736,872.42</u>	<u>\$186,982.51</u>	<u>\$0.00</u>	<u>(\$4,984,701.98)</u>
General Receipts					
Property Taxes					\$1,055,044.79
Municipal Income Taxes					1,141,861.78
Grants and Entitlements not Restricted to Specific Programs					901,134.00
Sale of Bonds					2,195,000.00
Discounts, Premiums and Accrued Interest on Debt					(4,659.50)
Sale of Fixed Assets					70,101.80
Earnings on Investments					28,252.52
Miscellaneous					176,838.77
<i>Total General Receipts</i>					5,563,574.16
Change in Net Assets					578,872.18
<i>Net Assets Beginning of Year</i>					<u>390,599.41</u>
<i>Net Assets End of Year</i>					<u>\$ 969,471.59</u>

See accompanying notes to the basic financial statements

VILLAGE OF GREENHILLS
HAMILTON COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	GENERAL	APARTMENT BUILDING OPERATION	GENERAL OBLIG.BOND RETIREMENT	OTHER DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$457,711.94	\$65,241.15	\$149,489.01	\$76,080.67	\$220,948.82	\$969,471.59
<i>Total Assets</i>	<u>\$457,711.94</u>	<u>\$65,241.15</u>	<u>\$149,489.01</u>	<u>\$76,080.67</u>	<u>\$220,948.82</u>	<u>\$969,471.59</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$457,711.94	\$0.00	\$0.00	\$0.00	\$0.00	\$457,711.94
Special Revenue Funds	0.00	65,241.15	0.00	0.00	180,524.91	245,766.06
Debt Service Fund	0.00	0.00	149,489.01	76,080.67	0.00	225,569.68
Capital Projects Funds	0.00	0.00	0.00	0.00	40,423.91	40,423.91
<i>Total Fund Balances</i>	<u>\$457,711.94</u>	<u>\$65,241.15</u>	<u>\$149,489.01</u>	<u>\$76,080.67</u>	<u>\$220,948.82</u>	<u>\$969,471.59</u>

See accompanying notes to the basic financial statements

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008*

	GENERAL	APARTMENT BUILDING OPERATION	GENERAL OBLIG.BOND RETIREMENT	OTHER DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts						
Property and Other Local Taxes	\$402,094.62	\$0.00	\$267,252.62	\$0.00	\$385,697.55	\$1,055,044.79
Municipal Income Taxes	1,141,861.78	0.00	0.00	0.00	0.00	1,141,861.78
Intergovernmental	797,809.75	0.00	42,701.05	0.00	245,939.04	1,086,449.84
Special Assessments	0.00	0.00	0.00	0.00	35,824.88	35,824.88
Charges for Services	80,799.72	375,858.18	0.00	0.00	197,388.08	654,045.98
Fines, Licenses and Permits	85,574.11	0.00	0.00	0.00	715.00	86,289.11
Earnings on Investments	15,348.69	0.00	5,240.85	489.20	7,173.78	28,252.52
Miscellaneous	95,547.63	34,588.90	0.00	0.00	9,081.36	139,217.89
Total Receipts	2,619,036.30	410,447.08	315,194.52	489.20	881,819.69	4,226,986.79
Disbursements						
Current:						
Security of Persons and Property	606,538.38	0.00	0.00	0.00	385,721.41	992,259.79
Public Health Services	3,500.04	0.00	0.00	0.00	0.00	3,500.04
Leisure Time Activities	0.00	0.00	0.00	0.00	214,147.47	214,147.47
Community Environment	831,926.34	0.00	0.00	0.00	0.00	831,926.34
Transportation	0.00	0.00	0.00	0.00	69,256.68	69,256.68
General Government	396,600.53	360,534.46	3,908.02	32,989.45	0.00	794,032.46
Capital Outlay	35,494.72	0.00	0.00	0.00	73,887.93	109,382.65
Debt Service:						
Principal Retirement	0.00	0.00	205,000.00	2,405,000.00	0.00	2,610,000.00
Interest and Fiscal Charges	0.00	0.00	70,810.02	96,861.38	0.00	167,671.40
Total Disbursements	1,874,060.01	360,534.46	279,718.04	2,534,850.83	743,013.49	5,792,176.83
Excess of Receipts Over (Under) Disbursements	744,976.29	49,912.62	35,476.48	(2,534,361.63)	138,806.20	(1,565,190.04)
Other Financing Sources (Uses)						
Sale of Bonds	0.00	0.00	0.00	2,195,000.00	0.00	2,195,000.00
Premium and Accrued Interest on Debt	0.00	0.00	0.00	(4,659.50)	0.00	(4,659.50)
Sale of Fixed Assets	0.00	0.00	0.00	70,101.80	0.00	70,101.80
Transfers In	0.00	0.00	0.00	350,000.00	46,000.00	396,000.00
Transfers Out	(376,000.00)	0.00	0.00	0.00	(20,000.00)	(396,000.00)
Advances In	26,000.00	26,000.00	0.00	0.00	0.00	52,000.00
Advances Out	(26,000.00)	(26,000.00)	0.00	0.00	0.00	(52,000.00)
Other Financing Uses	(14,515.79)	0.00	0.00	0.00	(101,864.29)	(116,380.08)
Total Other Financing Sources (Uses)	(390,515.79)	0.00	0.00	2,610,442.30	(75,864.29)	2,144,062.22
Net Change in Fund Balances	354,460.50	49,912.62	35,476.48	76,080.67	62,941.91	578,872.18
Fund Balances Beginning of Year	103,251.44	15,328.53	114,012.53	0.00	158,006.91	390,599.41
Fund Balances End of Year	\$457,711.94	\$65,241.15	\$149,489.01	\$76,080.67	\$220,948.82	\$969,471.59

