

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**



Dave Yost • Auditor of State

Village Council
Village of Golf Manor
6450 Wiehe Road
Golf Manor, Ohio 45237

We have reviewed the *Independent Auditors' Report* of the Village of Golf Manor, Hamilton County, prepared by Bastin & Company, LLC, for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 25, 2011

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**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO**

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Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Members of Village Council
Village of Golf Manor, Ohio

We have audited the accompanying financial statements of the Village of Golf Manor, Hamilton County, Ohio, (the Village), as of and for the years ended December 31, 2010 and 2009. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require the Village to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2010 and 2009, or their changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2011, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

A handwritten signature in cursive script that reads "Bastin & Company, L L C". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
June 29, 2011

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<i>Cash Receipts:</i>					
Property and Local Taxes	\$ 1,022,120	\$ 1,148,148	\$ -	\$ -	\$ 2,170,268
Municipal Income Tax	-	576,343	-	-	576,343
Intergovernmental	496,847	717,060	-	-	1,213,907
Charges for Services	719,786	-	-	-	719,786
Fines, Licenses and Permits	99,918	-	-	-	99,918
Earnings on Investments	2	-	-	-	2
Miscellaneous	71,643	21,724	-	-	93,367
Total Cash Receipts	2,410,316	2,463,275	-	-	4,873,591
<i>Cash Disbursements:</i>					
<i>Current:</i>					
Security of Persons and Property	1,269,374	559,313	-	-	1,828,687
Public Health Services	2,951	-	-	-	2,951
Community Environment	126,247	18,649	-	-	144,896
Basic Utility Service	262,726	-	-	-	262,726
Transportation	-	173,461	-	-	173,461
General Government	1,114,893	138,362	-	-	1,253,255
Capital Outlay	27,735	1,002,122	-	-	1,029,857
<i>Debt Service:</i>					
Principal Payments	11,804	281,964	-	-	293,768
Interest Payments	697	61,132	-	-	61,829
Total Cash Disbursements	2,816,427	2,235,003	-	-	5,051,430
Receipts Over (Under) Disbursements	(406,111)	228,272	-	-	(177,839)
<i>Other Financing Receipts (Disbursements):</i>					
Sale of Bonds	-	29,000	-	-	29,000
Transfers-In	560,000	10,200	-	-	570,200
Transfers-Out	-	(570,200)	-	-	(570,200)
Total Other Financing Receipts (Disbursements)	560,000	(531,000)	-	-	29,000
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	153,889	(302,728)	-	-	(148,839)
Fund Cash Balances, January 1, 2010	66,673	1,412,396	14,341	10,079	1,503,489
Fund Cash Balances, December 31, 2010	<u>\$ 220,562</u>	<u>\$ 1,109,668</u>	<u>\$ 14,341</u>	<u>\$ 10,079</u>	<u>\$ 1,354,650</u>

