

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

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2008 AND 2007**





# Mary Taylor, CPA

Auditor of State

Members of 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, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

October 16, 2009

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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  
6450 Wiehe Road  
Cincinnati, Ohio 45237

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, 2008 and 2007. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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.

The Village did not provide sufficient evidence supporting receipt transactions for its Mayor's Court during 2008 and 2007, which are recorded as other non-operating receipts in the Agency Fund. Without a full accountability over the citations issued, we could not assure ourselves regarding the validity of the Mayor's Court receipts or satisfy ourselves regarding the validity of the receipts through other auditing procedures. Mayor's Court receipts represent 100% of the receipts recorded in the Agency Fund Type.

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

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

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

Also, in our opinion, except for adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient evidence to support the amount recorded as other non-operating receipts in the Agency Fund, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2009, 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, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio  
July 23, 2009



**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, 2008**

	Governmental Fund Types			Capital Projects	Totals (Memorandum Only)
	General	Special Revenue	Debt Service		
<i>Cash Receipts:</i>					
Property and Local Taxes	\$ 1,031,829	\$ 1,024,641	\$ -	\$ -	\$ 2,056,470
Municipal Income Tax	-	619,155	-	-	619,155
Intergovernmental	219,102	652,093	-	-	871,195
Charges for Services	524,746	-	-	-	524,746
Fines, Licenses and Permits	63,308	-	-	-	63,308
Earnings on Investments	435	-	-	-	435
Miscellaneous	39,348	-	-	-	39,348
<b>Total Cash Receipts</b>	<b>1,878,768</b>	<b>2,295,889</b>	<b>-</b>	<b>-</b>	<b>4,174,657</b>
<i>Cash Disbursements:</i>					
Current:					
Security of Persons and Property	1,186,225	523,645	-	-	1,709,870
Public Health Services	2,990	3,911	-	-	6,901
Community Environment	23,140	799,538	-	-	822,678
Basic Utility Service	98,483	16,422	-	-	114,905
Transportation	637	-	-	-	637
General Government	1,038,448	258,266	-	-	1,296,714
Capital Outlay	60,805	260,914	-	-	321,719
Debt Service:					
Principal Payments	9,514	243,190	-	-	252,704
Interest Payments	362	77,211	-	-	77,573
<b>Total Cash Disbursements</b>	<b>2,420,604</b>	<b>2,183,097</b>	<b>-</b>	<b>-</b>	<b>4,603,701</b>
Receipts Over (Under) Disbursements	(541,836)	112,792	-	-	(429,044)
<i>Other Financing Receipts (Disbursements):</i>					
Proceeds from Capital Lease	34,604	34,604	-	-	69,208
Sale of Fixed Assets	700	-	-	-	700
Transfers-In	610,000	-	-	-	610,000
Transfers-Out	-	(610,000)	-	-	(610,000)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>645,304</b>	<b>(575,396)</b>	<b>-</b>	<b>-</b>	<b>69,908</b>
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	103,468	(462,604)	-	-	(359,136)
Fund Cash Balances, January 1, 2008	(47,611)	1,727,905	14,341	4,188	1,698,823
Fund Cash Balances, December 31, 2008	<u>\$ 55,857</u>	<u>\$ 1,265,301</u>	<u>\$ 14,341</u>	<u>\$ 4,188</u>	<u>\$ 1,339,687</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, 2008**

