

VILLAGE OF WOODLAWN

December 31, 2006 and 2005

*FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT*



Mary Taylor, CPA

Auditor of State

Honorable Mayor and Members of Council
Village of Woodlawn
10141 Woodlawn
Woodlawn, Ohio 45215

We have reviewed the *Independent Auditors' Report* of the Village of Woodlawn, Hamilton County, prepared by VonLehman and Company, Inc., for the audit period January 1, 2005 through December 31, 2006. 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 Woodlawn is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 17, 2008

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HAMILTON COUNTY, OHIO
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**VILLAGE OF WOODLAWN
HAMILTON COUNTY, OHIO**

**VILLAGE OFFICIALS
December 31, 2006**

MAYOR

Dr. Raymond Terrell

COUNCIL MEMBERS

Paul Hogue

Willie Norton

Brian Poole

Johnnie Rabb

Bersetha Ranson

John Turner

DEPARTMENT HEADS

Village Administrator

Evonne Kovach

Village Law Director

Matthew Fellerhoff

Village Police Chief

Walter Obermeyer

Village Fire Chief

Richard Mynatt

Village Recreation Director

Majorie Dogan

Village Service Director

Leroy Williams



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of Council
Village of Woodlawn
Woodlawn, Ohio

We have audited the accompanying financial statements of the Village of Woodlawn, Hamilton County, Ohio, as of and for the years ended December 31, 2006 and 2005. 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 have 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 U.S. generally accepted accounting principles (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and U.S. generally accepted accounting principles, we presume they are material.

Revisions to U.S. generally accepted accounting principles would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity-wide statements and also to present its larger (i.e., major) funds separately for 2006 and 2005. 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 years ended December 31, 2006 and 2005 do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the Village as of December 31, 2006 and 2005, or its changes in financial position for the years then ended.

Honorable Mayor and Members of Council
Village of Woodlawn
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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 Woodlawn, Hamilton County, Ohio, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to U.S. generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the years ended December 31, 2006 and 2005. The Village has not presented Management's Discussion and Analysis, which U.S. generally accepted accounting principles have 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 March 19, 2008 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provision 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 assessing the results of our audit.

VonLehman & Company Inc.

Cincinnati, Ohio
March 19, 2008

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

	Governmental Fund Types				Fiduciary Fund Type	Total Memorandum Only
	General	Special Revenue	Capital Projects	Debt Service	Agency	
Receipts						
Property and Other Local Taxes	\$ 539,951	\$ 495,408	\$ 229,159	\$ 458,317	\$ -	\$ 1,722,835
Municipal Income Taxes	3,907,203	-	-	-	-	3,907,203
Special Assessments	-	-	-	1,832	-	1,832
Intergovernmental	122,135	29,061	193,048	-	-	344,244
Charges for Services	279,964	8,021	-	-	-	287,985
Fines, Licenses and Permits	157,296	31,026	-	-	143,544	331,866
Earnings from Investments	27,760	23,681	-	7,635	-	59,076
Miscellaneous	63,486	6,659	500	-	3	70,648
Total Receipts	5,097,795	593,856	422,707	467,784	143,547	6,725,689
Disbursements						
Security of Persons and Property	2,591,435	137,209	74,639	-	-	2,803,283
Leisure Time Activities	554,809	207,688	-	-	-	762,497
Community Environment	138,046	-	-	-	-	138,046
Basic Utilities Services	556,003	-	20,000	-	-	576,003
Transportation	59,280	149,032	-	-	-	208,312
General Government	1,304,802	3,526	-	4,321	-	1,312,649
Capital Outlay	-	-	293,141	-	-	293,141
Debt Service						
Principal	-	-	-	1,638,167	-	1,638,167
Interest	-	-	-	205,585	-	205,585
Total Disbursements	5,204,375	497,455	387,780	1,848,073	-	7,937,683
(Deficit) Excess of Receipts (Under) Over Disbursements	(106,580)	96,401	34,927	(1,380,289)	143,547	(1,211,994)
Other Financing Sources (Uses)						
Proceeds from Bond Anticipation Notes	810,000	-	-	400,000	-	1,210,000
Sale of Property	-	-	-	329,730	-	329,730
Transfers - In	-	1,330	23,750	810,000	-	835,080
Transfers - Out	(835,080)	-	-	-	-	(835,080)
Distribution of Fines	-	-	-	-	(143,869)	(143,869)
Total Other Financing Sources (Uses)	(25,080)	1,330	23,750	1,539,730	(143,869)	1,395,861
(Deficit) Excess of Receipts and Other Financing Sources (Under) Over Disbursements and Other Financing Uses	(131,660)	97,731	58,677	159,441	(322)	183,867
Beginning Fund Cash Balance	1,368,673	553,830	(67,080)	78,684	4,860	1,938,967
Ending Fund Cash Balance	\$ 1,237,013	\$ 651,561	\$ (8,403)	\$ 238,125	\$ 4,538	\$ 2,122,834
Reserve for Encumbrances	\$ 262,173	\$ 59,311	\$ 25,588	\$ -	\$ -	\$ 347,072