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

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES – AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Fiduciary Fund Type Agency</u>
<i>Non-Operating Cash Receipts:</i>	
Other Non-Operating Cash Receipts	<u>\$120,737</u>
Total Non-Operating Cash Receipts	<u>120,737</u>
<i>Non-Operating Cash Disbursements:</i>	
Other Non-Operating Cash Disbursements	<u>116,656</u>
Total Non-Operating Cash Disbursements	<u>116,656</u>
Excess of Cash Receipts Over Cash Disbursements	4,081
Fund Cash Balance, January 1, 2010	<u>8,512</u>
Fund Cash Balance, December 31, 2010	<u>\$ 12,593</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<i>Cash Receipts:</i>					
Property and Local Taxes	\$ 1,025,517	\$ 1,120,679	\$ -	\$ -	\$ 2,146,196
Municipal Income Tax	-	653,693	-	-	653,693
Intergovernmental	194,184	583,538	-	-	777,722
Charges for Services	752,254	-	-	-	752,254
Fines, Licenses and Permits	60,890	-	-	-	60,890
Earnings on Investments	16	-	-	-	16
Miscellaneous	49,853	6,147	-	-	56,000
Total Cash Receipts	2,082,714	2,364,057	-	-	4,446,771
<i>Cash Disbursements:</i>					
Current:					
Security of Persons and Property	1,402,753	510,753	-	-	1,913,506
Public Health Services	3,018	-	-	-	3,018
Community Environment	18,436	13,594	-	-	32,030
Basic Utility Service	242,811	-	-	-	242,811
Transportation	452	149,309	-	-	149,761
General Government	993,247	138,679	-	-	1,131,926
Capital Outlay	15,403	637,789	-	-	653,192
Debt Service:					
Principal Payments	19,550	267,864	-	-	287,414
Interest Payments	1,837	71,991	-	-	73,828
Total Cash Disbursements	2,697,507	1,789,979	-	-	4,487,486
Receipts Over (Under) Disbursements	(614,793)	574,078	-	-	(40,715)
<i>Other Financing Receipts (Disbursements):</i>					
Sale of Bonds	-	190,000	-	-	190,000
Transfers-In	625,609	-	-	5,891	631,500
Transfers-Out	-	(631,500)	-	-	(631,500)
Total Other Financing Receipts (Disbursements)	625,609	(441,500)	-	5,891	190,000
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	10,816	132,578	-	5,891	149,285
Fund Cash Balances, January 1, 2009-restated	55,857	1,279,818	14,341	4,188	1,354,204
Fund Cash Balances, December 31, 2009	<u>\$ 66,673</u>	<u>\$ 1,412,396</u>	<u>\$ 14,341</u>	<u>\$ 10,079</u>	<u>\$ 1,503,489</u>

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

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES – AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Fiduciary Fund Type Agency</u>
<i>Non-Operating Cash Receipts:</i>	
Other Non-Operating Cash Receipts	<u>\$76,407</u>
Total Non-Operating Cash Receipts	<u>76,407</u>
<i>Non-Operating Cash Disbursements:</i>	
Other Non-Operating Cash Disbursements	<u>78,120</u>
Total Non-Operating Cash Disbursements	<u>78,120</u>
Excess of Cash Receipts Over Cash Disbursements	(1,713)
Fund Cash Balance, January 1, 2009-restated	<u>10,225</u>
Fund Cash Balance, December 31, 2009	<u>\$ 8,512</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Golf Manor, Hamilton County, Ohio (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly elected Mayor and six-member Council. The Village provides general governmental services, park operations and other leisure time activities, and police and fire services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments, if owned by the Village, 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 disbursements, respectively.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Road Levy Fund - This fund receives property tax money to pay for the construction and reconstruction of new roads in the Village.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

Income Tax Fund - This fund receives income tax money for general expenses of the Village.

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

Police Levy Fund - This fund receives property tax money to pay for the Village's expenses for police protection.

Fire Levy Fund - This fund receives property tax money to pay for the Village's expenses for fire protection.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

Sidewalk Repair Fund - This fund was established in prior years for repairing the Village's sidewalks.

4. Debt Service Funds

These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The Village had the following significant Debt Service Fund:

General Obligations Fund - This fund was established in prior years for the retirement of general obligation debt of the Village.

5. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Fiduciary Fund:

Mayors Court Agency Fund - This fund is used to account for the collection and distribution of Mayor's Court fines, fees and bonds.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2010 and 2009 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

H. Total Columns on Financial Statements

Total columns on the financial statements are captioned “Memorandum Only” to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund type eliminations have not been made in the aggregation of this data.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash pool used by all funds. The Village did not have any investments as of December 31, 2010 or 2009. The carrying amount of cash at December 31 is as follows:

	2010	2009
Demand deposits	\$ 1,367,243	\$ 1,512,001

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution’s public entity deposit pool.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$ 2,826,529	\$ 2,970,316	\$ 143,787
Special Revenue	2,459,242	2,502,475	43,233
Total	\$ 5,285,771	\$ 5,472,791	\$ 187,020

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation	Budgetary	
Fund Type	Authority	Expenditures	Variance
General	\$ 2,813,143	\$ 2,816,427	\$ (3,284)
Special Revenue	2,796,963	2,805,203	(8,240)
Total	\$ 5,610,106	\$ 5,621,630	\$ (11,524)

