

**VILLAGE OF CLEVES
HAMILTON COUNTY
REGULAR AUDIT**

for the years ended December 31, 2007 and 2006



Mary Taylor, CPA
Auditor of State

Members of Council
Village of Cleves
101 North Miami Avenue
Cleves, Ohio 45002

We have reviewed the *Independent Auditor's Report* of the Village of Cleves, Hamilton County, prepared by Foxx & Company, for the audit period January 1, 2006 through December 31, 2007. 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.

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 Cleves is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 12, 2008

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HAMILTON COUNTY
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INDEPENDENT AUDITORS' REPORT

Village of Cleves Hamilton County
101 North Miami Avenue
Cleves, Ohio 45002

To the Village Council:

We have audited the accompanying financial statements of the Village of Cleves, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Village has prepared its financial statements using accounting practices the Ohio 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 accounting principles generally accepted in the United States of America, we presume the effects 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, 2007 and 2006. Instead of the combined funds the accompanying financial statements present for

2007 and 2006, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2007 and 2006. 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 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 the Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts report 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 paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of Cleves' combined funds as of December 31, 2007 and 2006, 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 the Village of Cleves as of December 31, 2007 and 2006, 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 require the Village to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. 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 June 27, 2008 on our consideration of the Village of Cleves' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant and other matters. The purpose of that report is to describes 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 read in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink that reads "Fox & Company". The signature is written in a cursive, flowing style.

Cincinnati, Ohio
June 27, 2008

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:					
Property Tax and Other Local Taxes	\$ 517,182	\$ 114,904	\$ -	\$ -	\$ 632,086
Intergovernmental Receipts	163,706	113,477	-	452,139	729,322
Charges for Services	48,940	3,431	-	-	52,371
Fines, Licenses, and Permits	113,913	448	-	-	114,361
Earnings on Investments	36,001	595	-	-	36,596
Miscellaneous	35,790	32,893	-	-	68,683
Total Cash Receipts	<u>915,532</u>	<u>265,748</u>	<u>-</u>	<u>452,139</u>	<u>1,633,419</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	518,049	200,153	-	-	718,202
Public Health Services	2,670	-	-	-	2,670
Leisure Time Activities	3,000	25,922	-	-	28,922
Community Environment	15,164	-	-	-	15,164
Transportation	11,699	167,315	-	-	179,014
General Government	257,386	15,660	-	-	273,046
Debt Service:					
Principal Payments	533,866	34,168	-	125,000	693,034
Interest Payments	25,045	1,824	-	-	26,869
Capital Outlay	25,611	-	-	633,673	659,284
Total Cash Disbursements	<u>1,392,490</u>	<u>445,042</u>	<u>-</u>	<u>758,673</u>	<u>2,596,205</u>
Total Receipts Under Disbursements	<u>(476,958)</u>	<u>(179,294)</u>	<u>-</u>	<u>(306,534)</u>	<u>(962,786)</u>
Other Financing Receipts and (Disbursements):					
Sale of Bonds	452,646	-	-	-	452,646
Sale of Notes	125,000	122,460	-	261,683	509,143
Transfers-In	-	12,500	-	-	12,500
Transfers-Out	(12,500)	-	-	-	(12,500)
Advances - In	50,000	-	-	50,000	100,000
Advances - Out	(50,000)	-	-	(50,000)	(100,000)
Total Other Financing Receipts/(Disbursements)	<u>565,146</u>	<u>134,960</u>	<u>-</u>	<u>261,683</u>	<u>961,789</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	88,188	(44,334)	-	(44,851)	(997)
Fund Cash Balances, January 1	277,098	131,183	-	53,318	461,599
Fund Cash Balances, December 31	<u>\$ 365,286</u>	<u>\$ 86,849</u>	<u>\$ -</u>	<u>\$ 8,467</u>	<u>460,602</u>
Reserves for Encumbrances, December 31	\$ 9,022	\$ 1,889	\$ -	\$ -	\$ 10,911