	<u>Fiduciary Fund Type Agency</u>
<i>Non-Operating Cash Receipts:</i>	
Other Non-Operating Cash Receipts	<u>\$84,350</u>
Total Non-Operating Cash Receipts	<u>84,350</u>
<i>Non-Operating Cash Disbursements:</i>	
Other Non-Operating Cash Disbursements	<u>75,940</u>
Total Non-Operating Cash Disbursements	<u>75,940</u>
Excess of Cash Receipts Over Cash Disbursements	8,410
Fund Cash Balance, January 1, 2008	<u>16,332</u>
Fund Cash Balance, December 31, 2008	<u>\$24,742</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, 2007**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<i>Cash Receipts:</i>					
Property and Local Taxes	\$ 784,511	\$ 996,872	\$ -	\$ -	\$ 1,781,383
Municipal Income Tax	-	611,557	-	-	611,557
Intergovernmental	435,634	750,910	-	-	1,186,544
Charges for Services	465,398	-	-	-	465,398
Fines, Licenses and Permits	60,704	-	-	-	60,704
Earnings on Investments	2,105	-	-	-	2,105
Miscellaneous	116	-	-	-	116
	<u>1,748,468</u>	<u>2,359,339</u>	<u>-</u>	<u>-</u>	<u>4,107,807</u>
<i>Cash Disbursements:</i>					
<i>Current:</i>					
Security of Persons and Property	1,178,609	444,639	-	-	1,623,248
Public Health Services	2,901	49	-	-	2,950
Community Environment	20,231	630,264	-	-	650,495
Basic Utility Service	54,681	22,742	-	-	77,423
Transportation	536	-	-	-	536
General Government	983,625	286,028	-	-	1,269,653
Capital Outlay	-	274,089	-	-	274,089
<i>Debt Service:</i>					
Principal Payments	9,401	230,512	-	-	239,913
Interest Payments	484	89,338	-	-	89,822
	<u>2,250,468</u>	<u>1,977,661</u>	<u>-</u>	<u>-</u>	<u>4,228,129</u>
Receipts Over (Under) Disbursements	<u>(502,000)</u>	<u>381,678</u>	<u>-</u>	<u>-</u>	<u>(120,322)</u>
<i>Other Financing Receipts (Disbursements):</i>					
Sale of Fixed Assets	750	-	-	-	750
Transfers-In	580,000	-	-	-	580,000
Transfers-Out	-	(580,000)	-	-	(580,000)
	<u>580,750</u>	<u>(580,000)</u>	<u>-</u>	<u>-</u>	<u>750</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	78,750	(198,322)	-	-	(119,572)
Fund Cash Balances, January 1, 2007	<u>(126,361)</u>	<u>1,926,227</u>	<u>14,341</u>	<u>4,188</u>	<u>1,818,395</u>
Fund Cash Balances, December 31, 2007	<u>\$ (47,611)</u>	<u>\$ 1,727,905</u>	<u>\$ 14,341</u>	<u>\$ 4,188</u>	<u>\$ 1,698,823</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, 2007**

	<u>Fiduciary Fund Type Agency</u>
<i>Non-Operating Cash Receipts:</i>	
Other Non-Operating Cash Receipts	<u>\$48,954</u>
Total Non-Operating Cash Receipts	<u>48,954</u>
<i>Non-Operating Cash Disbursements:</i>	
Other Non-Operating Cash Disbursements	<u>40,220</u>
Total Non-Operating Cash Disbursements	<u>40,220</u>
Excess of Cash Receipts Over Cash Disbursements	8,734
Fund Cash Balance, January 1, 2007-restated	<u>7,598</u>
Fund Cash Balance, December 31, 2007	<u>\$16,332</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, 2008 AND 2007**

**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, 2008 AND 2007  
(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, 2008 AND 2007  
(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 2008 and 2007 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

**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, 2008 or 2007. The carrying amount of cash at December 31 is as follows:

	<u>2008</u>	<u>2007</u>
Demand deposits	<u>\$ 1,364,429</u>	<u>\$ 1,715,155</u>

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, 2008 AND 2007  
(Continued)**

**3. BUDGETARY ACTIVITY**

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

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,354,784	\$ 2,524,072	\$ 169,288
Special Revenue	2,057,515	2,330,493	272,978
Total	\$ 4,412,299	\$ 4,854,565	\$ 442,266

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,314,235	\$ 2,420,604	\$ (106,369)
Special Revenue	2,366,214	2,793,097	(426,883)
Total	\$ 4,680,449	\$ 5,213,701	\$ (533,252)

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,063,470	\$ 2,329,218	\$ 265,748
Special Revenue	2,114,589	2,359,339	244,750
Total	\$ 4,178,059	\$ 4,688,557	\$ 510,498