2009 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$ 2,710,210	\$ 2,708,323	\$ (1,887)
Special Revenue	2,725,920	2,554,057	(171,863)
Capital Projects	5,891	5,891	-
Total	\$ 5,442,021	\$ 5,268,271	\$ (173,750)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation	Budgetary	
Fund Type	Authority	Expenditures	Variance
General	\$ 2,513,267	\$ 2,697,507	\$ (184,240)
Special Revenue	2,350,255	2,421,479	(71,224)
Total	\$ 4,863,522	\$ 5,118,986	\$ (255,464)

4. COMPLIANCE

- Contrary to Ohio Revised Code Section 5705.41(B), the Village's expenditures exceeded total appropriations for seven funds in 2009 and six funds in 2010.
- Contrary to Ohio Revised Code Section 9.38, receipts for the Mayor's Court were not deposited within the required time period.
- Contrary to Ohio Revised Code Sections 733.40 and 2949.091, distributions of Mayor's Court funds to the Village's general operating fund and State of Ohio were not made within the required time period.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

5. PROPERTY TAX

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property taxes, and for billing, collecting, and distributing all property taxes on behalf of the Village.

6. LOCAL EARNINGS TAX

The Village levies an earnings tax of 1.7 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

7. DEBT

Debt outstanding at December 31, 2010 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Truck Acquisition Bonds	\$ 35,000	5.00%
Street Improvement Tax Anticipation Notes	721,101	5.27%
Fire Equipment Acquisition Bonds	149,000	4.68%
Fire Equipment Acquisition Bonds #2	29,000	3.00%
Total	<u>\$ 934,101</u>	

During 2001 the Village issued fire truck acquisition bonds for \$280,000 for the acquisition of fire trucks and equipment. The bonds mature on December 1, 2011, and bear an interest rate of 5.00 percent.

During 2006 the Village issued street improvement tax anticipation notes for \$1,525,000, in anticipation of a street tax levy for the general construction, reconstruction and repair of Village streets. The notes mature on September 26, 2013, and bear an interest rate of 5.27 percent.

During 2009 the Village issued fire equipment acquisition bonds for \$190,000 for the acquisition of an ambulance and equipment. The bonds mature on December 1, 2016, and bear an interest rate of 4.68 percent.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

During 2010 the Village issued additional fire equipment acquisition bonds for \$29,000 for the acquisition of an emergency vehicle. The bonds mature on May 1, 2013, and bear an interest rate of 3.00 percent.

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

Year	Fire Truck Acquisition Bonds	Street Improvement Tax Anticipation Notes	Fire Equipment Acquisition Bonds	Fire Equipment Acquisition Bonds #2
2011	\$ 36,325	\$ 266,135	\$ 28,975	\$ 10,270
2012	-	266,135	28,945	10,188
2013	-	266,135	28,868	10,300
2014	-	-	29,745	-
2015	-	-	28,528	-
2016-2020	-	-	29,311	-
Total	\$ 36,325	\$ 798,405	174,372	30,758

8. CAPITAL LEASES

During 2008 the Village entered into a capital lease for police cruisers in the amount of \$69,208.

Amortization of the remaining lease, including interest at 4.67%, is scheduled as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2011	\$25,002
Less: amount representing interest	(853)
Present value of future minimum lease payments	<u>\$24,149</u>

9. INTERFUND TRANSACTIONS

The Village had the following interfund transactions:

<u>Fund Type/Fund</u>	<u>Year Ended December 31,</u>			
	<u>2010</u>		<u>2009</u>	
	<u>Transfer-In</u>	<u>Transfer-Out</u>	<u>Transfer-In</u>	<u>Transfer-Out</u>
General Fund	\$560,000	\$ -	\$625,609	\$ -
Special Revenue Funds:				
Income Tax	-	570,200	-	631,500
Street Construction	10,200	-	-	-
Capital Projects Funds				
Community Development	-	-	5,891	-
Total	<u>\$570,200</u>	<u>\$570,200</u>	<u>\$631,500</u>	<u>\$631,500</u>