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

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 864,775	\$ 544,594	\$ 1,409,369
Fines, Licenses and Permits	1,564	-	1,564
Total Operating Cash Receipts	<u>866,339</u>	<u>544,594</u>	<u>1,410,933</u>
Operating Cash Disbursements:			
Personal Services	228,593	-	228,593
Fringe Benefits	85,289	-	85,289
Contractual Services	219,751	538,491	758,242
Supplies and Materials	166,907	-	166,907
Capital Outlay	27,060	-	27,060
Total Operating Cash Disbursements	<u>727,600</u>	<u>538,491</u>	<u>1,266,091</u>
Operating Income/(Loss)	<u>138,739</u>	<u>6,103</u>	<u>144,842</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts	-	82,146	82,146
Total Non-Operating Cash Receipts	<u>-</u>	<u>82,146</u>	<u>82,146</u>
Non-Operating Cash Disbursements:			
Debt Service:			
Principal Payments	26,892	-	26,892
Interest Payments	54,785	-	54,785
Other Non-Operating Cash Disbursements	-	87,836	87,836
Total Non-Operating Cash Disbursements	<u>81,677</u>	<u>87,836</u>	<u>169,513</u>
Net Receipts Over/(Under) Disbursements	57,062	413	57,475
Fund Cash Balances, January 1	102,429	64,347	166,776
Fund Cash Balances, December 31	<u>\$ 159,491</u>	<u>\$ 64,760</u>	<u>\$ 224,251</u>
Reserve for Encumbrances, December 31	<u>\$ 17,999</u>	<u>\$ -</u>	<u>\$ 17,999</u>

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

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:					
Property Tax and Other Local Taxes	\$ 480,576	\$ 109,044	\$ -	\$ -	\$ 589,620
Intergovernmental Receipts	134,226	107,186	-	233,591	475,003
Charges for Services	42,941	3,816	-	-	46,757
Fines, Licenses, and Permits	134,901	2,217	-	-	137,118
Earnings on Investments	31,135	578	-	-	31,713
Miscellaneous	31,677	29,839	-	-	61,516
Total Cash Receipts	<u>855,456</u>	<u>252,680</u>	<u>-</u>	<u>233,591</u>	<u>1,341,727</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	489,743	29,070	-	-	518,813
Public Health Services	2,457	-	-	-	2,457
Leisure Time Activities	3,000	30,312	-	-	33,312
Community Environment	9,052	-	-	-	9,052
Transportation	5,000	151,231	-	-	156,231
General Government	237,193	-	-	-	237,193
Debt Service:					
Principal Payments	539,315	39,466	-	6,544	585,325
Interest Payments	18,460	3,477	-	-	21,937
Capital Outlay	25,856	-	-	261,693	287,549
Total Cash Disbursements	<u>1,330,076</u>	<u>253,556</u>	<u>-</u>	<u>268,237</u>	<u>1,851,869</u>
Total Receipts Under Disbursements	<u>(474,620)</u>	<u>(876)</u>	<u>-</u>	<u>(34,646)</u>	<u>(510,142)</u>
Other Financing Receipts and (Disbursements):					
Sale of Bonds	374,000	-	-	-	374,000
Sale of Notes	125,000	-	-	-	125,000
Other Debt Proceeds	25,856	-	-	-	25,856
Sale of Fixed Assets	-	-	-	-	-
Transfers-In	-	4,500	-	-	4,500
Transfers-Out	(4,500)	-	-	-	(4,500)
Other Financing Uses	-	-	-	-	-
Total Other Financing Receipts/(Disbursements)	<u>520,356</u>	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>524,856</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	45,736	3,624	-	(34,646)	14,714
Fund Cash Balances, January 1	<u>231,362</u>	<u>127,559</u>	<u>-</u>	<u>87,964</u>	<u>446,885</u>
Fund Cash Balances, December 31	<u>\$ 277,098</u>	<u>\$ 131,183</u>	<u>\$ -</u>	<u>\$ 53,318</u>	<u>\$ 461,599</u>
Reserves for Encumbrances, December 31	<u>\$ 8,995</u>	<u>\$ 2,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,226</u>