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,062,682	\$ 2,250,468	\$ (187,786)
Special Revenue	2,110,307	2,557,661	(447,354)
Total	\$ 4,172,989	\$ 4,808,129	\$ (635,140)

**4. COMPLIANCE**

- Contrary to Ohio Revised Code Section 9.38, receipts for Mayor's Court were not deposited within the required three business days.
- Contrary to Ohio Revised Code Sections 733.40 and 1907.24, distributions of Mayor's Court funds to the Village's general operating fund and the State of Ohio were not made within the required time requirements.
- Contrary to Ohio Revised Code Section 5705.41(B), the Village's expenditures exceeded total appropriations for four funds during 2007 and seven funds for 2008.



**VILLAGE OF GOLF MANOR  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

- Contrary to Ohio Revised Code Section 5705.39, the Village's total appropriations exceeded the total estimated resources in the General Fund during 2007 by \$125,573 and during 2008 by \$7,062.
- Contrary to Ohio law, in 2007 the Village had a deficit cash balance of \$47,611 in the General Fund, \$8,880 in the Street Construction Fund, and \$5,891 in the Community Development Fund. In 2008, the Village had a deficit cash balance of \$5,891 in the Community Development Fund.
- Contrary to Ohio Revised Code Section 5705.41(D), the Village did not properly certify the availability of funds for 85 percent of the commitments that were tested by audit.
- Contrary to Federal law 8 USC 1324a(7)(e)(3)(b)(i) IRCA I-9 forms and additional verification information were not on file for 72% of cases tested where Federal requirements applied.

**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.

**VILLAGE OF GOLF MANOR  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**7. DEBT**

Debt outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Truck Acquisition Bonds	\$ 99,000	5.00%
Street Improvement Tax Anticipation Notes	1,143,676	5.27%
Total	<u>\$ 1,242,676</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 2006 the Village issued police vehicle acquisition bonds for \$54,250 for the acquisition of police cruisers. The bonds were retired in November 2008.

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

Year	Fire Truck Acquisition Bonds	Street Improvement Tax Anticipation Notes
2009	\$ 35,550	\$ 266,135
2010	35,975	266,135
2011	36,325	266,135
2012	-	266,135
2013	-	266,135
Total	<u>\$ 107,850</u>	<u>\$ 1,330,675</u>

**8. CAPITAL LEASES**

During 2006 the Village entered into a capital lease for a bobcat in the amount of \$24,379.

A total of \$15,830 of principle due on the lease was retired during 2007-2008. Amortization of the remaining lease, including interest at 5.23%, is scheduled as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2009	<u>\$8,886</u>
Total minimum lease payments	8,886
Less: amount representing interest	<u>(337)</u>
Present value of future minimum lease payments	<u>\$8,549</u>

**VILLAGE OF GOLF MANOR  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

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

Payments on this lease are scheduled to commence in 2009. Amortization of the lease, including interest at 4.67%, is scheduled as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2009	\$25,003
2010	25,003
2011	<u>25,002</u>
Total minimum lease payments	75,008
Less: amount representing interest	<u>(5,800)</u>
Present value of future minimum lease payments	<u>\$69,208</u>

**9. INTERFUND TRANSACTIONS**

The Village had the following interfund transactions:

<u>Fund Type/Fund</u>	<u>Year Ended December 31,</u>			
	<u>2008</u>		<u>2007</u>	
	<u>Transfer-In</u>	<u>Transfer-Out</u>	<u>Transfer-In</u>	<u>Transfer-Out</u>
General Fund	\$ 610,000	\$ -	\$ 580,000	\$ -
Special Revenue Funds:				
Income Tax	<u>-</u>	<u>610,000</u>	<u>-</u>	<u>580,000</u>
Total	<u>\$ 610,000</u>	<u>\$ 610,000</u>	<u>\$ 580,000</u>	<u>\$ 580,000</u>

Income taxes are collected in the Income Tax Fund and transferred to the General Fund for use.

**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 2008 and 2007, 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 2008 and 2007, OPERS members contributed 10 and 9.5 percent, respectively, of their gross wages. The Village contributed an amount equal to 14 and 13.85 percent, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2008.

