



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF GLENDALE
HAMILTON COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Glendale, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999. 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 discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Glendale, Hamilton County, Ohio, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2001, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management and the Village Council, and other officials authorized to receive this report under § 117.26, of the Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

July 9, 2001

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VILLAGE OF GLENDALE
HAMILTON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Tax and Other Local Taxes	\$992,097	\$0	\$167,463	\$152,011	\$20,505	\$1,332,076
Special Assessments				4,275		4,275
Intergovernmental Receipts	299,278	89,223	21,090	19,002	2,583	431,176
Charges for Services	5,280	7,552				12,832
Fines, Licenses, and Permits	65,758	3,560				69,318
Earnings on Investments	148,967	174		4,595		153,736
Miscellaneous	17,646	22,219		58,000	12,029	109,894
Total Cash Receipts	1,529,026	122,728	188,553	237,883	35,117	2,113,307
Cash Disbursements:						
Current:						
Security of Persons and Property	646,777	831			20,650	668,258
Public Health Services	4,238					4,238
Leisure Time Activities	19,885					19,885
Contractual Services		291				291
Supplies and Materials		9,212			250	9,462
Community Environment	3,457				4,670	8,127
Basic Utility Services	256,757					256,757
Transportation	164,791	10,502				175,293
General Government	283,017	14,804				297,821
Debt Service:						
Principal Payments			110,000			110,000
Interest Payments			82,912			82,912
Financing and Other Debt-Service Related			2,898			2,898
Capital Outlay	10,156	84,864		391,449	19,404	505,873
Total Disbursements	1,389,078	120,504	195,810	391,449	44,974	2,141,815
Total Receipts Over/(Under) Disbursements	139,948	2,224	(7,257)	(153,566)	(9,857)	(28,508)
Other Financing Receipts/(Disbursements):						
Sale of Fixed Assets	1,955					1,955
Transfers-In		1,700		312,000		313,700
Transfers-Out	(313,700)					(313,700)
Total Other Financing Receipts/(Disbursements)	(311,745)	1,700	0	312,000	0	1,955
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(171,797)	3,924	(7,257)	158,434	(9,857)	(26,553)
Fund cash balances, January 1	672,551	72,749	253,109	1,467,532	31,255	2,497,196
Fund Cash Balances, December 31	\$500,754	\$76,673	\$245,852	\$1,625,966	\$21,398	\$2,470,643
Reserves for Encumbrances, December 31	\$40,256	\$3,334	\$0	\$29,377	\$0	\$72,967

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

VILLAGE OF GLENDALE
HAMILTON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ENTERPRISE AND AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$503,771	\$0	503,771
Total Operating Cash Receipts	<u>503,771</u>	<u>0</u>	<u>503,771</u>
Operating Cash Disbursements:			
Personal Services	186,111		186,111
Transportation	1,429		1,429
Contractual Services	154,260		154,260
Supplies and Materials	25,973		25,973
Capital Outlay	16,750		16,750
Total Operating Cash Disbursements	<u>384,523</u>	<u>0</u>	<u>384,523</u>
Operating Income/(Loss)	<u>119,248</u>	<u>0</u>	<u>119,248</u>
Non-Operating Cash Receipts:			
Earnings on Investments	6,636		6,636
Other Non-Operating Cash Receipts		61,420	61,420
Total Non-Operating Cash Receipts	<u>6,636</u>	<u>61,420</u>	<u>68,056</u>
Non-Operating Cash Disbursements:			
Debt Service - Principal	45,279		45,279
Debt Service - Interest	9,316		9,316
Bank Service Charges	39		39
Other Non-Operating Cash Disbursements		59,744	59,744
Total Non-Operating Cash Disbursements	<u>54,634</u>	<u>59,744</u>	<u>114,378</u>
Net Receipts Over/(Under) Disbursements	71,250	1,676	72,926
Fund Cash Balances, January 1	<u>170,441</u>	<u>6,867</u>	<u>177,308</u>
Fund Cash Balances, December 31	<u>\$241,691</u>	<u>\$8,543</u>	<u>\$250,234</u>
Reserve for Encumbrances, December 31	<u>\$16,363</u>	<u>\$0</u>	<u>\$16,363</u>