See accompanying notes.

**VILLAGE OF WOODLAWN
 COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL FUND TYPES AND FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005**

	Governmental Fund Types				Fiduciary Fund Type	Total Memorandum Only
	General	Special Revenue	Capital Projects	Debt Service	Agency	
Receipts						
Property and Other Local Taxes	\$ 630,538	\$ 367,808	\$ 212,147	\$ 424,275	\$ -	\$ 1,634,768
Municipal Income Taxes	3,589,977	-	-	-	-	3,589,977
Special Assessments	-	-	-	10,396	-	10,396
Intergovernmental	124,292	17,686	-	-	-	141,978
Charges for Services	145,581	9,461	-	-	-	155,042
Fines, Licenses and Permits	182,070	17,019	-	-	117,843	316,932
Earnings from Investments	15,368	12,663	(1,347)	6,156	-	32,840
Miscellaneous	866,292	22,161	1,025	-	18	889,496
Total Receipts	5,554,118	446,798	211,825	440,827	117,861	6,771,429
Disbursements						
Security of Persons and Property	2,597,809	28,870	84,317	-	-	2,710,996
Leisure Time Activities	239,342	138,769	-	-	-	378,111
Community Environment	47,947	-	-	-	-	47,947
Basic Utilities Services	519,760	-	-	-	-	519,760
Transportation	49,946	391,857	-	-	-	441,803
General Government	1,262,507	8,648	-	359	-	1,271,514
Capital Outlay	-	-	120,200	-	-	120,200
Debt Service						
Principal	-	-	-	903,162	-	903,162
Interest	-	-	-	280,537	-	280,537
Total Disbursements	4,717,311	568,144	204,517	1,184,058	-	6,674,030
Excess (Deficit) of Receipts Over (Under) Disbursements	836,807	(121,346)	7,308	(743,231)	117,861	97,399
Other Financing Sources (Uses)						
Proceeds from Bond Anticipation Notes	810,000	-	-	-	-	810,000
Transfers - In	220,041	726	180,957	810,000	-	1,211,724
Transfers - Out	(991,683)	-	(220,041)	-	-	(1,211,724)
Distribution of Fines	-	-	-	-	(113,241)	(113,241)
Total Other Financing Sources (Uses)	38,358	726	(39,084)	810,000	(113,241)	696,759
Excess (Deficit) of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	875,165	(120,620)	(31,776)	66,769	4,620	794,158
Beginning Fund Cash Balance	493,508	674,450	(35,304)	11,915	240	1,144,809
Ending Fund Cash Balance	\$ 1,368,673	\$ 553,830	\$ (67,080)	\$ 78,684	\$ 4,860	\$ 1,938,967
Reserve for Encumbrances	\$ 72,873	\$ 71,884	\$ 19,678	\$ -	\$ -	\$ 164,435

See accompanying notes.

**VILLAGE OF WOODLAWN
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - ACCOUNTING POLICIES

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Woodlawn, Hamilton County (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides police protection, fire and emergency medical, recreation, street maintenance and repair and general administrative services.

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

Basis of Accounting

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. This basis 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 disclosure of material matters as the Auditor of State prescribes or permits.

Cash and Investments

The Village's accounting basis includes investments as assets. This basis does not report disbursements for investment purchases or receipts for investment sales. The Village reports gains or losses at the time of sale as receipts or disbursements, respectively. Money market mutual funds are recorded at share values reported by the mutual fund.

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:

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.