Income taxes are collected in the Income Tax Fund and transferred to other funds.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

10. RETIREMENT SYSTEMS

The Village's law enforcement officers and full-time firemen belong to the Ohio Police & Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OP&F and OPERS are cost-sharing, multiple employer plans. These plans provide retirement benefits, including post-retirement health care and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2010 and 2009, members of OP&F contributed 10 percent of their wages. The Village contributed an amount equal to 19.5 percent of police participant wages and 24 percent of fire participant wages. For 2010 and 2009, OPERS members contributed 10 percent of their gross wages. The Village contributed an amount equal to 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2010.

11. RISK MANAGEMENT

Through December 31, 2008, the Village belonged to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan was legally separate from its member governments.

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:

- Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan;
- Ohio Plan Healthcare Consortium, Inc. (OPHC) - formerly known as the Ohio Healthcare Consortium;
and
- Ohio Plan, Inc. - mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retain 17.5% (15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 725 members as of December 31, 2009. The Government participates in this coverage.

The Plan formed the Ohio Plan Healthcare Consortium ("OPHC"), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

specific to each member's healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 60 members as of December 31, 2009. The Government does not participate in this coverage.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2009 and 2008 (the latest information available), and include amounts for both OPRRM and OPHC:

	<u>2009 ORPM</u>	<u>2009 OPHC</u>	<u>2009</u>	<u>2008</u>
Assets	\$11,176,186	\$1,358,802	\$12,534,988	\$10,471,114
Liabilities	<u>(4,852,485)</u>	<u>(1,253,617)</u>	<u>(6,106,102)</u>	<u>(5,286,781)</u>
Members' Equity	<u>\$ 6,323,701</u>	<u>\$ 105,185</u>	<u>\$ 6,428,886</u>	<u>\$ 5,184,333</u>

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

12. FUND RECLASSIFICATION

The Fund Cash Balances as of January 1, 2009 of the Special Revenue and Agency Fund Types have been restated from the amount previously reported as of December 31, 2008. The Law Enforcement Trust Fund previously reported within the Agency Fund Type is being reclassified within the Special Revenue Fund Type.

The adjustment made to correct the fund cash balances of the Special Revenue and Agency Fund Types as of January 1, 2009 is as follows:

	<u>Special Revenue</u>	<u>Agency</u>
Fund cash balance, December 31, 2008, as previously reported	\$1,265,301	\$24,742
Correction for Law Enforcement Trust Fund	<u>14,517</u>	<u>(14,517)</u>
Fund cash balance, January 1, 2009, restated	<u>\$1,279,818</u>	<u>\$10,225</u>

Bastin & Company, LLC

Certified Public Accountants

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

The Honorable Members of Village Council
Village of Golf Manor, Ohio

We have audited the financial statements of the Village of Golf Manor, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 29, 2011, wherein we noted that the Village prepared its financial statements using accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings as 2010-01 to be a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2010-02 and 2010-03.

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

We noted certain matters that we have reported to management of the Village in a separate letter dated June 29, 2011.

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

Bastin & Company, L L C

Cincinnati, Ohio
June 29, 2011

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number 2010-01 – Audit Adjustments

During the course of our audit, we identified misstatements in the financial statements that were not initially identified by the Village's internal control. Audit adjustments were necessary to correct errors in the Village's financial statements provided for audit. A description of the significant adjustments, by area, follows:

Intergovernmental Revenues – Reclassification adjustments totaling \$86,598 for 2010 and \$295,470 for 2009 were made to reclassify grant proceeds recorded as miscellaneous receipts. Adjustments to record grant revenues and expenditures totaling \$573,614 for 2010 and \$131,699 for 2009 were made to reflect items not recorded by the Village.

Proceeds from Sale of Bonds – Adjustments to record bond proceeds and related expenditures of \$29,000 for 2010 and \$190,000 for 2009 were made to reflect items not recorded by the Village.