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

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

Charges for Services	\$ 636,391	\$ 483,893	\$ 1,120,284
Fines, Licenses and Permits	1,698	-	1,698
Total Operating Cash Receipts	<u>638,089</u>	<u>483,893</u>	<u>1,121,982</u>
Operating Cash Disbursements:			
Personal Services	210,013	-	210,013
Fringe Benefits	88,429	-	88,429
Contractual Services	185,207	484,948	670,155
Supplies and Materials	139,878	-	139,878
Total Operating Cash Disbursements	<u>623,527</u>	<u>484,948</u>	<u>1,108,475</u>
Operating Income/(Loss)	<u>14,562</u>	<u>(1,055)</u>	<u>13,507</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts	-	115,440	115,440
Total Non-Operating Cash Receipts	<u>-</u>	<u>115,440</u>	<u>115,440</u>
Non-Operating Cash Disbursements:			
Debt Service:			
Principal Payments	25,261	-	25,261
Interest Payments	55,993	-	55,993
Other Non-Operating Cash Disbursements	-	119,296	119,296
Total Non-Operating Cash Disbursements	<u>81,254</u>	<u>119,296</u>	<u>200,550</u>
Income before operating transfers	<u>(66,692)</u>	<u>(4,911)</u>	<u>(71,603)</u>
Transfers-In	40,000	-	-
Transfers-Out	(40,000)	-	-
Net Receipts Over/(Under) Disbursements	(66,692)	(4,911)	(71,603)
Fund Cash Balances, January 1	<u>169,121</u>	<u>69,258</u>	<u>238,379</u>
Fund Cash Balances, December 31	<u>\$ 102,429</u>	<u>\$ 64,347</u>	<u>\$ 166,776</u>
Reserve for Encumbrances, December 31	<u>\$ 22,453</u>	<u>\$ -</u>	<u>\$ 22,453</u>

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

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Cleves, 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 water and sewer utilities, park operations, and police. The Village appropriates general fund money to support a volunteer fire department.

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 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.

The Village's money market fund is recorded at amounts reported by PNC Bank. Investments in STAR Ohio (the State Treasurer's investment pool) are recorded at amounts reported by the State Treasurer.

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:

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

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 Fund

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

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

Municipal Road Fund - This fund receives intergovernmental revenue from Hamilton County and is used for construction, maintenance, and repair of Village streets.

Fire Levy Service Fund - This fund receives tax revenue to operate the Village Fire Department.

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

Timberline Street Project - This fund received note proceeds for the reconstruction of the street.

State Issue II Fund - This fund receives state grant money for street renovations.

Other Capital Projects - This fund received note proceeds for park improvements.

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

5. Enterprise Funds

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

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

Garbage and Trash Collection Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

6. Fiduciary Funds (Trust and Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Metropolitan Sewer District Agency Fund – This fund received charges for services from residents to cover the cost of providing sewer service. The Village bills and collects this money from residents. Quarterly the Village is billed by the Metropolitan Sewer District. The Village received a seven percent administrative fee for the billing/collecting process.

Mayor's Court Fund – This fund is used to account for the collection and distribution of fines and forfeitures.

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, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

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 in the subsequent year. The Village encumbered all commitments outstanding at December 31, 2007.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2007</u>	<u>2006</u>
Demand deposits	\$ 502,244	\$ 446,404
Total deposits	<u>502,244</u>	<u>446,404</u>
Money Market	41,800	41,162
STAR Ohio	<u>140,809</u>	<u>140,809</u>
Total investments	<u>182,609</u>	<u>181,971</u>
Total deposits and investments	<u>\$ 684,853</u>	<u>\$ 628,375</u>

