

Financial Statements

**VILLAGE OF ELMWOOD PLACE**

Years ended December 31, 2004 and 2003

FLYNN & COMPANY PSC, INC.

*Certified Public Accountants*





**Auditor of State  
Betty Montgomery**

Village Council  
Village of Elmwood Place  
6118 Vine St.  
Elmwood Place, OH 45216

We have reviewed the *Independent Auditors' Report* of the Village of Elmwood Place, Hamilton County, prepared by Flynn & Company PSC, Inc., for the audit period January 1, 2003 through December 31, 2004. 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 Elmwood Place is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

December 2, 2005

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VILLAGE OF ELMWOOD PLACE

FINANCIAL STATEMENTS

Years ended December 31, 2004 and 2003

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## INDEPENDENT AUDITORS' REPORT

Mayor and Members of Council  
Village of Elmwood Place  
Hamilton County, Ohio

We have audited the accompanying financial statements of the Village of Elmwood Place, Hamilton County, Ohio (the Village) as of and for the years ended December 31, 2004 and 2003. 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*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004, the revisions require presenting entity-wide statements and presenting its larger (i.e. major) funds separately for 2004. 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, governments to reformat their statements. The Village has elected not to reformat its statements. Since this 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 year ended December 31, 2004 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, 2004, or its changes in financial position or cash flows for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material aspects, the combined fund cash balances and reserves for encumbrances of the Village of Elmwood Place, Hamilton

County, Ohio as of December 31, 2004 and 2003, 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, 2004. 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 August 24, 2005 on our consideration of the Village's internal control over financial reporting and our tests of 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* and should be read in conjunction with this report in considering the results of our engagement.

***Flynn & Company PSC, Inc.***

August 24, 2005

**VILLAGE OF ELMWOOD PLACE  
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, 2004**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	
<b>Cash receipts</b>					
Property and other local taxes	\$ 320,445	\$ 79,930	\$ -	\$ -	\$ 400,375
Municipal income taxes	323,179	-	-	-	323,179
Intergovernmental receipts	66,228	103,857	-	-	170,085
Charges for services	39,750	-	-	-	39,750
Fines, licenses, and permits	91,100	8,630	-	-	99,730
Earnings on investments	548	-	-	-	548
Miscellaneous	<u>18,983</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>19,045</u>
Total cash receipts	860,233	192,479	-	-	1,052,712
<b>Cash disbursements</b>					
Current:					
Security of persons and property	359,666	113,994	-	-	473,660
Public health services	1,426	-	-	-	1,426
Leisure time activities	15,654	-	-	-	15,654
Basic utility services	82,252	-	-	-	82,252
Transportation	442	59,842	-	-	60,284
General government	<u>361,654</u>	<u>2,055</u>	<u>-</u>	<u>-</u>	<u>363,709</u>
Total cash disbursements	<u>821,094</u>	<u>175,891</u>	<u>-</u>	<u>-</u>	<u>996,985</u>
Total cash receipts over/ (under) cash disbursements	39,139	16,588	-	-	55,727
<b>Other financing receipts/(disbursements)</b>					
Transfers-in	-	-	-	-	-
Transfers-out	-	-	-	-	-
Other financing sources	32,827	-	-	-	32,827
Other financing uses	<u>(6,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,000)</u>
Total other financing receipts (disbursements)	<u>26,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,827</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements	65,966	16,588	-	-	82,554
Fund cash balances, January 1, 2004	<u>21,504</u>	<u>98,723</u>	<u>-</u>	<u>405</u>	<u>120,632</u>
Fund cash balances, December 31, 2004	\$ <u><u>87,470</u></u>	\$ <u><u>115,311</u></u>	\$ <u><u>-</u></u>	\$ <u><u>405</u></u>	\$ <u><u>203,186</u></u>
Reserve for encumbrances, December 31, 2004	\$ <u><u>670</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