Fund Reclassifications – Adjustments totaling \$14,517 were made to properly reflect the law enforcement trust fund from the agency fund to a special revenue fund.

The presentation of materially correct financial statements is the responsibility of management. We recommend that the Village implement control procedures to ensure the proper recording and reporting of revenues and expenditures by appropriate line item.

Village's Response

The Village will attempt to more closely monitor the proper recording of transactions in the future.

Finding Number 2010-02 – Mayor's Court

During 2010, at the request of the Village's management, the Ohio Auditor of State conducted a special audit of the activities of the Mayor's Court and issued a report dated March 5, 2010. That report contained various findings and recommendations concerning the accounts and records of the Court administered through March 31, 2009.

Subsequent to March 2009, the Village began implementing procedures to strengthen controls and comply with the requirements established by the Ohio Revised Code.

The following items represent conditions disclosed subsequent to March 31, 2009, during which time the Village began implementing revised procedures.

- Monthly bank reconciliations have not been performed, documented or approved for the accounts maintained by the Mayor's Court.
- Ohio Revised Code Section 9.38 requires that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt, or within three business days if less than \$1,000 and the money can be safeguarded. Testing disclosed that 29 percent (4 of 14 transactions tested) were not in compliance.

- Ohio Revised Code Section 733.40 requires that distributions to the Village’s general operating account be made by the first Monday of the month following the last Mayor's Court session of the preceding month. Ohio Revised Code Section 2949.091 requires the distribution of money to the State must be completed by the 20th day of the month following the last Mayor's Court session of the preceding month. Testing disclosed that 52 percent (11 of 21 months tested) of distributions to the Village’s general operating account and 33 percent (7 of 21 months tested) of distributions to the State were not in compliance.

While the Village has begun implementing controls and procedures over the operations of its Mayor’s Court, we recommend that additional procedures be established to ensure that bank reconciliations are performed, documented or approved on a monthly basis and that procedures be refined and monitored to ensure compliance with the requirements of the Ohio Revised Code for the distribution of Mayor’s Court funds.

Village’s Response

The Village intends to implement procedures to reconcile the accounts and monitor Ohio Revised Code compliance.

Finding Number 2010-03 – Budgetary Compliance

Ohio Revised Code Section 5705.41(B) states “no subdivision or taxing unit is to expend money unless it has been appropriated”. The following funds had expenditures that exceeded appropriations:

<u>Year/Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
<i>2010:</i>			
General	\$2,813,143	\$2,816,427	(\$3,284)
Street Construction	172,716	173,461	(745)
Income Tax	570,200	588,363	(18,163)
Solid Waste Grant	-	1,504	(1,504)
Home Improvement	-	17,145	(17,145)
Law Enforcement	-	6,016	(6,016)
<i>2009:</i>			
General	2,513,267	2,697,507	(184,240)
Street Construction	145,346	149,309	(3,963)
Income Tax	631,500	649,280	(17,780)
Fire Levy	534,308	565,518	(31,210)
Police Levy	271,466	272,406	(940)
Home Improvement	-	13,594	(13,594)
Law Enforcement	-	3,761	(3,761)

We recommend that management of the Village more closely monitor its budgetary compliance with the applicable sections of the Ohio Revised Code.

Village’s Response

The Village will attempt to more closely monitor its compliance with the requirements of the Ohio Revised Code in the future.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Status Explanation
2008-01	Mayor's Court records and procedures	No	Partially corrected. Reissued as finding number 2010-02.
2008-02	Audit adjustments	No	Reissued as finding number 2010-01.
2008-03	Expenditures exceeded appropriations	No	Reissued as finding number 2010-03.
2008-04	Appropriations exceeded estimated resources	Yes	Condition was not noted for the current audit period.
2008-05	Negative fund balances	No	Condition was corrected for prior audit items. A comment to management has been made for negative balance items during the current audit period.
2008-06	Inadequate certification of fund availability	Yes	Condition was not noted for the current audit period.
2008-07	I-9 forms missing	Yes	Condition was not noted for the current audit period.



Dave Yost • Auditor of State

VILLAGE OF GOLF MANOR

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 8, 2011