REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 & 2008





Dave Yost • Auditor of State

January 13, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Thus, I am certifying this audit report for release under the signature of my predecessor.

Dave Yort

DAVE YOST Auditor of State

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Mary Taylor, CPA Auditor of State

Village of Woodmere Cuyahoga County 27899 Chagrin Boulevard Woodmere, Ohio 44122

To the Members of Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Jaylor

Mary Taylor, CPA Auditor of State

December 21, 2010

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801 Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361 www.auditor.state.oh.us This page intentionally left blank.



Mary Taylor, CPA Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Woodmere Cuyahoga County 27899 Chagrin Boulevard Woodmere, Ohio 44122

To the Members of Village Council:

We have audited the accompanying financial statements of the Village of Woodmere, Cuyahoga County, (the Village) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

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

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801 Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361 www.auditor.state.oh.us Village of Woodmere Cuyahoga County Independent Accountants' Report Page 2

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, 2009 and 2008 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, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Village of Woodmere, Cuyahoga County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 December 21, 2010, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Mary Jaylo

Mary Taylor, CPA Auditor of State

December 21, 2010

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2009

	Governmental Fund Types			Fiduciary Fund Type	Tatala	
	General	Special Revenue	Debt Service	Capital Projects	Agency	Totals (Memorandum Only)
Cash Receipts:	* 4 * * * * *	* ~ = · · · · ·	^	•••	\$ 0	* ~ ~~~ ~~~
Property and Local Taxes Intergovernmental Receipts	\$1,956,586	\$65,441 94,981	\$0 0	\$0 320,000	\$0 0	\$2,022,027
Special Assessments	63,672 0	94,961	131,436	320,000 0	0	478,653 131,436
Charges for Services	23.433	0	131,430	0	0	23.433
Fines. Licenses and Permits	150,172	10,517	õ	Ő	Ő	160,689
Miscellaneous	3,780	0	0	0	0	3,780
Total Cash Receipts	2,197,643	170,939	131,436	320,000	0	2,820,018
Cash Disbursements: Current:						
Security of Persons and Property	1.256.721	107,273	0	0	0	1,363,994
Community Environment	7,100	0	0	Ō	0	7,100
Basic Utility Service	43,935	18,770	0	0	0	62,705
Transportation	61,334	32,797	0	8,263	0	102,394
General Government	870,046	10,682	0	17,343	0	898,071
Debt Service:						0
Redemption of Principal and Interest	11,226	F 4 700	374,380	11,305	0	396,911
Capital Outlay	6,154	54,709	0	363,695	0	424,558
Total Cash Disbursements	2,256,516	224,231	374,380	400,606	0	3,255,733
Total Receipts Over/(Under) Disbursements	(58,873)	(53,292)	(242,944)	(80,606)	0	(435,715)
Other Financing Receipts / (Disbursements): Proceeds from Sale of Public Debt:						
Sale of Notes	0	0	270,000	0	0	270,000
Sale of Fixed Assets	0	0	0	19,500	0	19,500
Transfers-In	0	0	0	12,500	0	12,500
Transfers-Out	(12,500)	0	0	0	0	(12,500)
Advances-In	0	30,481	0	0	0	30,481
Advances-Out Non-Operating Receipts	(30,481) 0	0 0	0 0	0 0	0 229,033	(30,481) 229,033
Non-Operating Disbursements	0	0	0	0	(219,987)	(219,987)
Other Financing Sources	27,520	0	0	0	(219,907)	27,520
Other Financing Uses	(431)	0	0	Ő	0	(431)
Total Other Financing Receipts / (Disbursements)	(15,892)	30,481	270,000	32,000	9,046	325,635
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(74,765)	(22,811)	27,056	(48,606)	9,046	(110,080)
Fund Cash Balances, January 1, 2009	259,161	158,192	221	177,116	244,221	838,911
Fund Cash Balances, December 31, 2009	\$184,396	\$135,381	\$27,277	\$128,510	\$253,267	\$728,831
Reserve for Encumbrances, December 31, 2009	\$8,904	\$1,488	\$0	\$0	\$1,133	\$11,525
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COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2008