**11. RISK MANAGEMENT**

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

**VILLAGE OF GOLF MANOR  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

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

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (the latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$11,136,455	\$ 9,620,148
Liabilities	<u>(4,273,553)</u>	<u>(3,329,620)</u>
Members' Equity	<u>\$ 6,862,902</u>	<u>\$ 6,290,528</u>

The complete audited financial statements for the Ohio Government Risk Management plan can be read at the Plan's website at [www.ohioplan.org](http://www.ohioplan.org).

**12. PRIOR PERIOD ADJUSTMENT**

The fund cash balance as of January 1, 2007 of the Agency Fund is based on bank balances and has been restated from the amount previously reported. As of December 31, 2006, the fund cash balance in the Mayor's Court Fund was understated by \$6,675 due to the prior year omission of the Mayor's Court Law Enforcement Trust and Mayor's Court Bonding bank accounts.

The adjustment made to the fund cash balances of the Agency Fund Type as of January 1, 2007 is as follows:

	Agency
	<u>Fund Type</u>
Fund cash balance as previously reported	\$ 923
Correction for accounts not previously reported	<u>6,675</u>
Fund cash balance, January 1, 2007, restated	<u>\$7,598</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  
6118 Vine Street  
Cincinnati, Ohio 45216

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, 2008 and 2007, and have issued our report thereon dated July 23, 2009, wherein we noted that the Village did not provide sufficient evidence of receipt transactions for its Mayor's Court during 2008 and 2007, which are recorded as other non-operating receipts in the Agency Fund. We also noted 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control. We consider the deficiencies described in the accompanying schedule of findings as 2008-01 and 2008-02 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiencies described above to be 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* which are described in the accompanying schedule of findings as items 2008-01 and 2008-03 through 2008-07.

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

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

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  
July 23, 2009

**VILLAGE OF GOLF MANOR  
HAMILTON COUNTY, OHIO  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2008 AND 2007**

**Finding Number 2008-01**

The records of the Village's Mayor's Court activities were not sufficient to provide evidence that all transactions of the Mayor's Court were accounted for or correctly recorded, and that receipt transactions were deposited. Testing of Mayor's Court records covering 2007 and 2008 disclosed the following conditions:

- Control procedures were not in place to create an inventory of tickets issued to officers. As a result, we were unable to determine the universe of potential tickets and therefore the universe of potential cases that could result in a cash receipt. Monthly folders were provided with carbon copies of tickets issued by officers. A reconciliation of tickets maintained in the monthly files to an inventory of tickets issued to officers for use was not available to confirm that all tickets were accounted for within the monthly folders.
- The Mayor's Court accounting system does not maintain a complete database of all tickets contained in the monthly folders. We noted instances where the accounting system contained information on certain cases where there were no tickets in the folders and where no information was recorded in the accounting system for a ticket that was located.
- Deposits of funds into bank accounts of the Mayor's Court for receipts were not supported by a batch sheet or other reconciling document to provide an audit trail of receipts. Deposits were made infrequently and in large amounts. As such, we were unable to determine if an amount collected on a specific case or ticket was, in fact, deposited.

As a result of these conditions, we are not able to satisfy ourselves as to whether all receipt transactions of the Mayor's Court have been appropriately accounted for, recorded or appropriately deposited into the bank accounts of the Court. The amounts reported in the Village's financial statements for the agency fund represent balances and activities based on bank statements.

In addition, disbursement of the Mayor's Court cash balances are dependent upon the amount collected, therefore, we are not able to determine if appropriate amounts have been distributed to the Village and other State agencies in accordance with applicable sections of the Ohio Revised Code.

From the records that were provided by the Village, transactions were selected and tested for applicable compliance. As a result of this testing, we noted the following additional compliance items:

- The Ohio Revised Code 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. Except for those receipts applicable to credit card transactions that resulted in automated deposits, all other receipts for the Mayor's Court were not deposited within three business days.
- The Ohio Revised Code requires that distributions made 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. In addition, 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. The distributions to the Village's general operating account and to the State were not made within these time requirements.