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

Investments: Investments in STAR Ohio and money market funds are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 1,320,311	\$ 1,543,178	\$ (222,867)
Special Revenue	363,845	400,708	(36,863)
Capital Projects	748,321	763,822	(15,501)
Enterprise	810,111	866,339	(56,228)
Total	<u>\$ 3,242,588</u>	<u>\$ 3,574,047</u>	<u>\$ (331,459)</u>

2006 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 1,205,029	\$ 1,380,312	(175,283)
Special Revenue	240,487	257,180	(16,693)
Capital Projects	320,000	233,591	86,409
Enterprise	693,006	678,089	14,917
Total	<u>\$ 2,458,522</u>	<u>\$ 2,549,172</u>	<u>\$ (90,650)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 1,552,317	\$ 1,464,012	\$ 88,305
Special Revenue	523,906	446,931	76,975
Capital Projects	832,640	808,673	23,967
Enterprise	912,540	827,276	85,264
Total	<u>\$ 3,821,403</u>	<u>\$ 3,546,892</u>	<u>\$ 274,511</u>

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

2006 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 1,434,695	\$ 1,343,571	\$ 91,124
Special Revenue	388,287	255,787	132,500
Capital Projects	407,964	268,237	139,727
Enterprise	<u>820,921</u>	<u>767,234</u>	<u>53,687</u>
Total	<u>\$ 3,051,867</u>	<u>\$ 2,634,829</u>	<u>\$ 417,038</u>

Contrary to Ohio law, the availability of funds was not certified in certain commitments.

4. PROPERTY TAX

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

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

5. DEBT/LEASE

Debt outstanding at December 31, 2007 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	\$ 817,029	6.41%
Timberline Road Bond Anticipation Note	65,000	4.14%
Park Improvement Bond Anticipation Note	290,000	3.74%
Road Improvement Bond Anticipation Note	71,683	3.55%
Westgate Street Improvement Bond Anticipation Note	190,000	3.95%
Ford F250 Truck Loan	5,979	3.25%
Ford Expedition Loan	12,799	6.00%
Police Cruiser Bonds, Series 2006	17,585	4.15%
Fire and Emergency Medical Services Tax Anticipation Note, Series 2007	122,460	3.97%
Police Cruiser Bonds, Series 2007	26,035	3.97%
Vehicle Acquisition Bonds, Series 2007	46,000	3.75%
Vehicle Acquisition Bonds, Series 2007	<u>25,611</u>	3.79%
Total	<u>\$ 1,690,181</u>	

The Ohio Water Development Authority (OWDA) loan agreement dated March 13, 2000 was originally in the amount of \$1,000,000 however, on March 31, 2003 OWDA credited the Village's account to reflect the amount actually borrowed for the new water plant construction project of \$941,229. The loan was being repaid from July 3, 2001 through March 31, 2003 in semiannual installments of \$40,391 based on the financed amount of \$1,000,000. Beginning April 1, 2003 the loan is being repaid in semiannual installments of \$38,018, including interest, over 25 years. The loan is collateralized by water receipts. The Village has agreed to set water rates sufficient to cover OWDA debt service requirements.

On June 19, 2006, the Village retired a previously issued \$75,000 Timberline Road Bond Anticipation Note and issued a new \$70,000 Timberline Road Bond Anticipation Note at the rate of 3.92%. On June 18, 2007, the Village refunded the \$70,000 note and issued a new note for \$65,000 at a rate of 4.14% with a maturity date of June 18, 2008. The note was issued to pay part of the cost of improvements to the road. The full, faith, credit, and revenue of the Village are pledged as collateral.

On August 22, 2006, the Village retired a previously issued \$400,000 Park Improvement Bond Anticipation Note and issued a new \$304,000 Park Improvement Bond Anticipation Note at a rate of 4.00%. On August 22, 2007, the Village refunded the \$304,000 note and issued a new note for \$290,000 at a rate of 3.74% with the maturity date of August 22, 2007. The note was issued to pay part of the improvements to the Village Park. The full, faith, credit, and revenue of the Village are pledged as collateral.