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



**VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES-AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Non-Operating Cash Receipts:	
Other Non-Operating Receipts	\$ <u>88,021</u>
Total Non-Operating Cash Receipts	88,021
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	<u>104,856</u>
Total Non-Operating Cash Disbursements	<u>104,856</u>
Net Disbursements Over Receipts	(16,835)
Fund Cash Balances, January 1, 2004	<u>62,155</u>
Fund Cash Balances, December 31, 2004	\$ <u><u>45,320</u></u>
Reserve for Encumbrances, December 31, 2004	\$ <u><u>-</u></u>

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

**VILLAGE OF ELMWOOD PLACE  
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, 2003**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash receipts</b>					
Property and other local taxes	\$ 331,872	\$ 70,922	\$ -	\$ -	\$ 402,794
Municipal income taxes	342,660	-	-	-	342,660
Intergovernmental receipts	57,209	84,330	-	-	141,539
Charges for services	43,170	-	-	-	43,170
Fines, licenses, and permits	124,413	10,958	-	-	135,371
Earnings on investments	937	-	-	-	937
Miscellaneous	<u>101,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,396</u>
Total cash receipts	1,001,657	166,210	-	-	1,167,867
<b>Cash disbursements</b>					
Current:					
Security of persons and property	431,820	171,406	-	-	603,226
Public health services	1,711	-	-	-	1,711
Leisure time activities	11,862	-	-	-	11,862
Basic utility services	74,937	-	-	-	74,937
Transportation	85,182	80,015	-	-	165,197
General government	<u>419,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>419,691</u>
Total cash disbursements	<u>1,025,203</u>	<u>251,421</u>	<u>-</u>	<u>-</u>	<u>1,276,624</u>
Total cash receipts over/ (under) cash disbursements	(23,546)	(85,211)	-	-	(108,757)
<b>Other financing receipts/(disbursements)</b>					
Transfers-in	50,000	50,000	-	-	100,000
Transfers-out	(50,000)	(50,000)	-	-	(100,000)
Other financing sources	41,860	-	-	-	41,860
Other financing uses	<u>(20,648)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,648)</u>
Total other financing receipts/(disbursements)	<u>21,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,212</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements	(2,334)	(85,211)	-	-	(87,545)
Fund cash balances, January 1, 2003, restated	<u>23,838</u>	<u>183,934</u>	<u>-</u>	<u>405</u>	<u>208,177</u>
Fund cash balances, December 31, 2003	\$ <u>21,504</u>	\$ <u>98,723</u>	\$ <u>-</u>	\$ <u>405</u>	\$ <u>120,632</u>
Reserve for encumbrances, December 31, 2003	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

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

**VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES-AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2003**

Non-Operating Cash Receipts:	
Other Non-Operating Receipts	\$ <u>117,292</u>
Total Non-Operating Cash Receipts	117,292
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	<u>133,977</u>
Total Non-Operating Cash Disbursements	<u>133,977</u>
Net Disbursements Over Receipts	(16,685)
Fund Cash Balances, January 1, 2003	<u>78,840</u>
Fund Cash Balances, December 31, 2003	\$ <u><u>62,155</u></u>
Reserve for Encumbrances, December 31, 2003	\$ <u><u>-</u></u>

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

**VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Village of Elmwood Place, Hamilton County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly elected six-member Council. The Village provides general governmental services, park operations (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 Ohio 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 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 Ohio Auditor of State.

C. Cash and Investments

Certificates of deposit and the money fund accounts are valued at cost.

D. Fund Accounting

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

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

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:

Street Construction, Maintenance and Repair Fund-This fund receives gasoline tax and motor vehicle tax money 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.

Debt Service Fund

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

Bond Retirement Fund – This fund is established to pay the principal and interest of any debt. As of December 31, 2004, this fund is not being used.

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:

Road Improvement Fund-The Village received a grant from the State of Ohio for the improvement of roads.

Fiduciary Funds

Trust funds are used to account for resources restricted by legally binding trust agreements. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Fiduciary Funds:

**VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

Fiduciary Funds (Continued)

Payroll Trust Fund (agency fund) –this fund receives transfers from other funds in order to account for the payroll expenditures of the Village.

Mayor’s Court (agency fund) – This fund receives fines and forfeitures money to be distributed to the Village and to the State.

E. Budgetary Process

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

Appropriations

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

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.