Special General Debt Revenue Capital Service Capital Projects Agency Agency (Monal Discussion (Monal Discusis (Monal Discusision (Monal Discussion (Monal Discussion (Monal D		Governmental Fund Types			Fiduciary Fund Type	Tatala	
Property and Local Taxes \$1,974,215 \$70,518 \$0 \$0 \$2,044,733 Intergovernmental Receipts 98,709 59,127 0 0 64,946 0 0 64,946 Charges for Services 17,280 0 0 0 124,020 Fines, Licenses and Permits 114,193 9,827 0 0 124,020 Miscellanceous 19,046 39,457 750 0 0 2,263. Total Cash Receipts 2,223,443 178,929 65,096 0 2,468.088 Current: Security of Persons and Property 1,320,887 134,768 0 0 0 36,899 Community Environment 7,150 0 0 0 7,150 0 0 0 7,150 0 0 0 65,884 0 0 0 65,884 0 0 0 65,847 0 0 0 1,425,655 10,1305 0 408,440 1,115 0 386,020		General				Agency	
Intergovernmental Receipts 198,709 59,127 0 0 0 157,836 Special Assessments 0 0 0 0 0 0 0 17,280 Fines, Licenses and Permits 17,280 0 0 0 0 17,280 Miscellaneous 19,046 39,457 750 0 0 24,020 Miscellaneous 19,046 39,457 750 0 0 2,468,068 Cash Disbursements: Current: Security of Persons and Property 1,320,887 134,768 0 0 0 3,699 Community Environment 7,150 0 0 0 3,699 0 0 0 3,699 Community Environment 7,150 0 0 0 5,854 0 0 0 65,854 Transportation 78,043 27,613 0 486 0 106,142 General Government 805,947 2,8070 1,079 3,553 0<	Cash Receipts:						
Special Assessments 0 0 64,946 0 0 64,946 Charges for Services 17,280 0 0 0 0 124,020 Miscellaneous 19,046 39,457 750 0 0 124,020 Miscellaneous 19,046 39,457 750 0 0 2,468,068 Carrent: 2,223,443 178,929 65,696 0 0 2,468,068 Caurent: Security of Persons and Property 1,320,887 134,768 0 0 0 36,899 Community Environment 7,150 0 0 0 58,854 0 0 0 58,854 0 0 0 13,249 Dett Service: 78,043 27,613 0 486 146,142 0 13,249 Dett Service: 2,670 1,079 3,553 0 813,249 0 31,336 Total Cash Disbursements 2,288,499 193,160 387,099 15,767 0<							
Charges for Services 17,280 0 0 0 0 17,280 Fines, Licenses and Permits 114,193 9,827 0 0 0 124,020 Miscellaneous 19,046 39,457 750 0 0 24268,068 Cash Disbursements: Current: Security of Persons and Property 1,320,887 134,768 0 0 0 3,699 Community Environment 7,150 0 0 0 3,699 0 0 0 3,699 Community Environment 7,150 0 0 0 0 3,869 0 0 0 3,869 Community Environment 7,150 0 0 0 0 3,823 0 10,079 3,553 0 813,249 Debt Service: 78,043 2,670 1,079 3,553 0 448,40 Capital Outaly 2,804 28,109 0 423,20 31,336 Total Cash Disbursements 2,288,499		,	/	•	-	-	- /
Fines, Licenses and Permits 114,193 9,827 0 0 0 124,020 Miscellaneous 19,046 39,457 750 0 0 59,253 Total Cash Receipts 2,223,443 178,929 65,696 0 0 2,466,068 Current: Security of Persons and Property 1,320,887 134,768 0 0 0 14,455,655 Public Health Services 7,150 0 0 0 7,150 0 0 0 7,150 Basic Utility Services 78,043 2,670 1,079 3,553 0 813,249 Debt Service: 805,947 2,670 1,079 3,553 0 813,249 Debt Service: 11,115 0 386,020 11,305 0 408,440 Captal Outlay 2,804 28,109 0 423 0 313,336 Total Cash Disbursements (65,056) (14,231) (321,403) (15,767) 0 2,884,525 Total Cash Disbursements 0 0 0 0 0 0 0		•	-	,	-	-	
Miscellaneous 19,046 39,457 750 0 0 59,253 Total Cash Receipts 2,223,443 178,929 65,696 0 0 2,466,068 Cash Disbursements: Current: Security of Persons and Property 1,320,887 134,768 0 0 0 3,699 Community Environment 7,150 0 0 0 3,699 Community Environment 7,150 0 0 0 3,690 Community Environment 78,043 27,613 0 486 0 106,142 General Government 805,947 2,670 1,079 3,553 0 813,249 Debt Service: Redemption of Principal and Interest 11,115 0 386,020 11,305 0 408,440 Capital Outlay 2,284,499 193,160 387,099 15,767 0 2,884,525 Total Cash Disbursements (65,056) (14,231) (321,403) (15,767) 0 (416,457) Other Financing Receipts / (Disbursements):			-	-			