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

On April 6, 2006, the Village retired a previously issued \$125,000 Road Improvement Bond Anticipation Note and issued a new \$125,000 Road Improvement Bond Anticipation Note at a rate of 4.12%. On March 30, 2007, the Village refunded the \$125,000 note and issued a new note for \$125,000 at a rate of 4.59% with the maturity date of October 3, 2007. On October 2, 2007, the Village refunded the \$125,000 note and issued a new note for \$71,682.86 at a rate of 3.55% with the maturity date of October 1, 2008. The note was issued to acquire financing for Westgate Drive Geotechnical Study, Main Street Reconstruction and State Route 264 Improvements in the Village. The full, faith, credit, and revenue of the Village are pledged as collateral.

The \$190,000 Westgate Street Improvement Project Bond Anticipation Note is dated August 7, 2007, and matures August 6, 2008. The note was issued to pay part of the cost of improvements to Westgate Street. The full, faith, credit, and revenue of the Village are pledged as collateral.

The Ford F250 Truck Loan was entered into on May 24, 2004 in the amount of \$20,000 with a maturity date of May 24, 2009. The proceeds of the loan were used to purchase a 2004 Ford F250 Truck. The loan is being repaid in monthly installments of \$362, including interest. The loan is collateralized by this vehicle.

The Ford Expedition Loan was entered into on August 16, 2005 in the amount of \$22,489 with a maturity date of August 19, 2010. The proceeds of the loan were used to purchase a 2005 Ford Expedition. The loan will be repaid in 60 monthly installments of \$436, including interest. The loan is unsecured.

The \$25,856 Police Cruiser Bonds, Series 2006 is dated August 17, 2006, and matures August 17, 2009. The bond was issued for the purpose of purchasing a police cruiser and equipment. The full, faith, credit, and revenue of the Village are pledged as collateral.

The \$122,460 Fire and Emergency Medical Services Tax Anticipation Notes, Series 2007 is dated May 23, 2006, and matures May 23, 2011. The note was issued for the purpose of providing and maintaining fire apparatus, appliances, buildings or sites; sources of water supply or materials; establishment and maintenance of fire alarm telegraph; the payment of permanent, part-time, or volunteer firefighters, or firefighting companies to operate the same, the payment of firefighter employers' contribution required under section 742.34 of the Ohio Revised Code; the purchase of ambulance equipment, or the provision of ambulance, paramedic, or other emergency medical services operated by a fire department or firefighting company within the Village. The full, faith, credit, and revenue of the Village are pledged as collateral.

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

The \$26,035 Police Cruiser Bonds, Series 2007 is dated March 28, 2007, and matures March 26, 2010. The bond was issued for the purpose of purchasing a police cruiser and equipment. The full, faith, credit, and revenue of the Village are pledged as collateral.

The \$46,000 Vehicle Acquisition Bonds, Series 2007 is dated March 28, 2007, and matures March 26, 2010. The bond was issued for the purpose of purchasing a police cruiser and equipment. The full, faith, credit, and revenue of the Village are pledged as collateral.

The \$25,611 Vehicle Acquisition Bonds, Series 2007 is dated February 27, 2007, and matures February 1, 2012. The bond was issued for the purpose of purchasing a police cruiser and equipment. The full, faith, credit, and revenue of the Village are pledged as collateral.

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

	<u>OWDA Loan</u>	<u>Timberline Road Note</u>	<u>Park Improvement Note</u>	<u>Road Improvement Note</u>
Year ending December 31:				
2008	\$ 76,036	\$ 67,691	\$ 300,846	\$ 74,228
2009	76,036	-	-	-
2010	76,036	-	-	-
2011	76,036	-	-	-
2012	76,036	-	-	-
2013 - 2017	380,179	-	-	-
2018 - 2022	380,179	-	-	-
2023 - 2027	<u>266,122</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,406,660</u>	<u>\$ 67,691</u>	<u>\$ 300,846</u>	<u>\$ 74,228</u>