Special Revenue Funds

The Special Revenue Funds account for proceeds from specific sources (other than from capital projects) that are restricted to disbursements for specific purposes. These funds include the following:

- *Contingency Fund* - This fund was created to set aside money for the temporary funding of unforeseen needs of an emergency or non-recurring nature.
- *Drug Law Enforcement Fund* - This fund is used exclusively for drug related investigations, training and equipment.
- *EMS Grant Fund* - This fund is used for the purchase of medical equipment and supplies. Revenue is derived from grant monies received from the Ohio Department of Public Safety, Division of Emergency Medical Services.
- *FEMA Fire Grant Fund* - This fund is used to receive and expend grant monies for communication equipment.
- *FEMA Snow Services Fund* - This fund is used to receive and expend grant monies for snow removal expenses.

NOTE 1 - ACCOUNTING POLICIES (Continued)

- *Mayor's Court Computer Fund* - This fund is used for staff expenses related to operating the computer system, supplies, etc. Revenue is generated from each court fine. A percentage of each fine is posed to the Mayor's Court Computer Fund.
- *State Highway Improvement Fund* - This fund receives gasoline tax and motor vehicle tax money from the state and is allocated 7.5% of these monthly receipts while 92.5% total collections is allocated to the Street Construction, Maintenance and Repair Fund.
- *Street Construction, Maintenance and Repair Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.
- *Street and Road Improvement Fund* - This fund receives money that is used to reconstruct streets, curbs, aprons, etc.
- *Summer Lunch Grant Fund* - This fund is used to receive and expend grant monies for child and adult care summer food service programs.
- *Summer Youth Employment Fund* - This fund is used to help the Village employ its youth citizens during summer months. However, it was temporarily discontinued, due to school and community center construction projects.
- *Swimming Pool Fund* - This fund receives property tax and admission fees for operation and maintenance of a Village swimming pool.

Capital Projects Funds

The Capital Project Funds account for receipts restricted to acquiring or constructing major capital projects. These funds include the following:

- *Armory Community Center Fund* - This fund is a joint venture with state and federal governments to build Army and National Guard training centers that will also house a Village community center.
- *Building Improvement Fund* - The purpose of this fund is for building construction and renovation of Village buildings and property.
- *Capital Improvement Fund* - This fund is used to receive and expend monies for the purchase of capital equipment and improvements. The fund receives 5.5% of all income tax receipts.
- *Grove Road Improvement Fund* - This fund is used to receive and expend monies for the improvement of Grove Road.
- *Marion Road Improvement Fund* - This fund is used to receive and expend monies for the improvement of Marion Road.
- *Property Acquisition Fund* - This fund is used to receive and expend monies to purchase land and property.
- *State Route 126 Improvement Fund* - This fund is used to expend monies for the improvement of Glendale-Milford Road.

Fiduciary Fund (Agency Fund)

The Fiduciary Fund for which the Village is acting in an agency capacity is classified as an Agency Fund. This fund includes the following:

- *Contractors' Escrow Fund* - This fund is used to withhold a certain amount from a contractor's payment to be paid to the contractor upon successful completion of a contract.
- *Mayor's Court* - This fund accounts for all fines and forfeiture receipts and disbursements of the mayor's court for violation of ordinances within the Village limits.

NOTE 1 - ACCOUNTING POLICIES (Continued)

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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. Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2006 and 2005 budgetary activity appears in the Budgetary Activity note.

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.

Accumulated Leave

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

NOTE 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, 2006 and 2005 was as follows:

	<u>December 31,</u>	
	<u>2006</u>	<u>2005</u>
Demand Deposits	\$1,510,388	\$1,443,894
STAR Ohio Investments	502,575	478,687
Bond Escrow Account	<u>109,871</u>	<u>16,386</u>
Total Cash and Investments	<u>612,446</u>	<u>495,073</u>
	<u>\$2,122,834</u>	<u>\$1,938,967</u>

Deposits

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village or (3) 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 Escrow account is held by Huntington National Bank trust department and holds the Village's equity securities in book-entry form in the Village's name for the purpose of repayment of interest and principal on General Obligation Bonds.