Total Cash Receipts 2.223,443 178,929 65,696 0 0 2.468,068 Cash Disbursements: Current: Security of Persons and Property Public Health Services 1,320,887 134,768 0 0 0 1,455,655 Gasi Disbursements: Carrent: Security of Persons and Property Basic Utility Service 1,320,887 134,768 0 0 0 1,455,655 Gasic Utility Service 58,854 0 0 0 0 0 58,854 General Government 805,947 2,670 1,079 3,553 0 813,249 Debt Service: Redemption of Principal and Interest 11,115 0 386,020 11,305 0 408,440 Capital Outlay 2,288,499 193,160 387,099 15,767 0 2,884,525 Total Cash Disbursements (65,056) (14,231) (321,403) (15,767) 0 (2,884,525) Total Cash Disbursements (65,0050) 0 0 0 0 0 0 0 0 0 0 0 0				-			
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Current: Current: Security of Persons and Property 1,320.887 134,768 0 0 0 1,455.655 Security of Persons and Property 7,150 0 0 0 0 3,699 Community Environment 7,150 0 0 0 0 58,854 Transportation 78,043 27,613 0 486 0 106,142 General Government 805,947 2,670 1,079 3,553 0 813,249 Debt Service: 805,947 2,670 1,079 3,553 0 484,402 Redemption of Principal and Interest 11,115 0 386,020 11,305 0 486,440 Capital Outlay 2,804 28,109 0 423 0 31,336 Total Cash Disbursements (65,056) (14,231) (321,403) (15,767) 0 2,884,525 Total Receipts / (Disbursements): 7 0 0 0 0 0 285,000 0 0	Total Cash Receipts	2,223,443	178,929	65,696	0	0	2,468,068
Public Health Services 3 689 0 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
Community Environment 7,150 0 0 0 7,150 Basic Utility Service 58,854 0 0 0 0 58,854 Transportation 78,043 27,613 0 486 0 106,142 General Government 805,947 2,670 1,079 3,553 0 813,249 Debt Service: Redemption of Principal and Interest 11,115 0 386,020 11,305 0 408,440 Capital Outlay 2,804 28,109 0 423 0 31,336 Total Cash Disbursements (65,056) (14,231) (321,403) (15,767) 0 (416,457) Other Financing Receipts / (Disbursements): Proceeds from Sale of Public Debt: 0 0 0 0 72,500 Sale of Notes 0 0 0 0 0 72,500 Advances-In (72,500) 0 0 0 0 0 0 0 0 0 0 0 0		,,	134,768	-			
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General Government Debt Service: Redemption of Principal and Interest 805,947 2,670 1,079 3,553 0 813,249 Debt Service: Redemption of Principal and Interest 11,115 0 386,020 11,305 0 408,440 Capital Outlay 2,804 28,109 0 423 0 31,336 Total Cash Disbursements 2,288,499 193,160 387,099 15,767 0 2,884,525 Total Receipts Over/(Under) Disbursements (65,056) (14,231) (321,403) (15,767) 0 (416,457) Other Financing Receipts / (Disbursements): Proceeds from Sale of Notes 0 0 285,000 0 0 285,000 Transfers-Out (72,500) 0 0 0 0 72,500 Advances-In 0 0 0 0 0 0 285,000 Non-Operating Receipts 0 0 0 0 0 0 0 0 0 34,592 Other Financing Receipts 0 0 0			v	•	-	-	/
Debt Service: Redemption of Principal and Interest 11,115 0 386,020 11,305 0 408,440 Capital Outlay 2,804 28,109 0 423 0 31,336 Total Cash Disbursements 2,288,499 193,160 387,099 15,767 0 2,884,525 Other Financing Receipts / Unisbursements (65,056) (14,231) (321,403) (15,767) 0 (416,457) Other Financing Receipts / (Disbursements): Proceeds from Sale of Public Debt: Sale of Notes 0 0 285,000 0 0 285,000 Transfers-In 60,000 0 0 0 0 72,500 Advances-In 0 </td <td></td> <td>-)</td> <td>'</td> <td>-</td> <td></td> <td>-</td> <td> /</td>		-)	'	-		-	/