At the request of the Village management, the Office of the Auditor of State has been contracted to perform a detailed review of the records of the Mayor's Court. That review is in progress as of the date of this report.

**Village's Response**

The Village will provide responses based on the results of the Auditor of State's review.

**Finding Number 2008-02**

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 adjustments, by area, follows:

**Beginning Balance Adjustments**

Audit adjustments for years prior to 2007 had not been recorded by the Village, resulting in adjustments to properly state fund cash balances as of January 1, 2007 as follows:

<u>Fund</u>	<u>Recorded Amount</u>	<u>Prior Audit Amount</u>	<u>Adjustment Amount</u>	
General Fund	(\$121,407)	(\$126,361)	(\$4,954)	
Community Development Fund	4,188	(5,891)	(10,079)	(a)
Police Levy Fund	68,144	72,644	4,500	
Fire Levy #2 Fund	-	5,101	5,101	(a)
General Obligation Fund	-	9,240	9,240	(a)
Mayor's Court Fund	7,598	923	6,675	(b)

- (a) As of January 1, 2007, the Village's accounting records do not reflect a Fire Levy #2 Fund or a General Obligation Fund. Furthermore, Village records indicate a negative balance of (\$5,891) in the Community Development Fund while the prior audit balance was a positive \$4,188. The Fire Levy #2 Fund and General Obligation Fund would have to be re-established on the Village's accounting system to account for the unrecorded prior audit entries. Once established, the Village should evaluate the continued need for all three of these funds as no activity occurred in these funds during 2007 or 2008. Should the funds be deemed to be no longer needed, they should be closed in accordance with the requirements of the Ohio Revised Code.
- (b) As discussed in Note 12 to the financial statements, the fund cash balance in the Mayor's Court Fund was understated by \$6,675 as of January 1, 2007 due to omission of the Mayor's Court law enforcement trust and mayor's court bonding bank accounts. Adjustments were required to correctly state the fund cash balance to actual bank balances.

**Revenues and Expenditures**

Adjustments to revenues and expenditures were made in the amount of \$274,089 in 2007 and \$225,911 in 2008 to record proceeds from a street construction grant for the Street Construction Fund and the related capital outlay expenditure.

Additions to recorded revenues and expenditures were made in the amount of \$34,604 into the Police Levy Fund and \$34,604 into the General Fund in 2008 to record proceeds from a capital lease for police cruisers and the related capital outlay expenditure.

Adjustments totaling \$305,224 in 2007 and \$250,599 in 2008 were necessary to reclassify items recorded as miscellaneous revenues in the Road Levy Fund to intergovernmental revenues.



Adjustments totaling \$9,885 in 2007 and \$9,876 in 2008 were made to reclassify items recorded as capital outlay in the General Fund to redemption of principal and interest expense.

Adjustments totaling \$8,886 in 2007 were made to reclassify items recorded as general government expense in the Street Construction Fund to redemption of principal and interest expense.

Adjustments totaling \$8,886 in 2008 were made to reclassify items recorded as capital outlay in the Street Construction Fund to redemption of principal and interest expense.

Adjustments totaling \$897,874 in 2007 and \$931,845 in 2008 were necessary to reclassify items recorded as security of persons and property in the General Fund to general government expense.

Adjustments totaling \$32,924 in 2008 were made to move expenditures the Village had recorded in the Solid Waste Rumpke Fund to the General Fund.

Footnote Disclosures

In addition to the above adjustments, amounts previously disclosed in the footnotes to the financial statements for 2006 and 2005 omitted disclosures regarding a \$1.525 million Street Improvement Tax Anticipation Note and other capital lease obligations. Footnotes for the 2008 and 2007 have updated disclosures for these items.

The presentation of materially correct financial statements and the related footnotes is the responsibility of management. We recommend that the Village implement control procedures to ensure that amounts recorded and presented in financial statements are properly stated.

**Village's Response**

The Village will make the necessary adjustments to fund cash balances as of the beginning of 2009 and determine the proper way to close funds that are no longer needed. The Village's prior auditors assisted the Village in preparing the financial statements and apparently reported the debt proceeds as property tax revenue during 2006 and omitted proper footnote disclosure. Current disclosures are appropriate.