NOTE 3 - BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$5,580,928	\$5,907,795	\$ 326,867
Special Revenue	519,878	595,186	75,308
Capital Projects	449,254	446,457	(2,797)
Debt Service	<u>1,610,000</u>	<u>2,007,514</u>	<u>397,514</u>
	<u>\$8,160,060</u>	<u>\$8,956,952</u>	<u>\$ 796,892</u>
2006 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditure</u> ⁽¹⁾	<u>Variance</u>
General	\$6,549,345	\$6,301,628	\$ 247,717
Special Revenue	686,702	556,765	129,937
Capital Projects	415,015	413,368	1,647
Debt Service	<u>1,600,000</u>	<u>1,848,073</u>	<u>(248,073)</u>
	<u>\$9,251,062</u>	<u>\$9,119,834</u>	<u>\$ 131,228</u>
2005 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$4,962,686	\$6,584,159	\$ 1,621,473
Special Revenue	379,071	447,524	68,453
Capital Projects	205,000	392,782	187,782
Debt Service	<u>796,000</u>	<u>1,250,827</u>	<u>454,827</u>
	<u>\$6,342,757</u>	<u>\$8,675,292</u>	<u>\$ 2,332,535</u>
2005 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditure</u> ⁽¹⁾	<u>Variance</u>
General	\$4,857,393	\$5,781,867	\$(924,474)
Special Revenue	564,787	640,028	(75,241)
Capital Projects	91,500	444,236	(352,736)
Debt Service	<u>796,000</u>	<u>1,184,058</u>	<u>(388,058)</u>
	<u>\$6,309,680</u>	<u>\$8,050,189</u>	<u>\$(1,740,509)</u>

⁽¹⁾ Budgetary expenditures include encumbrances.

NOTE 4 - COMPLIANCE

The Village incurred the following compliance violations:

Budgetary Activity

- Budgeted Receipts Exceeded Actual Receipts - Ohio Revised Code, Section 5705.36 (see Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Responses).
- No Appropriation Measure Filed with the County Auditor for 2006 - Ohio Revised Code, Section 5705.39 (see Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Responses).
- "Blanket" Fiscal Officer Certificate Exceeding One Year - Ohio Revised Code, Section 5705.41(D) (see Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Responses).
- Expenditures Exceeded Appropriations (Repeated from Prior Audit) - Ohio Revised Code, Section 5705.41(B) (see Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Responses).

Fund Balances

- Negative Fund Balances (Repeated from Prior Audit) - Ohio Revised Code, Section 5705.10 (see Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Responses).
- Inadequate Independent Oversight of Disbursement Activity - Ohio Revised Code 5705.41(D) (see Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Responses).

Other

- Financial Report Was Not Filed Within 60 Days of the Fiscal Year End - Ohio Revised Code, Section 117.38 (see Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Responses).
- Income Tax Refunds in Excess of \$10 Were Not Reported to the Taxpayer on Form 1099d - Internal Revenue Regulation, Section 1.6050E-1 (see Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Responses).
- Inadequate Detail of Capital Assets - Ohio Revised Code, Section 117-2-02(D) (see Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Responses).

NOTE 5 - PROPERTY TAX

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

NOTE 6 - LOCAL INCOME TAX

The Village levies a municipal income tax of 2% 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.

NOTE 7 - DEBT

Debt outstanding at December 31, 2006 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Real Estate Acquisition Bonds	\$2,700,000	4.00 - 5.20%
Swimming Pool Construction and Judgment Bonds	1,270,000	3.15 - 4.45%
Community Center Loan	999,500	3.00%
Community Center Bond Anticipation Notes	<u>1,210,000</u>	4.15%
	<u>\$6,179,500</u>	

Payments made on the long-term debt for the years ended December 31, 2006 and 2005 were as follows:

	<u>December 31,</u>	
	<u>2006</u>	<u>2005</u>
General Obligation Real Estate Acquisition Bonds		
Principal	\$ 445,000	\$ 120,000
Interest	<u>75,485</u>	<u>157,845</u>
	<u>520,485</u>	<u>277,845</u>
Swimming Pool Construction and Judgment Bonds		
Principal	50,000	50,000
Interest	<u>61,446</u>	<u>63,046</u>
	<u>111,446</u>	<u>113,046</u>
Community Center Loan		
Principal	333,167	333,162
Interest	<u>39,980</u>	<u>49,980</u>
	<u>373,147</u>	<u>383,142</u>
Community Center Bond Anticipation Notes		
Principal	810,000	400,000
Interest	<u>28,674</u>	<u>9,666</u>
	<u>838,674</u>	<u>409,666</u>
Subtotal		
Principal	1,638,167	903,162
Interest	<u>205,585</u>	<u>280,537</u>
	<u>1,843,752</u>	<u>1,183,699</u>
Bond Issuance Expense	<u>4,321</u>	<u>359</u>
Total Debt Service		
Fund Disbursements	1,848,073	1,184,058
Capital Lease Obligations	<u>85,479</u>	<u>80,978</u>
	<u>\$1,933,552</u>	<u>\$1,265,036</u>

NOTE 7 - DEBT (Continued)

General Obligation Real Estate Acquisition Bonds

In December 2001, the Village issued bonds in the amount of \$3,500,000 to retire the real estate acquisition bond anticipation note and the associated interest expense due. The Village has an escrow agreement with Huntington Bank for the payment of principal and interest. The Village makes quarterly payments into the escrow account and Huntington Bank pays the actual interest and principal due per the repayment schedule, the final payment is due in December, 2022.