See accompanying notes to the basic financial statements

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Receipts				
Property and Other Local Taxes	\$403,003.00	\$403,003.00	\$402,094.62	(\$908.38)
Municipal Income Taxes	1,200,000.00	1,200,000.00	1,141,861.78	(58,138.22)
Intergovernmental	186,172.00	716,172.00	797,809.75	81,637.75
Charges for Services	87,500.00	87,500.00	80,799.72	(6,700.28)
Fines, Licenses and Permits	85,500.00	85,500.00	85,574.11	74.11
Earnings on Investments	10,000.00	10,000.00	15,348.69	5,348.69
Miscellaneous	18,500.00	18,500.00	95,547.63	77,047.63
<i>Total receipts</i>	<u>1,990,675.00</u>	<u>2,520,675.00</u>	<u>2,619,036.30</u>	<u>98,361.30</u>
Disbursements				
Current:				
Security of Persons and Property	721,858.00	735,203.00	606,538.38	128,664.62
Public Health Services	3,501.00	3,501.00	3,500.04	0.96
Community Environment	785,000.00	887,015.00	831,926.34	55,088.66
General Government	432,154.00	431,751.00	396,600.53	35,150.47
Capital Outlay	45,000.00	88,000.00	35,494.72	52,505.28
<i>Total Disbursements</i>	<u>1,987,513.00</u>	<u>2,145,470.00</u>	<u>1,874,060.01</u>	<u>271,409.99</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>3,162.00</u>	<u>375,205.00</u>	<u>744,976.29</u>	<u>369,771.29</u>
Other Financing Sources (Uses)				
Transfers Out	(50,000.00)	(376,000.00)	(376,000.00)	0.00
Advances In	0.00	0.00	26,000.00	26,000.00
Advances Out	0.00	0.00	(26,000.00)	(26,000.00)
Other Financing Uses	(15,487.00)	(15,487.00)	(14,515.79)	971.21
<i>Total Other Financing Sources (Uses)</i>	<u>(65,487.00)</u>	<u>(391,487.00)</u>	<u>(390,515.79)</u>	<u>971.21</u>
<i>Net Change in Fund Balance</i>	<u>(62,325.00)</u>	<u>(16,282.00)</u>	<u>354,460.50</u>	<u>370,742.50</u>
<i>Unencumbered Cash Balance Beginning of Year</i>	103,251.44	103,251.44	103,251.44	0.00
Prior Year Encumbrances Appropriated	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$40,926.44</u>	<u>\$86,969.44</u>	457,711.94	<u>\$370,742.50</u>
Unclaimed Money			0.00	
Permanent Funds (Nonexpendable)			0.00	
<i>Unencumbered Undesignated Fund Balance</i>			<u>\$457,711.94</u>	

See accompanying notes to the basic financial statements

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Apartment Building Operation Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Charges for Services	379,700.00	379,700.00	375,858.18	(3,841.82)
Miscellaneous	2,000.00	30,300.00	34,588.90	4,288.90
<i>Total receipts</i>	<u>381,700.00</u>	<u>410,000.00</u>	<u>410,447.08</u>	<u>447.08</u>
Disbursements				
Current:				
General Government	386,800.00	419,800.00	360,534.46	59,265.54
<i>Total Disbursements</i>	<u>386,800.00</u>	<u>419,800.00</u>	<u>360,534.46</u>	<u>59,265.54</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,100.00)</u>	<u>(9,800.00)</u>	<u>49,912.62</u>	<u>59,712.62</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	65,000.00	0.00	0.00	0.00
Advances In	0.00	0.00	26,000.00	26,000.00
Advances Out	0.00	0.00	(26,000.00)	(26,000.00)
Other Financing Uses	<u>(75,000.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(10,000.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<i>Net Change in Fund Balance</i>	(15,100.00)	(9,800.00)	49,912.62	59,712.62
<i>Unencumbered Cash Balance Beginning of Year</i>	15,328.53	15,328.53	15,328.53	0.00
Prior Year Encumbrances Appropriated	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$228.53</u>	<u>\$5,528.53</u>	65,241.15	<u>\$59,712.62</u>
Unclaimed Money			0.00	
Permanent Funds (Nonexpendable)			0.00	
<i>Unencumbered Undesignated Fund Balance</i>			<u>\$65,241.15</u>	

