



**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF GREENHILLS
HAMILTON COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

INDEPENDENT ACCOUNTANTS' REPORT

Village of Greenhills
Hamilton County
11000 Winton Road
Greenhills, Ohio 45218-1198

To the Village Council:

We have audited the accompanying financial statements of the Village of Greenhills, 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 generally accepted auditing standards 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 Greenhills, 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 April 11, 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 management and the Village Council, and other officials authorized to receive this report under § 117.26, 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

April 11, 2001

VILLAGE OF GREENHILLS
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	\$889,467	\$388,572	\$204,879			\$1,482,918
Special Assessments				26,009		26,009
Intergovernmental Receipts	283,479	254,823	25,989	715,447		1,279,738
Charges for Services	78,435	24,424				102,859
Fines, Licenses, and Permits	101,975	5,756				107,731
Earnings on Investments	54,934	11,564	2,701	19,940		89,139
Miscellaneous	10,606	3,014				13,620
Total Cash Receipts	1,418,896	688,153	233,569	761,396	0	3,102,014
Cash Disbursements:						
Current:						
Security of Persons and Property	331,078	459,917				790,995
Public Health Services	2,820					2,820
Leisure Time Activities		11,536				11,536
Community Environment	606,717					606,717
Transportation		267,280				267,280
General Government	259,865	5,580			32,668	298,113
Debt Service:						
Principal Payments			125,000			125,000
Interest Payments			129,615			129,615
Financing and Other Debt-Service Related			2,584			2,584
Capital Outlay	54,793	66,450		2,282,408		2,403,651
Total Disbursements	1,255,273	810,763	257,199	2,282,408	32,668	4,638,311
Total Receipts Over/(Under) Disbursements	163,623	(122,610)	(23,630)	(1,521,012)	(32,668)	(1,536,297)
Other Financing Receipts/(Disbursements):						
Sale of Bonds or Notes				1,300,000		1,300,000
Transfers-In		42,000	35,000	1,000		78,000
Advances-In		30,000				30,000
Other Financing Sources				12		12
Transfers-Out	(78,000)					(78,000)
Advances-Out	(30,000)					(30,000)
Total Other Financing Receipts/(Disbursements)	(108,000)	72,000	35,000	1,301,012	0	1,300,012
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	55,623	(50,610)	11,370	(220,000)	(32,668)	(236,285)
Fund cash balances, January 1	339,608	171,657	3,062	520,732	112,450	1,147,509
Fund Cash Balances, December 31	\$395,231	\$121,047	\$14,432	\$300,732	\$79,782	\$911,224
Reserves for Encumbrances, December 31	\$40,000	\$0	\$0	\$0	\$0	\$40,000

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

**VILLAGE OF GREENHILLS
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	\$227,374	\$0	\$227,374
Miscellaneous	48,290		48,290
Total Operating Cash Receipts	<u>275,664</u>	<u>0</u>	<u>275,664</u>
Operating Cash Disbursements:			
Personal Services	110,448		110,448
Fringe Benefits	13,387		13,387
Contractual Services	29,394		29,394
Supplies and Materials	50,124		50,124
Capital Outlay	28,541		28,541
Total Operating Cash Disbursements	<u>231,894</u>	<u>0</u>	<u>231,894</u>
Operating Income/(Loss)	<u>43,770</u>	<u>0</u>	<u>43,770</u>
Non-Operating Cash Receipts:			
Investment Revenue	2,375		2,375
Other Non-Operating Cash Receipts		123,873	123,873
Total Non-Operating Cash Receipts	<u>2,375</u>	<u>123,873</u>	<u>126,248</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements	28,821	123,284	152,105
Total Non-Operating Cash Disbursements	<u>28,821</u>	<u>123,284</u>	<u>152,105</u>
Net Receipts Over/(Under) Disbursements	17,324	589	17,913
Fund Cash Balances, January 1	<u>19,130</u>	<u>10,627</u>	<u>29,757</u>
Fund Cash Balances, December 31	<u><u>\$36,454</u></u>	<u><u>\$11,216</u></u>	<u><u>\$47,670</u></u>