Swimming Pool Construction and Judgment Bonds

In August, 2003, the Village issued bonds in the amount of \$1,400,000 to retire the Swimming Pool Construction and Judgment Bond Anticipation notes, which were obtained to pay the litigation settlement and for the swimming pool construction. The Village is required to make principal and interest payments annually in December and the final payment is due in December, 2023.

Community Center Loan and Bond Anticipation Notes

In 2003, the Village received a loan of \$2,000,000 from Hamilton County for the construction of its community center. The Village is required to make six yearly payments of approximately \$400,000 (principal and interest) to the county with the proceeds of a bond anticipation note of \$400,000 from the bank in each of the five years subsequent to 2003. Once the Village has received all five bond anticipation notes, a bond will be issued in 2009 to retire the bond anticipation notes.

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

Years Ending Dec. 31,	General Obligation Real Estate Anticipation Bonds	Swimming Pool Construction and Judgment Bonds	Community Center Loan	Community Center Bond Anticipation Notes	Total
2007	\$ 197,718	\$ 109,846	\$ 373,151	\$ 1,260,215	\$ 1,940,930
2008	265,118	113,196	363,066	-	741,380
2009	268,975	111,271	353,162	-	733,408
2010	267,378	104,400	-	-	371,778
2011	265,552	105,150	-	-	370,702
Thereafter	2,804,625	1,024,360	-	-	3,828,985
	<u>\$ 4,069,366</u>	<u>\$ 1,568,223</u>	<u>\$ 1,089,379</u>	<u>\$ 1,260,215</u>	<u>\$ 7,987,183</u>

Capital Lease Obligations

The Village has three capital leases that charge interest at rates ranging from 3.44% to 6.1%, one expiring in 2007, one in 2009 and the other in 2010. At the conclusion of the capital leases, the Village will take possession of the equipment.

NOTE 7 - DEBT (Continued)

Future payments are as follows:

Years Ending <u>December 31,</u>	
2007	\$ 75,297
2008	59,361
2009	54,233
2010	<u>49,106</u>
	237,997
Less Amount Representing Interest	<u>19,521</u>
Principal Due	<u>\$218,476</u>

NOTE 8 - RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police & Fire Pension Funds (O P & F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. O P & F and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement health care and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. During 2005, the Village established a pick-up retirement plan in accordance with Internal Revenue Code Section 414 (h)(2) and Revenue Rulings 81-35 and 81-36. The Village contributed an amount equal to 29.5% of wages for O P & F members for both 2006 and 2005. During 2006 and 2005, the Village also contributed an amount equal to 22.7% and 22.05%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2006.

NOTE 9 - RISK MANAGEMENT

The Village of Woodlawn is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Village assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Village has obtained insurance for the following risks:

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

NOTE 10 - RELATED PARTY

The Village of Woodlawn has a related corporation for the purpose of buying and selling properties. The Corporation is named the Woodlawn Community Improvement Corporation. It is owned no more than 40% by the Village of Woodlawn and exists solely for the benefit of Woodlawn through property transactions. Upon dissolution, assets are disbursed by the decision of the shareholders.

NOTE 11 - TRANSFERS

Interfund transactions for the years ended December 31, 2006 and 2005 consisted of the following:

	2006		2005	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Fund	\$ -	\$835,080	\$ 220,041	\$ 991,683
Special Revenue Funds				
FEMA Fire Fund	1,330	-	-	-
Street, Construction, Maintenance and Repair Fund	-	-	726	-
Debt Service Fund	810,000	-	810,000	-
Capital Projects Fund	<u>23,750</u>	<u>-</u>	<u>180,957</u>	<u>220,041</u>
	<u>\$835,080</u>	<u>\$835,080</u>	<u>\$1,211,724</u>	<u>\$1,211,724</u>

The transfer in 2005 from the Capital Projects Fund to the General Fund was made to cover expenditures from the General Fund for Capital Projects purposes. The ordinances were drafted and approved by the Village.