	<u>Westgate Street Improvement Note</u>	<u>Ford F250 Truck</u>	<u>Ford Expedition</u>	<u>Police Cruiser Bonds Series 2006</u>
Year ending December 31:				
2008	\$ 197,505	\$ 4,345	\$ 5,228	\$ 9,344
2009	-	1,780	5,228	9,343
2010	-	-	3,421	-
2011	-	-	-	-
2012	-	-	-	-
2013 - 2017	-	-	-	-
2018 - 2022	-	-	-	-
2023 - 2027	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 197,505</u>	<u>\$ 6,125</u>	<u>\$ 13,877</u>	<u>\$ 18,687</u>

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

	Fire and Emergency Medical Services Note	Police Cruiser Bonds Series 2007	Vehicle Acquisition Bonds Series 2007	Vehicle Acquisition Bonds Series 2007	Totals
Year ending December 31:					
2008	\$ 35,477	\$ 9,372	\$ 10,260	\$ 5,629	\$ 795,961
2009	34,261	9,372	10,260	5,625	151,905
2010	33,046	9,378	10,261	5,622	137,764
2011	31,830	-	10,260	5,618	123,744
2012	-	-	10,261	5,615	91,912
2013 - 2017	-	-	-	-	380,179
2018 - 2022	-	-	-	-	380,179
2023 - 2027	-	-	-	-	266,122
Total	<u>\$ 134,614</u>	<u>\$ 28,122</u>	<u>\$ 51,302</u>	<u>\$ 28,109</u>	<u>\$ 2,327,766</u>

6. RETIREMENT SYSTEMS

The Village's full-time law enforcement officers belong to the Ohio Police and 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 postretirement 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 2007 and 2006, OP&F participants contributed 10 percent of their wages. The Village contributed an amount equal to 19.5 percent of police participant wages. OPERS members contributed 9.5 percent of their wages for 2007. The Village contributed an amount equal to 13.85 percent of participants' gross salaries for 2007. The Village has paid all contributions required through December 31, 2007.

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

7. RISK MANAGEMENT

The Village belongs to the Public Entities Pool of Ohio, (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). The Village pays an annual contribution to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

PEP retains casualty risk up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate year. Governments can elect additional coverage from \$2,000,000 with General Reinsurance Corporation, through contracts with PEP. If losses exhaust PEP'S retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Beginning in 2005, Travelers Indemnity Company reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 (latest information available) was \$1,901,127.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective Village. Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Members may withdraw on each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus the subsequent year's premium. Also upon withdrawal, payments for all property and casualty claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

**VILLAGE OF CLEVES
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006**

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

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$ 30,997,868	\$ 29,719,675
Liabilities	<u>(15,875,741)</u>	<u>(15,994,168)</u>
Retained Earnings	<u>\$ 15,122,127</u>	<u>\$ 13,725,507</u>
<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$ 5,125,326	\$ 4,443,332
Liabilities	<u>(863,163)</u>	<u>(1,068,245)</u>
Retained Earnings	<u>\$ 4,262,163</u>	<u>\$ 3,375,087</u>



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

Village of Cleves Hamilton County
101 North Miami Avenue
Cleves, Ohio 45002

To the Village Council:

We have audited the financial statements of the Village of Cleves, Hamilton County, Ohio (the Village), as of and for the year ended December 31, 2007 and 2006, and have issued our report thereon dated June 27, 2008 wherein we noted the Village follows 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 audit procedures for the purpose of expressing our opinion on the financial statements, but not to opine 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.

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 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 affect 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 the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 through 2007-006.

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 the 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 material weaknesses. However, of the significant deficiencies described above, we believe finding numbers 2007-001, 2007-002, 2007-004, 2007-005, and 2007-006 are also material weaknesses.

We noted certain matters that we reported to the Village's management in a separate letter date June 27, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about 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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001, 2007-002, 2007-005, and 2007-006.

We did note certain noncompliance or other matters that we reported to management of the Village in a separate letter dated June 27, 2008.

We intend this report solely for information and use of management, the Village Council and the Auditor of State 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 "Fox & Company". The signature is written in black ink and is positioned to the right of the date and location text.