Redemption of Principal and Interest 11,115 0 386,020 11,305 0 408,440 Capital Outlay 2,804 28,109 0 423 0 31,336 Total Cash Disbursements 2,288,499 193,160 387,099 15,767 0 2,884,525 Total Receipts Over/(Under) Disbursements (65,056) (14,231) (321,403) (15,767) 0 (416,457) Other Financing Receipts / (Disbursements): 0 0 285,000 0 0 285,000 Proceeds from Sale of Public Debt: 0 0 0 0 0 72,500 Transfers-In 60,000 0 0 0 0 72,500 Transfers-Out (72,500) 0 0 0 0 72,500 Advances-Out (5,000) 0 0 0 0 0 5,000 Non-Operating Disbursements 0 0 0 0 34,592 0 0 0 34,592 Other Financing Receipts / (Disbursements) 17,042 5,000 285,000 12,500 8,040 <td></td> <td>005,947</td> <td>2,070</td> <td>1,079</td> <td>3,555</td> <td>0</td> <td>013,249</td>		005,947	2,070	1,079	3,555	0	013,249
Capital Outlay 2,804 28,109 0 423 0 31,336 Total Cash Disbursements 2,288,499 193,160 387,099 15,767 0 2.884,525 Total Receipts Over/(Under) Disbursements (65,056) (14,231) (321,403) (15,767) 0 (416,457) Other Financing Receipts / (Disbursements): 0 0 285,000 0 0 285,000 Proceeds from Sale of Public Debt: 0 0 285,000 0 0 225,000 Transfers-In 60,000 0 0 12,500 0 72,500 Advances-In 0 0 0 0 5,000 0 0 5,000 Non-Operating Receipts 0 0 0 0 190,766 190,76		11.115	0	386.020	11.305	0	408,440
Total Receipts Over/(Under) Disbursements (65,056) (14,231) (321,403) (15,767) 0 (416,457) Other Financing Receipts / (Disbursements): Sale of Notes 0 0 285,000 0 0 285,000 0 285,000 0 285,000 72,500 72,500 72,500 72,500 72,500 72,500 72,500 72,500 72,500 72,500 72,500 72,500 72,500 0 0 0 0 0 0 72,500 <th< td=""><td></td><td>2,804</td><td>28,109</td><td>,</td><td></td><td>0</td><td>31,336</td></th<>		2,804	28,109	,		0	31,336
Other Financing Receipts / (Disbursements): Proceeds from Sale of Public Debt: Sale of Notes 0 0 285,000 0 0 285,000 Transfers-In 60,000 0 0 0 0 72,500 Advances-In 0 5,000 0 0 0 72,500 Advances-Out (72,500) 0 0 0 0 5,000 Non-Operating Receipts 0 0 0 0 0 0 6(5,000) Other Financing Sources 0 0 0 0 0 0 190,766 190,766 Non-Operating Disbursements 0 0 0 0 0 34,592 Other Financing Sources 17,042 5,000 285,000 12,500 8,040 327,582 Excess of Cash Receipts and Other Financing Receipts / (Disbursements) 17,042 5,000 285,000 12,500 8,040 327,582 Excess of Cash Receipts and Other Financing Receipts and Other Financing Receipts over/(Under) Cash Disbursements <td>Total Cash Disbursements</td> <td>2,288,499</td> <td>193,160</td> <td>387,099</td> <td>15,767</td> <td>0</td> <td>2,884,525</td>	Total Cash Disbursements	2,288,499	193,160	387,099	15,767	0	2,884,525
Proceeds from Sale of Public Debt: 0 0 285,000 0 0 285,000 Transfers-In 60,000 0 0 12,500 0 72,500 Advances-Out (72,500) 0 0 0 5,000 0 0 5,000 Advances-In 0 5,000 0 0 0 0 5,000 Advances-Out (5,000) 0 0 0 0 5,000 0 0 5,000 Non-Operating Receipts 0 0 0 0 0 190,766 190,765 162,726) 182,726)	Total Receipts Over/(Under) Disbursements	(65,056)	(14,231)	(321,403)	(15,767)	0	(416,457)