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

VILLAGE OF GREENHILLS
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	\$854,466	\$402,270	\$212,637			\$1,469,373
Special Assessments				26,081		26,081
Intergovernmental Receipts	217,842	306,675	26,166			550,683
Charges for Services	14,405	2,434				16,839
Fines, Licenses, and Permits	92,977	4,927				97,904
Earnings on Investments	32,653	5,988	2,842	26,742		68,225
Miscellaneous	61,106	7,070				68,176
Total Cash Receipts	1,273,449	729,364	241,645	52,823	0	2,297,281
Cash Disbursements:						
Current:						
Security of Persons and Property	264,594	495,880				760,474
Public Health Services	2,857					2,857
Leisure Time Activities	41,494	13,874				55,368
Community Environment	66,494					66,494
Basic Utility Services	295,967					295,967
Transportation	6,916	114,016				120,932
General Government	430,923				25,209	456,132
Debt Service:						
Principal Payments			140,000			140,000
Interest Payments			136,816			136,816
Financing and Other Debt-Service Related			2,763			2,763
Capital Outlay	22,983	97,026		80,400		200,409
Total Disbursements	1,132,228	720,796	279,579	80,400	25,209	2,238,212
Total Receipts Over/(Under) Disbursements	141,221	8,568	(37,934)	(27,577)	(25,209)	59,069
Other Financing Receipts/(Disbursements):						
Transfers-In		36,667	40,000	500	50,000	127,167
Sale of Fixed Assets		21,000				21,000
Transfers-Out	(127,167)					(127,167)
Total Other Financing Receipts/(Disbursements)	(127,167)	57,667	40,000	500	50,000	21,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	14,054	66,235	2,066	(27,077)	24,791	80,069
Fund cash balances, January 1	325,554	105,422	996	547,809	87,659	1,067,440
Fund Cash Balances, December 31	\$339,608	\$171,657	\$3,062	\$520,732	\$112,450	\$1,147,509
Reserves for Encumbrances, December 31	\$5,457	\$0	\$0	\$0	\$0	\$5,457

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

**VILLAGE OF GREENHILLS
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	\$271,058	\$0	\$271,058
Miscellaneous	100		100
Total Operating Cash Receipts	<u>271,158</u>	<u>0</u>	<u>271,158</u>
Operating Cash Disbursements:			
Personal Services	126,310		126,310
Contractual Services	63,325		63,325
Supplies and Materials	38,181		38,181
Capital Outlay	74,965		74,965
Total Operating Cash Disbursements	<u>302,781</u>	<u>0</u>	<u>302,781</u>
Operating Income/(Loss)	<u>(31,623)</u>	<u>0</u>	<u>(31,623)</u>
Non-Operating Cash Receipts:			
Investment Revenue	3,008		3,008
Other Non-Operating Cash Receipts		111,510	111,510
Total Non-Operating Cash Receipts	<u>3,008</u>	<u>111,510</u>	<u>114,518</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements		110,351	110,351
Total Non-Operating Cash Disbursements	<u>0</u>	<u>110,351</u>	<u>110,351</u>
Net Receipts Over/(Under) Disbursements	(28,615)	1,159	(27,456)
Fund Cash Balances, January 1	<u>47,745</u>	<u>9,468</u>	<u>57,213</u>
Fund Cash Balances, December 31	<u>\$19,130</u>	<u>\$10,627</u>	<u>\$29,757</u>

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

**VILLAGE OF GREENHILLS
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 Greenhills, 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 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

The investment 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 GREENHILLS
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.

Police Operating Fund - This fund receives property taxes for the purpose of providing police protection, including providing and maintaining motor vehicles, communication and other equipment.

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant Debt Service Funds:

Bond Retirement Fund - This fund was used to repay the debt issued for the purchase of fire equipment and apparatus, the purchase of a municipal service building and the renovation and addition to the Municipal Building.

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 Funds:

Curb Construction Fund - This fund receives proceeds of general obligation bond anticipation notes for the replacement of street curbs.

Shade Tree Maintenance Fund - This fund received proceeds from a special assessment to maintain shade trees.

Apartment Building Acquisition Fund - This fund receives proceeds of general obligation bond anticipation notes for the purchase of apartment buildings within the Village.

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:

Golf Course Funds - This fund receives charges for services from residents and non-residents to cover the cost of providing this recreation.

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Swimming Pool Fund - This fund receives charges for services from residents and non-residents to cover the cost of providing this recreation.

Club/Hall Fund - This fund receives charges for services from residents and non-residents to cover the cost of providing a recreation hall.

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:

Co-Insurance Fund - This expendable trust fund makes payment to health care providers and reimburses employees for appropriate health care expenses, in supplement to the Village's health insurance.

Accumulated Sick Leave Fund - This expendable trust fund makes payment to eligible retired employees for accumulated sick leave earned.

Mayor's Court Fund - This agency fund accounts for the Village court activity.

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 canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

**VILLAGE OF GREENHILLS
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. The Village accumulates resources in an expendable trust fund to redeem unpaid sick leave which can be anticipated. At December 31, 2000, the Village had accumulated \$78,359 in their trust fund for this purpose.

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	\$ 110,918	\$ 70,368
Investment: STAROhio	<u>847,976</u>	<u>1,106,898</u>
Total deposits and investments	<u>\$ 958,894</u>	<u>\$ 1,177,266</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: Investments in STAROhio are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF GREENHILLS
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	\$ 1,317,200	\$ 1,418,896	\$ 101,696
Special Revenue	757,314	760,153	2,839
Debt Service	254,243	268,569	14,326
Capital Projects	2,009,512	2,062,408	52,896
Enterprise	276,751	278,039	1,288
Expendable Trust	5,700	0	(5,700)
Total	\$ 4,620,720	\$ 4,788,065	\$ 167,345

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,645,407	\$ 1,403,273	\$ 242,134
Special Revenue	923,817	810,763	113,054
Debt Service	257,176	257,199	(23)
Capital Projects	2,530,181	2,282,408	247,773
Enterprise	293,593	260,715	32,878
Expendable Trust	41,000	32,668	8,332
Total	\$ 5,691,174	\$ 5,047,026	\$ 644,148