Encumbrances

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

A summary of 2004 and 2003 budgetary activity appears in Note 3.

**VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

1. Summary of Significant Accounting Policies (Continued)

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Full time and permanent part time clerical employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as leaving employment. Unpaid vacation and sick leaves are not reflected as liabilities under the cash basis of accounting used by the Village.

2. Equity in Deposits

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

	<u>2004</u>	<u>2003</u>
Demand deposits	<u>\$248,506</u>	<u>\$182,787</u>

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

**VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2004 and 2003 were as follows:

Fund Type *	2004 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 967,519	\$ 893,060	\$ (74,459)
Special Revenue	168,998	192,479	23,481
Debt Service	-	-	-
Capital Projects	-	-	-
Total	\$ <u>1,136,517</u>	\$ <u>1,085,539</u>	\$ <u>(50,978)</u>

Fund Type *	2004 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 887,050	\$ 827,094	\$ 59,956
Special Revenue	224,413	175,891	48,522
Debt Service	-	-	-
Capital Projects	406	-	406
Total	\$ <u>1,111,869</u>	\$ <u>1,002,985</u>	\$ <u>108,884</u>

\* Does not include agency fund.

Fund Type *	2003 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,048,100	\$ 1,093,517	\$ 45,417
Special Revenue	154,600	216,210	(61,610)
Debt Service	-	-	-
Capital Projects	-	-	-
Total	\$ <u>1,202,700</u>	\$ <u>1,309,727</u>	\$ <u>(16,193)</u>

Fund Type *	2003 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,071,900	\$ 1,095,851	\$ (23,951)
Special Revenue	326,350	301,421	24,929
Debt Service	-	-	-
Capital Projects	-	-	-
Total	\$ <u>1,398,250</u>	\$ <u>1,397,272</u>	\$ <u>978</u>

\*Does not include agency fund.



**VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

5. Local Income Taxes

The Village levies a municipal income tax of 2 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 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. Municipal income tax collected by the Village in 2004 and 2003 amounted to \$323,177 and \$342,660, respectively.

6. Retirement Systems

The Village's law enforcement officers and firefighters belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2004 and 2003, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2003 and 2004, respectively.

**VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

7. Risk Management

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool), an unincorporated non-profit association available to municipal corporations and their instrumentalities. Pursuant to Section 2744.081 of the Ohio Revised Code, the Pool is deemed a separate legal entity. The Pool provides a program of property and casualty insurance for its members. The Pool assumes the risk of loss up to the limits of the Village's policy and pays judgments, settlements, and other expenses resulting from claims that exceed their members' deductibles. The following risks are covered by the plan:

- General liability and casualty
- Public official's liability
- Vehicle
- Comprehensive property and general liability.

The Village also provides health insurance, dental and vision coverage to full-time employees.

8. Deferred Compensation Assets

Certain employees may elect to participate in the Ohio Deferred Compensation Program (the Program). Amounts withheld from these employees are tax deferred, and are invested by the Program, as directed by the employees.

9. Concentration of Risk

The Village maintains its cash in bank accounts, which, at times, may exceed the federally insured limits. The Village has not experienced any losses in such accounts. The amount in excess of the insurance coverage was \$148,506 at December 31, 2004.

10. Other

Included in Miscellaneous cash receipts in 2003 are proceeds of \$89,073 from the sale of the Village's shares of Anthem, Inc. stock.

11. Restatement

Beginning of the year 2003 cash balances have been restated for corrections to previously reported balances. The General Fund balance was decreased by \$16,577 and the Special Revenue Fund balance was increased by \$44,404.

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

Mayor and Members of Council  
Village of Elmwood Place  
Hamilton County, Ohio

We have audited the statements of cash receipts, cash disbursements and changes in fund cash balances of the Village of Elmwood Place, Hamilton County, Ohio, (the Village), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated August 24, 2005. 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 engagement, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We have noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Village in a separate letter dated August 24, 2005.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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

***Flynn & Company PSC, Inc.***

August 24, 2005





**Auditor of State  
Betty Montgomery**

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**VILLAGE OF ELMWOOD PLACE  
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  
DECEMBER 15, 2005**