See accompanying notes to the basic financial statements

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

*Statement of Net Assets - Cash Basis
December 31, 2007*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$390,508.41
<i>Total Assets</i>	<u><u>\$390,508.41</u></u>
Net Assets	
Restricted for:	
Debt Service	\$114,012.53
Other Purposes	148,738.74
Unrestricted	127,757.14
<i>Total Net Assets</i>	<u><u>\$390,508.41</u></u>

See accompanying notes to the basic financial statements

VILLAGE OF GREENHILLS
HAMILTON COUNTY
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	Program Cash Receipts			Total
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities				
Security of Persons and Property	\$1,044,499.87	\$0.00	\$0.00	(\$1,044,499.87)
Public Health Services	3,370.06	0.00	0.00	(3,370.06)
Leisure Time Activities	225,395.12	176,561.75	0.00	(48,833.37)
Community Environment	804,589.30	6,605.91	0.00	(797,983.39)
Basic Utility Services	0.00	494,834.41	0.00	494,834.41
Transportation	179,293.29	0.00	175,608.83	(3,684.46)
General Government	749,303.34	87,050.53	10,369.26	(651,883.55)
Capital Outlay	351,271.21	0.00	0.00	(351,271.21)
Debt Service:				
Principal	2,295,000.00	0.00	0.00	(2,295,000.00)
Interest	180,402.64	0.00	0.00	(180,402.64)
Other	93,093.76	0.00	0.00	(93,093.76)
<i>Total Governmental Activities</i>	5,926,218.59	765,052.60	185,978.09	(4,975,187.90)
General Receipts				
Property Taxes				\$1,079,025.04
Municipal Income Taxes				1,123,954.42
Grants and Entitlements not Restricted to Specific Programs				290,208.74
Sale of Notes				2,405,000.00
Earnings on Investments				35,951.13
Miscellaneous				90,256.68
<i>Total General Receipts</i>				5,024,396.01
Change in Net Assets				49,208.11
<i>Net Assets Beginning of Year</i>				341,300.30
<i>Net Assets End of Year</i>				\$390,508.41

See accompanying notes to the basic financial statements

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**
*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007*

	GENERAL	FIRE EQUIPMENT & FACIL.	APARTMENT BUILDING OPERATION	GENERAL OBLIG.BOND RETIREMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$103,235.44	\$61,325.45	\$15,328.53	\$114,012.53	\$96,606.46	\$390,508.41
<i>Total Assets</i>	<u>\$103,235.44</u>	<u>\$61,325.45</u>	<u>\$15,328.53</u>	<u>\$114,012.53</u>	<u>\$96,606.46</u>	<u>\$390,508.41</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$103,235.44	\$0.00	\$0.00	\$0.00	\$0.00	\$103,235.44
Special Revenue Funds	0.00	61,325.45	15,328.53	0.00	81,380.35	158,034.33
Debt Service Fund	0.00	0.00	0.00	114,012.53	0.00	114,012.53
Capital Projects Funds	0.00	0.00	0.00	0.00	15,226.11	15,226.11
<i>Total Fund Balances</i>	<u>\$103,235.44</u>	<u>\$61,325.45</u>	<u>\$15,328.53</u>	<u>\$114,012.53</u>	<u>\$96,606.46</u>	<u>\$390,508.41</u>