Transfers-In 60,000 0 0 12,500 0 72,500 Transfers-Out (72,500) 0 0 0 0 0 0 72,500 Advances-In 0 5,000 0 0 0 0 0 72,500 Advances-Out (5,000) 0 0 0 0 0 5,000 Non-Operating Receipts 0 0 0 0 190,766 190,766 Non-Operating Disbursements 0 0 0 0 190,766 190,766 Non-Operating Sources 34,592 0 0 0 0 34,592 Other Financing Uses (500) 0 0 0 327,582 Total Other Financing Receipts / (Disbursements) 17,042 5,000 285,000 12,500 8,040 327,582 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements (48,014) (9,231) (36,403) (3,267) 8,040 (88,875) Fund Cash Balances, January 1, 2008 307,175 167,423 36,624 <	Proceeds from Sale of Public Debt:						
Transfers-Out (72,500) 0 0 0 0 (72,500) Advances-In 0 5,000 0 0 0 0 5,000 Advances-Out (5,000) 0 0 0 0 0 0 0 5,000 Non-Operating Receipts 0 0 0 0 0 0 190,766 199,766 Non-Operating Disbursements 0 0 0 0 0 0 182,726) (182,726) Other Financing Sources 34,592 0 0 0 0 344,592 Other Financing Uses (50) 0 0 0 0 34,592 Total Other Financing Receipts / (Disbursements) 17,042 5,000 285,000 12,500 8,040 327,582 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements (48,014) (9,231) (36,403) (3,267) 8,040 (88,875) Fund Cash Balances, January 1, 2008 307,175 167,423 36,624 180,383 236,181 927,786 Fund Cash Balances, December 31, 2							
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Advances-Out (5,000) 0			v				
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Other Financing Sources 34,592 0 0 0 0 34,592 Other Financing Uses			0	0		190,766	
Other Financing Uses (50) 0 0 0 0 0 0 (50) Total Other Financing Receipts / (Disbursements) 17,042 5,000 285,000 12,500 8,040 327,582 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements (48,014) (9,231) (36,403) (3,267) 8,040 (88,875) Fund Cash Balances, January 1, 2008 307,175 167,423 36,624 180,383 236,181 927,786 Fund Cash Balances, December 31, 2008 \$259,161 \$158,192 \$221 \$177,116 \$244,221 \$838,911		-	-	-	-	(182,726)	
Total Other Financing Receipts / (Disbursements) 17,042 5,000 285,000 12,500 8,040 327,582 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements (48,014) (9,231) (36,403) (3,267) 8,040 (88,875) Fund Cash Balances, January 1, 2008 307,175 167,423 36,624 180,383 236,181 927,786 Fund Cash Balances, December 31, 2008 \$259,161 \$158,192 \$221 \$177,116 \$244,221 \$838,911				-			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements (48,014) (9,231) (36,403) (3,267) 8,040 (88,875) Fund Cash Balances, January 1, 2008 307,175 167,423 36,624 180,383 236,181 927,786 Fund Cash Balances, December 31, 2008 \$259,161 \$158,192 \$221 \$177,116 \$244,221 \$838,911	Other Financing Uses	(50)	0	0	0	0	(50)
Receipts Over/(Under) Cash Disbursements (48,014) (9,231) (36,403) (3,267) 8,040 (88,875) And Other Financing Disbursements (48,014) (9,231) (36,403) (3,267) 8,040 (88,875) Fund Cash Balances, January 1, 2008 307,175 167,423 36,624 180,383 236,181 927,786 Fund Cash Balances, December 31, 2008 \$259,161 \$158,192 \$221 \$177,116 \$244,221 \$838,911	Total Other Financing Receipts / (Disbursements)	17,042	5,000	285,000	12,500	8,040	327,582
Fund Cash Balances, December 31, 2008 \$259.161 \$158.192 \$221 \$177.116 \$244.221 \$838.911	Receipts Over/(Under) Cash Disbursements	(48,014)	(9,231)	(36,403)	(3,267)	8,040	(88,875)
	Fund Cash Balances, January 1, 2008	307,175	167,423	36,624	180,383	236,181	927,786
Reserve for Encumbrances, December 31, 2008		\$259.161	\$158.192	\$221	\$177.116	\$244.221	
	Reserve for Encumbrances, December 31, 2008	\$20.904	\$29.211	<u>\$0</u>	\$7.582	<u>\$3.46</u> 0	<u>\$61.157</u>