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,204,600	\$ 1,273,449	\$ 68,849
Special Revenue	742,755	787,031	44,276
Debt Service	281,274	281,645	371
Capital Projects	57,000	53,323	(3,677)
Enterprise	274,025	274,166	141
Expendable Trust	54,000	50,000	(4,000)
Total	\$ 2,613,654	\$ 2,719,614	\$ 105,960

**VILLAGE OF GREENHILLS
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	\$ 1,490,650	\$ 1,264,852	\$ 225,798
Special Revenue	845,368	720,796	124,572
Debt Service	279,615	279,579	36
Capital Projects	598,280	80,400	517,880
Enterprise	321,500	302,781	18,719
Expendable Trust	28,000	25,209	2,791
Total	\$ 3,563,413	\$ 2,673,617	\$ 889,796

The Village did not appropriate for grant funds received from Ohio Public Works during fiscal year 2000.

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.

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
Municipal Building Bonds	\$ 140,000	4%
Swimming Pool Renovation Bonds	340,000	5%
Curb Renovation Bonds	1,875,000	5%
Land Acquisition Notes	400,000	5%
Street Improvement Notes	500,000	5%
Real Property & Building Acquisition Notes	400,000	5%
Total	\$ 3,655,000	

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

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

5. DEBT (Continued)

The Village issued \$300,000 of general obligation bonds in March 1996 for renovation of the Municipal building. These bonds were to be repaid over a period of seven years. Interest is paid semi-annually, and bonds are paid annually with monies received from real estate and property tax receipts.

The Village issued \$385,000 of general obligation bonds in May 1996 for renovation of the Village's swimming pool. 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 issued \$2,080,000 of general obligation bonds in February 1998 for renovation of the Village's street curbs. These bonds were to be repaid over a period of nineteen years. Interest is paid semi-annually, and bonds are paid annually with monies received from real estate and property tax receipts.

The Village issued \$400,000 general obligation bond anticipation notes in August 2000 for the acquisition of land. Principal and Interest for these notes will be repaid at maturity in August 2001 with monies received from real estate and property tax receipts.

The Village issued \$500,000 general obligation bond anticipation notes in October 2000 for renovation of the Village's streets. Principal and Interest for these notes will be repaid at maturity in October 2001 with monies received from real estate and property tax receipts.

The Village issued \$400,000 general obligation bond anticipation notes in December 2000 for the acquisition of apartments within the Village. Principal and Interest for these notes will be repaid at maturity in December 2001 with monies received from real estate and property tax receipts.

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

Year ending December 31:	General Obligation Bonds	Interest	Bond Anticipation Notes	Interest	Total
2001	\$ 135,000	\$ 122,396	\$ 1,300,000	\$ 63,180	\$1,620,576
2002	140,000	115,691			255,691
2003	145,000	108,617			253,617
2004	100,000	102,521			202,521
2005	105,000	97,253			202,253
Subsequent	<u>1,730,000</u>	<u>642,417</u>			<u>2,372,417</u>
Total	<u>\$ 2,355,000</u>	<u>\$ 1,188,895</u>	<u>\$ 1,300,000</u>	<u>\$ 63,180</u>	<u>\$4,907,075</u>

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

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

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 has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

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

Village of Greenhills
Hamilton County
11000 Winton Road
Greenhills, Ohio 45218-1198

To the Village Council:

We have audited the accompanying financial statements of the Village of Greenhills, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 11, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-30431-001 and 2000-30431-002. We also noted an immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated April 11, 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 April 11, 2001.

Village of Greenhills
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 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

April 11, 2001

**VILLAGE OF GREENHILLS
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2000-30431-001

Noncompliance Citation

Ohio Rev. Code, Section 5705.42, states when the United States government or the state or any department, division, agency, authority, or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into any agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision, and is deemed in process of collection within the meaning of Section 5705.41 of the Rev. Code.

As further discussed in Auditor of State Bulletin 2000-008, the fiscal officer shall record the appropriations in accordance with the terms and conditions of the grant or project agreement. In addition, prior to recording the appropriations, Ohio Rev. Code, Section 5705.40, requires the legislative authority to pass a resolution amending its appropriation measure.

The fiscal officer did not record the Ohio Public Works money granted to the Village, nor was the grant money included in the appropriations for fiscal year 2000. However, the grant of \$48,800 has been recorded on the audited financial statements for the year ended December 31, 2000.

FINDING NUMBER 2000-30431-002

Noncompliance Citation

Ohio Rev. Code, Section 5705.41 (D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This Section also provides for two exceptions to the above requirements:

1. Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
2. If the amount involved is less than \$1,000 dollars, the Clerk-Treasurer may authorize payment through a Then and Now Certificate without affirmation of the Village Council, if such expenditure is otherwise valid.

Contrary to the above requirements, the Village failed to obtain the certification of the availability of funds from the Finance Director prior to the invoice date for twenty-four percent of the expenditures tested, and neither of the two exceptions provided above were utilized.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
MAY 8, 2001**