See accompanying notes to the basic financial statements

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007*

	GENERAL	FIRE EQUIPMENT & FACIL.	APARTMENT BUILDING OPERATION	GENERAL OBLIG.BOND RETIREMENT	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts						
Property and Other Local Taxes	\$410,901.19	\$38,613.22	\$0.00	\$274,901.29	\$354,609.34	\$1,079,025.04
Municipal Income Taxes	1,123,954.42	0.00	0.00	0.00	0.00	1,123,954.42
Intergovernmental	209,422.41	5,371.16	0.00	33,581.71	227,811.55	476,186.83
Special Assessments	0.00	0.00	0.00	0.00	40,078.25	40,078.25
Charges for Services	87,773.52	0.00	361,813.01	0.00	222,204.63	671,791.16
Fines, Licenses and Permits	92,564.91	0.00	0.00	0.00	1,091.53	93,656.44
Earnings on Investments	14,259.54	3,795.54	0.00	8,680.37	9,215.68	35,951.13
Miscellaneous	36,873.25	0.00	7,868.87	0.00	5,041.31	49,783.43
Total Receipts	<u>1,975,749.24</u>	<u>47,779.92</u>	<u>369,681.88</u>	<u>317,163.37</u>	<u>860,052.29</u>	<u>3,570,426.70</u>
Disbursements						
Current:						
Security of Persons and Property	667,039.03	522.38	0.00	0.00	376,938.46	1,044,499.87
Public Health Services	3,370.06	0.00	0.00	0.00	0.00	3,370.06
Leisure Time Activities	0.00	0.00	0.00	0.00	225,395.12	225,395.12
Community Environment	804,589.30	0.00	0.00	0.00	0.00	804,589.30
Transportation	0.00	0.00	0.00	0.00	179,293.29	179,293.29
General Government	390,436.00	0.00	355,047.83	3,819.51	0.00	749,303.34
Capital Outlay	24,641.07	43,845.60	0.00	0.00	282,784.54	351,271.21
Debt Service:						
Principal Retirement	0.00	0.00	0.00	2,295,000.00	0.00	2,295,000.00
Interest and Fiscal Charges	0.00	0.00	0.00	180,402.64	0.00	180,402.64
Total Disbursements	<u>1,890,075.46</u>	<u>44,367.98</u>	<u>355,047.83</u>	<u>2,479,222.15</u>	<u>1,064,411.41</u>	<u>5,833,124.83</u>
Excess of Receipts Over (Under) Disbursements	<u>85,673.78</u>	<u>3,411.94</u>	<u>14,634.05</u>	<u>(2,162,058.78)</u>	<u>(204,359.12)</u>	<u>(2,262,698.13)</u>
Other Financing Sources (Uses)						
Sale of Notes	0.00	0.00	0.00	2,197,345.14	207,654.86	2,405,000.00
Transfers In	0.00	0.00	0.00	22,000.00	47,843.64	69,843.64
Transfers Out	(59,843.64)	0.00	0.00	0.00	(10,000.00)	(69,843.64)
Advances In	169,100.00	0.00	46,500.00	46,131.50	244,731.50	506,463.00
Advances Out	(169,100.00)	0.00	(46,500.00)	(46,131.50)	(244,731.50)	(506,463.00)
Other Financing Uses	0.00	0.00	0.00	0.00	(93,093.76)	(93,093.76)
Total Other Financing Sources (Uses)	<u>(59,843.64)</u>	<u>0.00</u>	<u>0.00</u>	<u>2,219,345.14</u>	<u>152,404.74</u>	<u>2,311,906.24</u>
Net Change in Fund Balances	25,830.14	3,411.94	14,634.05	57,286.36	(51,954.38)	49,208.11
Fund Balances Beginning of Year	<u>77,405.30</u>	<u>57,913.51</u>	<u>694.48</u>	<u>56,726.17</u>	<u>148,560.84</u>	<u>341,300.30</u>
Fund Balances End of Year	<u>\$103,235.44</u>	<u>\$61,325.45</u>	<u>\$15,328.53</u>	<u>\$114,012.53</u>	<u>\$96,606.46</u>	<u>\$390,508.41</u>