Cincinnati, Ohio
June 27, 2008

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Significant Deficiency/Material Weakness – Financial Statement Presentation

Ohio Administrative Code, Section 117-9-01, and the Uniform Accounting Network (UAN) Chart of Accounts establish line item accounts for posting receipts and disbursements. A monitoring system should be in place to prevent or detect material misstatements for the accurate presentation of the Village's financial statements.

The Clerk/Treasurer did not always accurately post receipts and disbursements to the Village's accounting system. The following posting errors were noted:

- Principal debt expenditures were posted as Security of Persons & Property and Transportation
- Local Taxes were posted as Intergovernmental Receipts
- Intergovernmental Receipts were posted as Miscellaneous Receipts
- Reserves for encumbrances were not recorded
- Refunding of debt was recorded as Capital Outlay
- Sale of Notes posted as Special Assessments
- Vehicle purchase posted as Contractual Services
- Debt proceeds posted as Charges for Services
- Agency fund activity for Mayor's Court was not included on the financial statements
- Debt proceeds posted as Miscellaneous

Failure to post receipts and disbursements accurately to the ledgers resulted in 54 audit adjustments and reclassification entries to the financial statements. In addition, inaccurate accounting records make it difficult for the Village Council to effectively manage and budget for the Village's activities. If the Village exercises accuracy in recording financial activity, it can reduce posting errors and increase the reliability of the financial data throughout the year.

Recommendation

We recommend that the Village's Clerk/Treasurer take steps to ensure the accurate posting of all transactions to the ledgers by:

- a. Posting cash receipts and disbursements in accordance with procedures and posting guidelines established in the Uniform Accounting Network line item descriptions and AOS Bulletins, and
- b. Posting budgeted receipts and disbursements to the ledgers that agree with properly filed budgetary documents with the County Auditor.

Village's Response

The Clerk/Treasurer stated that none of these posting errors resulted in any Fund Adjustments. The Clerk/Treasurer added that when she began on UAN, she was left to assign revenue and appropriation account codes on her own with very little help. When she had a doubt about how a revenue amount should be posted, she would post it to a "Miscellaneous" code within the appropriate fund. She also felt that it was important to identify the debt in the department that was responsible for the debt – hence police cruiser debt was posted under Security of Persons & Property. The Clerk/Treasurer said she understands that the auditors could care less if the debt is police, fire, or maintenance-related debt. She stated that she has since setup principal and interest codes and will identify all debt through these two codes in 2008 and 2009. She stated that she will strive to improve these postings in 2008 and 2009.

FINDING NUMBER 2007-002

Significant Deficiency/Material Weakness – Mayor's Court

According to ORC 9.38 public monies must be deposited with the treasurer of the public office or to a designated depository (bank) on the business day following the day of receipt. The Clerk of Courts was not making daily deposits in a timely manner. We found that the monies collected from individuals for the payment of fines were not deposited into the Mayor's Court bank account in a timely manner.

Because funds were not deposited the next business day and there was no written policy on holding the funds beyond the next business day, the Mayor's Court was in violation of ORC Section 9.38.

Recommendation

We recommend that the Mayor's Court deposit monies in a timely manner in accordance with ORC Section 9.38.

Village's Response

The current new Clerk of Courts has been informed of the need to make timelier deposits and has already corrected this finding.

FINDING NUMBER 2007-003

Significant Deficiency – Lack of Segregation of Duties in the Mayor’s Court

Sound accounting procedures require there to be adequate segregation of duties and monitoring procedures performed by management. The Clerk of Court was responsible for handling and depositing cash receipts, reconciling the bank account, posting the cash receipts to the cashbooks, and making monthly disbursements. Giving an employee custodial, record-keeping, authorization responsibilities creates a significant internal control weakness. Because the Village does not have

Recommendation

We recommend that monthly bank reconciliations and lists of outstanding checks, monthly receipts, and disbursement reports should be presented to Council by the Clerk of Court. The documents should be reviewed, initialed, and approved in the minutes by Council.