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

VILLAGE OF GLENDALE
HAMILTON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Tax and Other Local Taxes	\$980,903	\$0	\$164,487	\$0	\$18,412	\$1,163,802
Special Assessments				2,479		2,479
Intergovernmental Receipts	355,889	89,614	20,372		2,281	468,156
Charges for Services	4,461	7,959			50	12,470
Fines, Licenses, and Permits	47,701	3,635				51,336
Earnings on Investments	92,279	171		57,638	2,378	152,466
Miscellaneous	32,437	11,253		110,532	7,683	161,905
Total Cash Receipts	1,513,670	112,632	184,859	170,649	30,804	2,012,614
Cash Disbursements:						
Current:						
Security of Persons and Property	596,488	562			16,903	613,953
Public Health Services	4,253					4,253
Leisure Time Activities	20,667				4,893	25,560
Community Environment	2,017					2,017
Basic Utility Services	243,516					243,516
Supplies and Materials					200	200
Transportation	170,017	5,498				175,515
General Government	294,434	12,769				307,203
Debt Service:						
Principal Payments			110,000			110,000
Interest Payments			92,125			92,125
Financing and Other Debt-Service Related			2,827			2,827
Capital Outlay	9,348	71,564		447,086	3,688	531,686
Total Disbursements	1,340,740	90,393	204,952	447,086	25,684	2,108,855
Total Receipts Over/(Under) Disbursements	172,930	22,239	(20,093)	(276,437)	5,120	(96,241)
Other Financing Receipts/(Disbursements):						
Sale of Fixed Assets	2,601					2,601
Transfers-In				64,443		64,443
Transfers-Out	(64,443)					(64,443)
Total Other Financing Receipts/(Disbursements)	(61,842)	0	0	64,443	0	2,601
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	111,088	22,239	(20,093)	(211,994)	5,120	(93,640)
Fund cash balances, January 1	561,463	50,510	273,202	1,679,526	26,135	2,590,836
Fund Cash Balances, December 31	\$672,551	\$72,749	\$253,109	\$1,467,532	\$31,255	\$2,497,196
Reserves for Encumbrances, December 31	\$25,404	\$3,510	\$0	\$198,425	\$3,399	\$230,738

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

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ENTERPRISE AND AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$524,616	\$0	\$524,616
Miscellaneous		167	167
Total Operating Cash Receipts	<u>524,616</u>	<u>167</u>	<u>524,783</u>
Operating Cash Disbursements:			
Personal Services	192,706		192,706
Transportation	360		360
Contractual Services	133,812		133,812
Supplies and Materials	28,447		28,447
Capital Outlay	24,667		24,667
Total Operating Cash Disbursements	<u>379,992</u>	<u>0</u>	<u>379,992</u>
Operating Income/(Loss)	<u>144,624</u>	<u>167</u>	<u>144,791</u>
Non-Operating Cash Receipts:			
Earnings on Investments	3,103		3,103
Other Non-Operating Cash Receipts		64,237	64,237
Total Non-Operating Cash Receipts	<u>3,103</u>	<u>64,237</u>	<u>67,340</u>
Non-Operating Cash Disbursements:			
Debt Service - Principal	44,467		44,467
Debt Service - Interest	10,128		10,128
Other Non-Operating Cash Disbursements		64,186	64,186
Total Non-Operating Cash Disbursements	<u>54,595</u>	<u>64,186</u>	<u>118,781</u>
Net Receipts Over/(Under) Disbursements	93,132	218	93,350
Fund Cash Balances, January 1	<u>77,309</u>	<u>6,649</u>	<u>83,958</u>
Fund Cash Balances, December 31	<u>\$170,441</u>	<u>\$6,867</u>	<u>\$177,308</u>
Reserve for Encumbrances, December 31	<u>\$17,176</u>	<u>\$0</u>	<u>\$17,176</u>

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

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Glendale, 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 six-member Council. The Village provides general governmental services, including water and sewer, park operations (leisure time activities), and police 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

Money markets, and Treasury Notes are valued at cost. The investments in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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 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.

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Special Revenue Fund

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:

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

Motor Vehicle License Tax Fund -This fund receives property taxes for the purpose of maintaining and repairing Village Streets.

3. Debt Service Fund

This fund is used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant Debt Service Fund:

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

4. 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:

Village Plan and General Improvement Fund - This fund receives General Fund transfers to fund building improvements.

5. Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. 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 the 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 Funds:

Police Disability and Pension Fund (expendable trust fund) - This fund receives property tax money to pay for police benefits.

Park Board Trustee Fund (expendable trust fund) - This fund receives donations for the upkeep of the parks.

Mayor's Court Fund (agency fund) - This agency fund receives fines and forfeitures money to be distributed to the Village and to the State of Ohio.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash 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 reappropriated.