See accompanying notes to the basic financial statements

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Receipts				
Property and Other Local Taxes	\$401,425.00	\$410,900.00	\$410,901.19	\$1.19
Municipal Income Taxes	1,000,000.00	1,110,000.00	1,123,954.42	13,954.42
Intergovernmental	262,567.00	255,949.00	209,422.41	(46,526.59)
Charges for Services	78,675.00	87,900.00	87,773.52	(126.48)
Fines, Licenses and Permits	95,400.00	96,500.00	92,564.91	(3,935.09)
Earnings on Investments	20,000.00	20,000.00	14,259.54	(5,740.46)
Miscellaneous	16,000.00	36,500.00	36,873.25	373.25
<i>Total receipts</i>	<u>1,874,067.00</u>	<u>2,017,749.00</u>	<u>1,975,749.24</u>	<u>(41,999.76)</u>
Disbursements				
Current:				
Security of Persons and Property	702,490.00	748,990.00	667,039.03	81,950.97
Public Health Services	3,371.00	3,371.00	3,370.06	0.94
Community Environment	793,400.00	846,900.00	804,589.30	42,310.70
General Government	369,433.50	410,183.50	390,436.00	19,747.50
Capital Outlay	25,000.00	25,000.00	24,641.07	358.93
<i>Total Disbursements</i>	<u>1,893,694.50</u>	<u>2,034,444.50</u>	<u>1,890,075.46</u>	<u>144,369.04</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(19,627.50)</u>	<u>(16,695.50)</u>	<u>85,673.78</u>	<u>102,369.28</u>
Other Financing Sources (Uses)				
Transfers Out	(55,000.00)	(60,000.00)	(59,843.64)	156.36
Advances In	0.00	0.00	169,100.00	169,100.00
Advances Out	0.00	0.00	(169,100.00)	(169,100.00)
<i>Total Other Financing Sources (Uses)</i>	<u>(55,000.00)</u>	<u>(60,000.00)</u>	<u>(59,843.64)</u>	<u>156.36</u>
<i>Net Change in Fund Balance</i>	<u>(74,627.50)</u>	<u>(76,695.50)</u>	<u>25,830.14</u>	<u>102,525.64</u>
<i>Unencumbered Cash Balance Beginning of Year</i>	77,405.30	77,405.30	77,405.30	0.00
Prior Year Encumbrances Appropriated	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$2,777.80</u>	<u>\$709.80</u>	103,235.44	<u>\$102,525.64</u>
Unclaimed Money			0.00	
Permanent Funds (Nonexpendable)			0.00	
<i>Unencumbered Undesignated Fund Balance</i>			<u>\$103,235.44</u>	

See accompanying notes to the basic financial statements

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Equipment and Other Fire System Facilities Fund
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Receipts				
Property and Other Local Taxes	\$37,806.00	\$37,806.00	\$38,613.22	\$807.22
Intergovernmental	5,077.00	5,077.00	5,371.16	294.16
Earnings on Investments	0.00	0.00	3,795.54	3,795.54
<i>Total receipts</i>	<u>42,883.00</u>	<u>42,883.00</u>	<u>47,779.92</u>	<u>4,896.92</u>
Disbursements				
Current:				
Security of Persons and Property	600.00	600.00	522.38	77.62
Capital Outlay	44,679.70	44,679.70	43,845.60	834.10
<i>Total Disbursements</i>	<u>45,279.70</u>	<u>45,279.70</u>	<u>44,367.98</u>	<u>911.72</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,396.70)</u>	<u>(2,396.70)</u>	<u>3,411.94</u>	<u>5,808.64</u>
<i>Unencumbered Cash Balance Beginning of Year</i>	57,913.51	57,913.51	57,913.51	0.00
Prior Year Encumbrances Appropriated	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$55,516.81</u>	<u>\$55,516.81</u>	61,325.45	<u>\$5,808.64</u>
Unclaimed Money			0.00	
Permanent Funds (Nonexpendable)			0.00	
<i>Unencumbered Undesignated Fund Balance</i>			<u>\$61,325.45</u>	

See accompanying notes to the basic financial statements

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Apartment Building Operation Fund
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Receipts				
Property and Other Local Taxes	\$0.00	\$0.00	\$0.00	\$0.00
Charges for Services	357,750.00	358,750.00	361,813.01	3,063.01
Miscellaneous	2,250.00	6,250.00	7,868.87	1,618.87
<i>Total receipts</i>	<u>360,000.00</u>	<u>365,000.00</u>	<u>369,681.88</u>	<u>4,681.88</u>
Disbursements				
Current:				
General Government	310,000.00	364,000.00	355,047.83	8,952.17
<i>Total Disbursements</i>	<u>310,000.00</u>	<u>364,000.00</u>	<u>355,047.83</u>	<u>8,952.17</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>50,000.00</u>	<u>1,000.00</u>	<u>14,634.05</u>	<u>13,634.05</u>
Other Financing Sources (Uses)				
Advances In	0.00	0.00	46,500.00	46,500.00
Advances Out	0.00	0.00	(46,500.00)	(46,500.00)
Other Financing Uses	<u>(50,000.00)</u>	<u>(1,000.00)</u>	<u>0.00</u>	<u>1,000.00</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(50,000.00)</u>	<u>(1,000.00)</u>	<u>0.00</u>	<u>1,000.00</u>
<i>Net Change in Fund Balance</i>	0.00	0.00	14,634.05	14,634.05
<i>Unencumbered Cash Balance Beginning of Year</i>	694.48	694.48	694.48	0.00
Prior Year Encumbrances Appropriated	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$694.48</u>	<u>\$694.48</u>	15,328.53	<u>\$14,634.05</u>
Unclaimed Money			0.00	
Permanent Funds (Nonexpendable)			0.00	
<i>Unencumbered Undesignated Fund Balance</i>			<u>\$15,328.53</u>	

See accompanying notes to the basic financial statements

This page intentionally left blank.