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

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Woodmere, Cuyahoga County, (the Village) as a body corporate and politic. A publiclyelected seven-member Council directs the Village. The Village provides general governmental services, including police, fire, building inspection and recreation programs.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

STAR Ohio is recorded at share values the mutual fund reports.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008 (Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

<u>Law Enforcement Trust Fund</u> – This fund receives state funding that is used for police department operations.

<u>Fire Levy Fund</u> – This fund receives tax monies that are used for fire department operations.

3. Debt Service Funds

These funds account for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Funds:

<u>General Bond Retirement Fund</u> - This fund received note proceeds from levied property taxes to pay the costs of acquiring certain real estate for Village safety, service, park and recreational purposes.

<u>Special Assessments Retirement Fund</u> – This fund receives special assessment monies from a local business which are used to retire debt service payments for a road project.

4. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

Land Acquisition Fund – This fund receives OPWC monies for sanitary sewer projects.

<u>Roselawn/Avondale Fund</u> – This fund receives OPWC monies for sanitary sewer projects.

Irving Park/Maplecrest Fund – This fund receives OPWC monies to fund road projects.

<u>TCSP Fund</u> – This fund receives federal and local monies to study the Chagrin Corridor project.

5. Fiduciary Funds - Agency Funds

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's Agency Funds account for Mayor's Court and building bond deposit activity.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008 (Continued)

1. Summary of Significant Accounting Policies (Continued)

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 Village 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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2009 and 2008 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.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008 (Continued)

2. Equity in Pooled Deposits and Investments

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

	<u>2009</u>	<u>2008</u>
Demand deposits	\$360,083	\$48,118
Investments:		
STAR Ohio	81,052	210,582
Repurchase agreement	287,696	580,211
Total Investments	368,748	790,793
Total demand deposits and Investments	\$728,831	\$838,911

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. The Village's financial institution transfers securities to the Village's agent to collateralized repurchase agreements. The securities are not in the Village's name.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2009 and December 31, 2008 follows:

2009 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$2,284,455	\$2,225,163	(\$59,292)
Special Revenue	172,087	170,939	(1,148)
Debt Service	401,436	401,436	0
Capital Projects	32,000	352,000	320,000
Agency	197,100	229,033	31,933
Total	\$3,087,078	\$3,378,571	\$291,493