Village’s Response

It is the Village’s position that a small Village does not have the financial resources to totally resolve this issue. The new Clerk of Courts currently copies her monthly court reports for the Mayor and Council but these reports are not formally approved in the minutes of Council. The Village will address this issue in Committee and find an appropriate solution.

FINDING NUMBER 2007-004

Significant Deficiency/Material Weakness – Lack of Segregation of Duties in the Water/Sewer Department

Sound accounting procedures require there to be adequate segregation of duties and monitoring procedures performed by management. The Water Clerk was responsible for handling and depositing cash receipts, posting the cash receipts, and making cash disbursements. Giving an employee custodial, record-keeping and authorization responsibilities creates a significant internal control weakness. Without adequate segregation of duties and monitoring a misappropriation of funds could result and go undetected for a long period of time.

Recommendation

We recommend that because the Village has a limited number of financial personnel monthly bank reconciliations and lists of outstanding checks, monthly receipts, and

disbursement reports should be presented to Council by the Water Clerk. The documents should be reviewed, initialed, and approved in the minutes by Council.

Village’s Response

The Board of Public Affairs will receive a copy of report and auditor recommendation. I expect them to find a solution that will satisfy this recommendation.

FINDING NUMBER 2007-005

Significant Deficiency – Material Noncompliance

Estimated Receipts Exceeded Actual Receipts

Ohio Revised Code Section 5705.36(A)(2), allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. Ohio Revised Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation.

The Village had estimated receipts greater than actual receipts in several funds to an extent by which the shortage of actual receipts compared to estimated receipts could reduce the total estimated resources to an amount lower than the appropriations.

	2006		
Fund	Estimated Receipts	Actual Receipts	Variance
Street Construction, Maintenance, and Repair	\$ 152,868	\$ 144,915	\$ (7,953)
Water Works	653,210	636,567	(16,643)

Recommendation

We recommend the Village request a reduced amended certificate of estimated resources when it is known that the actual receipts will be less than the estimated receipts and the deficiency will reduce estimated resources below the amount of appropriations.

Village’s Response

The Clerk/Treasurer stated that she is making every effort to resolve these issues. The issues should be resolved in fiscal year 2008.

FINDING NUMBER 2005-006

Significant Deficiency – Material Noncompliance

Appropriations Exceeded Estimated Resources

Ohio Revised Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. As of December 31, 2007, the Village had appropriations exceeding estimated resources available for expenditures in the following funds:

2007			
Fund	Estimated Resources	Appropriations	Variance
Police Pension	\$ 26,353	\$ 28,853	\$ (2,500)
Westgate Cap Eng. Fees	224,500	255,500	(31,000)

Recommendation

We recommend that the Clerk/Treasurer review the Amended Certificates of Estimated Resources and Supplemental Appropriations Measures to ensure that total appropriations from each fund do not exceed the total certified resources available for expenditures.

Village's Response

The Clerk/Treasurer stated that she is making every effort to resolve these issues. The issues should be resolved in fiscal year 2008.

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2005-30431-001	Financial Statement Presentation	No	Re-issued as finding number 2007-001
2005-30431-002	Ohio Revised Code Section 9.38: Deposits of Public Monies	No	Re-issued as finding number 2007-002
2005-30431-003	Lack of Segregation of Duties in the Mayor's Court	No	Re-issued as finding number 2007-003
2005-30431-004	Lack of Segregation of Duties in the Water/Sewer Department	No	Re-issued as finding number 2007-004
2005-30431-005	Ohio Revised Code Section 5705.36(A)(2):	No	Re-issued as finding number 2007-005
2005-30431-006	Ohio Revised Code Section 5705.39	No	Re-issued as finding number 2007-006
2005-30431-007	Ohio Rev. Code 5705.41 (D): Certification of available funds	Yes	Finding No Longer Valid



Mary Taylor, CPA
Auditor of State

VILLAGE OF CLEVES

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
SEPTEMBER 25, 2008**