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008

Note 1 – Reporting Entity

The Village of Greenhills, Hamilton County, Ohio, is a body politic and corporate established in 1938 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio and the Charter of the Village of Greenhills. The Village is directed by a publicly-elected six-member Council and publicly-elected Mayor. The Village of Greenhills has an appointed Municipal Manager and an appointed Finance Director.

A. Primary Government. The Village of Greenhills consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, including police service and protection through the Greenhills Police Department, maintenance of Village roads, recreational properties, and park areas. The Village contracts with the Greenhills Volunteer Fire Department for fire protection and emergency life squad services. Many of the services received by Village of Greenhills residents are through Hamilton County, including Board of Health service, property tax collection service, sewer and water service, and Board of Election service.

B. Component Units. Component units are legally separate organizations for which the Village is financially accountable. The Village would be financially accountable for an organization if the Village appointed a voting majority of the organization's government board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations that are fiscally dependent on the Village in that the Village approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village.

The Village has no components units

C. Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Village does not report assets for equity interests in joint ventures.

The Village participates in one jointly governed organization. Note 19 to the financial statements provide additional information for the Greenhills Community Investment Corporation.

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

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 2 – Summary of Significant Accounting Practices

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United State of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Village would not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Village's accounting policies.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the cash balance of the governmental activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursement with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Village's general receipts.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities into separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 2 – Summary of Significant Accounting Practices (Continued)

B. Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories: governmental and fiduciary.

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Village's major governmental funds are as follows:

General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Apartment Building Operations Fund is used to account for proceeds from rental revenues that are restricted to expenditures relating to the maintenance and repair of the Village owned rental units.

Fire Equipment and Other Fire System Facilities Fund is used to account for proceeds from property taxes and state sources, that are restricted to expenditures relating to the payment of fire equipment and other fire systems relating to the Village's volunteer fire department.

General Obligation Bond Retirement Fund is used to accumulate resources for the retirement of notes and bond indebtedness.

Other Debt Service Fund is used to account for the resources for the retirement of notes.

The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village's agency fund accounts for the receipt and expenditures, as well as the individual bond money relating to the Village's Mayor's Court.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 2 – Summary of Significant Accounting Practices (Continued)

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village may appropriate.

The appropriations ordinance is the Village's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Village. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if the Municipal Manager and Finance Director identify projected increases or decreases in receipts. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

E. Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity or more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 2 – Summary of Significant Accounting Practices (Continued)

During 2008 and 2007, the Village invested in STAR Ohio and two PNC Bank, NA, checking accounts. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2008.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2008 were \$15,349. Interest receipts credited to all other funds were \$12,904.

F. Inventory and Prepaid Items

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Interfund Receivables/Payables

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 2 – Summary of Significant Accounting Practices (Continued)

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Village's policy is first to apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance Reserves

The Village reserves any portion of fund balances which is not available for appropriation or which is legally separated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, when necessary.

N. Interfund Transactions

Transfers between governmental funds on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financial sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Compliance

The Village is aware of no material violations of finance-related legal or contractual provisions. The Village includes all funds required by law or regulation to help assure restrictions on disbursements. These funds include the Drug Education and Enforcement Fund; the Police Bequest Fund; and the Federal Equitable Sharing Fund. All funds supported by property taxes exist as required by law or regulation. (The Federal Equitable Sharing Fund was closed as of 12/31/2008.)

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. There were no significant year-end encumbrances.

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 5 – Deposits and Investments

Monies held by the Village are classified by State statute into three categories:

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 per cent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio or Ohio local governments.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 5 – Deposits and Investments (Continued)

8. Investments in commercial and bankers acceptances (with appropriate limitations, and based on the fact that ORC training requirements have been met).

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Village by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling also are prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments only may be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investment to the Village or qualified trustee, or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

Deposits

At 2008 year end, the carrying amount of the Village's deposits was \$969,471.59, and the bank balance was \$207,196. Of the bank balance, 100% was covered by federal depository insurance (up to \$250,000). None was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements potentially could subject the Village to a successful claim by the FDIC.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

As of December 31, 2008, the Village had the following investment

	<u>Carrying Value</u>	<u>Maturity</u>
STAR Ohio	\$808,038	6 months or less

As of December 31, 2007, the Village had the following investment

	<u>Carrying Value</u>	<u>Maturity</u>
STAR Ohio	\$289,878	6 months or less

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 5 – Deposits and Investments (Continued)

Interest rate risk arises because the fair value of investments changes as interest rates change. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Village has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Investments in STAR Ohio and the money market mutual fund are not evidenced by securities that exist in physical or book-entry form.

Note 6 – Income Taxes

The Village levies a 1-1/2% income tax whose proceeds are placed into the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on the incomes of residents earned outside the Village. In the latter case, the Village allows a credit of .5% on the income earned in and taxed by another municipality. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers also are required to pay their estimated tax at least quarterly and file a final return annually.