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation	Budgetary	
Fund Type	Authority	Expenditures	Variance
General	\$2,385,473	\$2,278,351	\$107,122
Special Revenue	298,714	225,719	72,995
Debt Service	376,000	374,380	1,620
Capital Projects	467,794	400,606	67,188
Agency	272,485	221,120	51,365
Total	\$3,800,466	\$3,500,176	\$300,290

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008 (Continued)

3. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$2,294,062	\$2,318,035	\$23,973
Special Revenue	212,607	178,929	(33,678)
Debt Service	351,570	350,696	(874)
Capital Projects	14,130	12,500	(1,630)
Agency	179,015	190,766	11,751
Total	\$3,051,384	\$3,050,926	(\$458)

2008 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation	Budgetary	
Fund Type	Authority	Expenditures	Variance
General	\$2,400,561	\$2,381,953	\$18,608
Special Revenue	328,570	222,371	106,199
Debt Service	387,100	387,099	1
Capital Projects	142,401	23,349	119,052
Agency	324,892	186,186	138,706
Total	\$3,583,524	\$3,200,958	\$382,566

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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. Local Income Tax

The Village levies a municipal income tax of two 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.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008 (Continued)

6. Debt

Debt outstanding at December 31, 2009 was as follows:

<u>Principal</u>	Interest Rate
\$45,000	0 %
32,340	0 %
270,000	6 %
1,128,088	4.1% thru 2014 and 5.5% thereafter
<u>\$1,475,428</u>	
	\$45,000 32,340 270,000 <u>1,128,088</u>

The Ohio Public Works Commission (OPWC) loans relate to sanitary sewer projects. The loans will be repaid in annual installments of \$11,305, interest free, over 20 years. The special assessment bonds were issued on October 1, 2005 and mature on September 30, 2024. The bonds will be paid by residents benefiting from the improvements. The general obligation note will be repaid in one year.

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

			Special Assessment	
Year Ending 31-Dec	OPWC Loan 1	OPWC Loan 2	Bond	Total
2010	\$3,750	\$1,905	\$107,535	\$113,190
2011	7,500	3,805	105,485	116,790
2012	7,500	3,805	108,435	119,740
2013	7,500	3,805	106,180	117,485
2014	7,500	3,805	148,925	160,230
2015-2019	11,250	15,215	533,925	560,390
2020-2024			550,025	550,025
Total	\$45,000	\$32,340	\$1,660,510	\$1,737,850

7. Retirement Systems

The Village's certified Fire Fighters and full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OP&F participants contributed 10 percent of their wages. For 2009 and 2008, the Village contributed to OP&F an amount equal to 19.5 percent police participants and 24 percent of fire participant wages, respectively. For 2009 and 2008, OPERS members contributed 10 percent of their gross salaries and the Village contributed an amount equal to 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2009.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008 (Continued)

8. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Risk Pool Membership

The Village belongs to the Ohio Government Risk Management Pool (the "Plan"), a nonassessable, unincorporated non-profit association providing a formalized, joint administered selfinsurance risk management program and other administrative services to over 550 Ohio governments ("Members").

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 coverages, 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 the Plan retains the lesser of 15 percent or \$37,500 of casualty losses and the lesser of 10 percent or \$100,000 of property losses. 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 occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and December 31, 2008:

	2009	2008
Assets	\$11,176,186	\$10,471,114
Liabilities	(4,852,485)	(5,286,781)
Member's Equity	\$6,323,701	\$5,184,333

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, <u>www.ohiopaln.org</u>

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008 (Continued)

9. Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.



Mary Taylor, CPA Auditor of State

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

Village of Woodmere Cuyahoga County 27899 Chagrin Boulevard Woodmere, Ohio 44122

To Members of the Village Council:

We have audited the financial statements of the Village of Woodmere, Cuyahoga County, (the Village) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated December 21, 2010 wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Village of Woodmere Cuyahoga County Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Page 2

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated December 21, 2010.

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

Mary Jaylor

Mary Taylor, CPA Auditor of State

December 21, 2010





VILLAGE OF WOODMERE

CUYAHOGA 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 Babbett

CLERK OF THE BUREAU

CERTIFIED JANUARY 13, 2011

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