**Finding Number 2008-03**

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:

Fund	Appropriations	Expenditures	Variance
<i>2007:</i>			
General	\$2,062,682	\$2,250,468	(\$187,786)
Solid Waste Grant	-	49	(49)
Police Levy	275,850	279,845	(3,995)
Road Levy	440,000	929,660	(489,660)
<i>2008:</i>			
General	\$2,314,235	\$2,420,604	(\$106,369)
Street Construction	378,383	389,797	(11,414)
Income Tax	595,000	632,091	(37,091)
Solid Waste Grant	-	3,911	(3,911)
Fire Levy	320,421	324,698	(4,277)
Police Levy	340,775	345,953	(5,178)
Road Levy	731,635	1,096,647	(365,012)

**Village's Response**

The Village will attempt to more closely monitor budgetary compliance in the future by amending appropriations as needed.

**Finding Number 2008-04**

Ohio Revised Code Section 5705.39 prohibits appropriations in excess of estimated resources. The following funds had appropriations that exceeded estimated resources:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
2007:			
General	\$1,937,109	\$2,062,682	(\$125,573)
2008:			
General	\$2,307,173	\$2,314,235	(\$7,062)

In addition to the above items, the Community Development Fund maintains a negative cash balance, resulting in a negative amount for estimated resources and a negative variance; however, no amounts were appropriated or expended from this Fund in 2007 or 2008.

**Village's Response**

The Village will attempt to more closely monitor budgetary compliance in the future by amending its certificate of estimated resources or appropriations as needed.

**Finding Number 2008-05**

Contrary to Ohio law, in 2007 the Village had a deficit cash balance of \$47,611 in the General Fund, \$8,880 in the Street Construction Fund, and \$5,891 in the Community Development Fund. In 2008, the Village had a deficit cash balance of \$5,891 in the Community Development Fund.

**Village's Response**

During 2008 the Village took steps to correct existing negative balances. The negative balance remaining as of December 31, 2008 is a result of not considering the effects of unrecorded prior audit adjustments. The Village will take steps to correct the deficit balance in the in the Community Development Fund.

**Finding Number 2008-06**

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.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. “Then and Now” certificate - If the fiscal officer can certify that both at the time that the contract or order was made (“then”), and at the time that the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the City can authorize the drawing of a warrant for the payment of the amount due. The City has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the City.

2. Blanket Certificate - Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate - The City may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The availability of funds was not certified prior to the time of commitment in 85% of expenditures tested, nor did the City use the aforementioned exceptions.

#### **Village’s Response**

The Village will attempt to more closely monitor compliance in the future. It should be noted, however, that all invoices for expenditure are reviewed and approved by Council prior to payment being made.

#### **Finding Number 2008-07**

Federal law 8 USC 1324a(7)(e)(3)(b)(i) IRCA requires that I-9 forms and additional verification information shall be retained for a period of “The later of 3 years from date of hire or one year after termination and should be filed separately from other personnel records.”

Testing disclosed that I-9’s were not on file for 72% of cases tested where Federal requirements applied.

#### **Village’s Response**

The Village is correcting the issue by obtaining all required I-9 forms.

**VILLAGE OF GOLF MANOR  
HAMILTON COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008 AND 2007**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Status Explanation</b>
2006-01	I-9 forms missing	No	Not corrected. Restated as finding 2008-07
2006-02	Invoice approval by department heads	Yes	Corrected
2006-03	Segregation of duties in payroll	Yes	Corrected
2006-04	Segregation of duties in cash receipts	Yes	Corrected
2006-05	Expenditures exceeded appropriations	No	Not corrected. Restated as finding 2008-03
2006-06	Negative fund balances	No	Not corrected. Restated as finding 2008-05
2006-07	Transfer of Mayor's Court funds	No	Not corrected. Restated within finding 2008-01
2006-08	Deposits of public money	No	Not corrected. Restated within finding 2008-01
2006-09	Budgeted receipts exceeded actual receipts	Yes	Corrected



**Mary Taylor, CPA**  
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  
NOVEMBER 5, 2009**