Note 7 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35% of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2008 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2008 became a lien on December 31, 2006, were levied after October 1, 2007, and are collected with real property taxes. Public utility real property is assessed at 35% of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2008 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property is currently assessed at 25% of true value for capital assets and 23% for inventory.

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 7 – Property Taxes (Continued)

Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, the first payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Village operations for the year ended December 31, 2008, was \$27.88 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which the 2008 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$ 56,185,000
Commercial	6,065,000
Public Utility	<u>1,520,000</u>
Total	\$ 63,770,000

Note 8 – Risk Management

The Village presently is insured through Scottsdale Insurance Company for property insurance, police and professional liability insurance, vehicle and equipment insurance.

Casualty excess-of-loss contracts as of December 31, 2008, generally protect against individual losses exceeding \$1,000.

Property coverage contracts protect against losses, subject to a deductible of \$2,500, limited to an annual aggregate loss of \$11,423,808.

Note 9 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System.

The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula requirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 9 - Defined Benefit Pension Plans (Continued)

For the year ended December 31, 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0% of their annual covered salaries. The Village's contribution rate for pension benefits in 2008 was 14.0%. For the year ended December 31, 2007, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.5% of their annual covered salaries. The Village's contribution rate for pension benefits in 2007 was 13.85%. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's required contributions for pension obligations to OPERS for the year ended December 31, 2008 and 2007, and for all years, have been made.

B. Ohio Police and Fire Pension Fund

The Village contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus OH 43215-5164.

Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while the Village is required to contribute 19.5% (11.75% for full time police officers (of which 11.75% is used to fund retirement benefits and 7.75% is used to fund retiree health benefits). Contributions are authorized by State statute. The Village's required contributions to the Fund for the year ended December 31, 2008 and 2007, and for all years, have been made.

Note 10 – Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB *Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2008 local government employer contribution rate was 14.0% of covered payroll; 4.00% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 8.00%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 10 – Postemployment Benefits (Continued)

additional annual pay increases. Health care premiums were assumed to increase between .50% and 5.00% annually for the next eight years and 4.00% annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB *Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis.

The total police employer contribution rate is 19.5% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care programs. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The Village's actual contributions for 2008 to fund postemployment benefits were \$96,333.95 for police and \$91,932.50 for all other employees.

Note 11 – Bonds Payable

The Village's long-term debt activity for the year ended December 31, 2008, is as follows:

Governmental Activities	Interest Rate	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008	Due Within One Year
Swimming Pool Renovation Bond	5.7734%	\$ 225,000	\$ 0	\$ 20,000	\$205,000	\$ 20,000
Curb Replacement Bond	5.21%	1,275,000	0	100,000	1,175,000	105,000
Real Estate Acquisition Bond	4.7463%	980,000	0	50,000	930,000	50,000
Redevelopment Bond	4.5168%	900,000	0	35,000	865,000	35,000
Councilmatic Bond	4.1210%	0	2,195,000	0	2,195,000	100,000
Total Outstanding		\$3,380,000	\$2,195,000	\$205,000	\$5,370,000	\$310,000

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 11 – Bonds Payable (Continued)

The Village's long-term debt activity for the year ended December 31, 2007, is as follows:

Governmental Activities	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
Swimming Pool Renovation Bond	5.7734%	\$ 245,000	\$0	\$ 20,000	\$225,000	\$ 20,000
Curb Replacement Bond	5.21%	1,370,000	0	95,000	1,275,000	100,000
Real Estate Acquisition Bond	4.7463%	1,025,000	0	45,000	980,000	50,000
Redevelopment Bond	4.5168%	935,000	0	35,000	900,000	35,000
Total Outstanding		\$3,575,000	\$0	\$195,000	\$3,380,000	\$205,000

Total indebtedness (including the note) as of January 1, 2008, was \$5,785,000; \$2,610,000 (including the \$2,405,000 note) was redeemed; \$2,195,000 was issued and total indebtedness as of December 31, 2008, was \$5,370,000. A total of \$267,873 in interest payments was paid.

The Village sold a \$2,195,000 Councilmatic bond on July 16, 2008, maturing in 2022, at serial interest rates of 3.0% to 4.65%. This bond redeemed the prior year's \$2,405,000 note. The original note purchased (in August 2000, for \$400,000, then increased over the years) and subsequent notes have been for the Apartment Acquisition (Municipal Redevelopment) project. The interest for this Councilmatic bond will be paid from the Apartment Building Operation Fund or transferred from the General Fund. It is expected that the Apartment Building Operation Fund will pay as much interest as possible.