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$ <u>487,274</u>	\$ <u>420,944</u>
Total deposits	<u>487,274</u>	<u>420,944</u>
Money Market funds	19,223	21,050
U.S. Treasury Notes	1,837,802	1,878,613
STAROhio	<u>376,578</u>	<u>353,897</u>
Total investments	<u>2,233,603</u>	<u>2,253,560</u>
Total deposits and investments	<u><u>\$ 2,720,877</u></u>	<u><u>\$ 2,674,504</u></u>

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

Investments: U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Investments in STAROhio and money market funds are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,404,037	\$ 1,530,981	\$ 126,944
Special Revenue	109,700	124,428	14,728
Debt Service	170,461	188,553	18,092
Capital Projects	639,175	549,883	(89,292)
Expendable Trust	31,223	35,117	3,894
Enterprise	528,001	510,407	(17,594)
Total	<u>\$ 2,882,597</u>	<u>\$ 2,939,369</u>	<u>\$ 56,772</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,970,875	\$ 1,743,034	\$ 227,841
Special Revenue	148,995	123,838	25,157
Debt Service	198,913	195,810	3,103
Capital Projects	837,600	420,826	416,774
Expendable Trust	51,779	44,974	6,805
Enterprise	587,041	455,520	131,521
Total	<u>\$ 3,795,203</u>	<u>\$ 2,984,002</u>	<u>\$ 811,201</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,387,590	\$ 1,516,271	\$ 128,681
Special Revenue	117,100	112,632	(4,468)
Debt Service	178,086	184,859	6,773
Capital Projects	200,942	235,092	34,150
Expendable Trust	22,785	30,804	8,019
Enterprise	526,000	527,719	1,719
Total	<u>\$ 2,432,503</u>	<u>\$ 2,607,377</u>	<u>\$ 174,874</u>

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,926,717	\$ 1,430,587	\$ 496,130
Special Revenue	138,223	93,903	44,320
Debt Service	210,125	204,952	5,173
Capital Projects	665,977	645,511	20,466
Expendable Trust	35,530	29,083	6,447
Enterprise	530,518	451,763	78,755
Total	\$ 3,507,090	\$ 2,855,799	\$ 651,291

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Sanitary Sewer Bonds	\$ 770,000	8%
Ohio Public Works Commission Loan - CB411	275,610	3%
Ohio Public Works Commission Loan - CB327	193,820	0%
Total	\$ 1,239,430	

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. DEBT (Continued)

The Village issued \$2,200,000 of sanitary sewer bonds in October 1987 for renovation of the sewer treatment plant. These bonds were to be repaid over a period of twenty years. Interest is paid semi-annually, and bonds are paid annually with monies received from real estate and property tax receipts.

The Village borrowed \$444,000 from the Ohio Public Works Commission in 1992 for the replacement of the Village's water storage facility. This loan is to be repaid over a period of fifteen years. Principal and interest is paid semi-annually, with monies received from water operating revenues.

The Village borrowed \$352,400 from the Ohio Public Works Commission in 1991 for the construction of new water lines. This loan is to be repaid over a period of twenty years. Principal is paid semi-annually, with monies received from water operating revenues.

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

Year ending December 31:	Sanitary Sewer Bonds	Ohio Public Works CB411	Ohio Public Works CB327	Total
2001	\$ 183,700	\$ 36,975	\$ 17,620	\$ 220,675
2002	174,487	36,975	17,620	211,462
2003	165,275	36,975	17,620	202,250
2004	156,062	36,975	17,620	193,037
2005	146,850	36,975	17,620	183,825
Subsequent	266,062	147,900	114,530	413,962
Total	<u>\$ 1,092,436</u>	<u>\$ 332,775</u>	<u>\$ 202,630</u>	<u>\$ 1,425,211</u>

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement healthcare, 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 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 24% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an average rate of 10.84% for fiscal year 2000 and 13.55% for fiscal year 1999 of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity.

**VILLAGE OF GLENDALE
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

7. RISK MANAGEMENT (Continued)

The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages. Modified for each member's needs. The Plan pays judgements, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures there coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-intention (deductible) amounts which vary from member to member.



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Glendale, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated July 9, 2001. 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.

Compliance

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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated July 9, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated July 9, 2001.

Village of Glendale
Hamilton County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

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

Jim Petro
Auditor of State

July 9, 2001



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VILLAGE OF GLENDALE

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 7, 2001**