The general obligation bonds are supported by the full faith and credit of the Village and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5% of the tax valuation of the Village. The Ohio Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed an amount equal to 10.5% of its tax valuation. The effects of the debt limitations at December 31, 2008, were an overall debt margin of \$1,183,640 and an unvoted debt margin of \$365,240.

The Village of Greenhills has no conduit debt and no defeased debt.

Note 12 – Notes Payable

A summary of the note transactions for the year ended December 31, 2008, follows:

Governmental Activities	Interest Rate	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008
Bond Anticipation Note	4.19%	\$2,405,000	\$0	\$2,405,000	\$0
Total		\$ 2,405,000	\$0	\$ 2,405,000	\$0

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 12 – Notes Payable (Continued)

A summary of the note transactions for the year ended December 31, 2007, follows:

Governmental Activities	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
Bond Anticipation Note	4.19%	\$ 1,900,000	\$2,405,000	\$ 1,900,000	\$2,405,000
Real Estate Acquisition	5.37%	200,000	0	200,000	0
Total		\$ 2,100,000	\$2,405,000	\$ 2,100,000	\$2,405,000

All note proceeds had been spent at December 31, 2008. The bond anticipation and real estate acquisition notes are backed by the full faith and credit of the Village and matured within one year.

Note 13 – Leases

The Village leases vehicles and other equipment under noncancelable leases. The Village disbursed \$71,088.27 to pay lease costs for the year ended December 31, 2008. Future lease payments are as follows:

	<u>Two Police Cruisers Lease Package</u>
2009	\$15,145.20
	<u>Single Cruisers Lease Package</u>
2009	\$ 8,357.57
2010	8,357.57
	<u>Service/Streets Truck Lease</u>
2009	\$12,905.83
	<u>Fire Department Ladder Truck</u>
2009	\$34,679.70
2010	34,679.70
2011	34,679.70
2012	34,679.70
2013	34,679.70
2014	34,679.70
2015	17,339.85

Note 15 – Interfund Transfers

During 2008, the following transfers were made:

From the General Fund to Accumulated Sick Leave Fund	\$ 25,000
From the General Fund to the Bond Retirement Fund	350,000
From the General Fund to the Shade Tree Maintenance Fund	1,000
From the Banquet Hall to the Golf Course	10,000
From the Banquet Hall to the Swimming Pool	10,000
Total	<u>\$396,000</u>

Village of Greenhills
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008
(Continued)

Note 15 – Interfund Transfers (Continued)

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Since the Banquet Hall, Golf Course, and Swimming Pool occupy the same area and were purchased as a unit, the Village through Council allows any one of them to work in tandem with any other, as necessary.

Note 16 – Construction and Contractual Commitments

In 2008, the Village entered into agreements for the sale of two Village-owned apartment units to become owner-occupied in keeping with the overall plan. No units were demolished during 2008. All contract commitments followed applicable laws.

Note 17 – Contingent Liabilities

The Village is a defendant in a lawsuit. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the Village's financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial. The only grant received in 2008 was from the Hamilton County Solid Waste District for metal recycling/reduction. Funds were received and accounted for in 2008, and will be reported in the 2007/2008 audit.

Note 18 – Joint Ventures

The Village participates jointly with the City of Forest Park in large item/metal recycling programs and in bidding for street salt.

Note 19 – Jointly Governed Organizations

The Village jointly governs the Greenhills Community Investment Corporation. The Greenhills CIC is subject to separate audit. The purpose of the Greenhills CIC is community and economic development. Its primary activity is the solicitation of private funding for and payment for the Greenhills Concerts on the Commons. In 2008, \$6,580 was received and expended for the Concerts on the Commons. Other activities include sponsorship of the annual Pioneer Days Festival and the December Holiday Light Up activities.

Note 20 – Subsequent Events

The Municipal Redevelopment Program is continuing into 2009. For 2009, no additional properties acquisition is planned. The Village remains steadfast in its vision and continuing goal of increasing the number of owner-occupied properties in Greenhills. Housing and commercial redevelopment remain essential to the future sustainability of the Village of Greenhills.

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

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

Village of Greenhills
Hamilton County
11000 Winton Road
Greenhills, Ohio 45218

To the Village Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Greenhills, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Village's basic financial statements and have issued our report thereon dated. We also noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the Government uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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*.

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 audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village'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 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 the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a matter that we reported to the Village's management in a separate letter dated November 25, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a noncompliance matter that we reported to the Village's management in a separate letter dated November 25, 2009.

We intend this report solely for the information and use of the audit committee, management, and the Village Council. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

November 25, 2009



Mary Taylor, CPA
Auditor of State

VILLAGE OF GREENHILLS

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
DECEMBER 15, 2009**