During 2006 and 2005, the Village also transferred money from the General Fund to other funds. These transfers simply moved unrestricted dollars received by the General Fund to other funds to meet Village obligations.

OTHER INFORMATION



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

Honorable Mayor and Members of Council
Village of Woodlawn
Woodlawn, Ohio

We have audited the financial statements of the Village of Woodlawn as of and for the years ended December 31, 2006 and 2005 and have issued our report thereon dated March 19, 2008, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Village restated the beginning fund cash balances of the General and Agency Funds. 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 of Woodlawn's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process or report financial data reliably in accordance with its applicable accounting basis such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control. We consider the following deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting: Findings Number 2006-001 and 2006-002.

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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant

Honorable Mayor and Members of Council
Village of Woodlawn
Page Two

deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider Findings Number 2006-003, 2006-004, 2006-005 and 2006-006 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as Findings Number 2006-007, 2006-008, 2006-009, 2006-010, 2006-011, 2006-012, 2006-013, 2006-014 and 2006-015.

We noted certain matters that we reported to management of the Village, in a separate letter dated March 19, 2008.

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

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

VonLehman & Company Inc.

Cincinnati, Ohio
March 19, 2008

VILLAGE OF WOODLAWN
HAMILTON COUNTY

SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2006 AND 2005

FINDINGS AND RESPONSES RELATED TO THE INTERNAL CONTROL OVER FINANCIAL
REPORTING REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Internal Control Over Financial Reporting

Finding Number	2006-001
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Significant Deficiency

1. *Lack of Independent Oversight Over the Finance Director's Time Worked* - The Finance Director's timesheets were not approved by counsel or Village Manager. This would permit a misappropriation of assets to go undetected. We noted that all other employees have timesheets approved prior to submitting to payroll for the period worked. The Village should have procedures in place to ensure adequate oversight of the Finance Director's time.

Village Response: We concur. The Finance Director reports directly to Village Council as does the Village Manager. In lieu of the Council approving the Finance Director's time worked, the new electronic timekeeping system scheduled to be installed in early 2008 will adequately record the Finance Director's work attendance. The Finance Director will have no access to changing or editing his or her time recorded because attendance is verified by hand recognition and no one person can make changes to their own time record. Any manual changes will be approved by the Village Manager. In the case of paid time off, the Finance Director will submit leave requests to Council for approval.

Finding Number	2006-002
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Significant Deficiency

2. *Lack Ability to Prepare Annual Financial Statements* - Management has requested that we prepare the Village's financial statements, including footnotes. Although we have prepared the financial statements, the financial statements still remain the responsibility of management. A proper system of internal controls over financial reporting is essential in order to prevent, detect and correct misstatements. We noted that the Village does not have the necessary expertise in order to prepare the financial statements, including footnotes, in accordance with the complex requirements of the U.S. generally accepted accounting principles. Our firm has implemented the appropriate controls over the financial statement preparation; however, our controls cannot be considered as the Village's internal controls. Accordingly, a significant deficiency in the Village's internal controls exists in regards to the financial statement reporting function.

Village Response: We concur. The Village has hired a certified public accountant with more than 15 years in government accounting as its Finance Director. She has already changed procedures and processes in the accounting area and documented the same. The process of segregation of duties has been done and proper approvals of all disbursement, payroll processing and non-cash accounting adjustments are in place. These actions will help to ensure that the accounting records are free from material misstatements. While the Finance Director is responsible for the preparation of the financial statements and footnotes, we would still be looking for the auditor to assist the Finance Director with that task.

FINDINGS AND RESPONSES RELATED TO THE INTERNAL CONTROL OVER FINANCIAL REPORTING REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number	2006-003
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Material Weakness

3. *Lack of Segregation of Payroll and Human Resource Duties* - Because of the lack of segregation of duties due to a small staff, the Village has only one employee who is responsible for payroll disbursements and maintaining personnel files. This would permit a misappropriation of assets to go undetected. The Village should have an employee independent of the payroll function maintain all personnel records and another employee independent of the payroll function approve the payroll checks, prior to disbursement.

Village Response: We concur. The personnel files have been transferred to the Village Manager's office and are limited to the physical custody of the Village Manager and her administrative coordinator. All inquiries for verification of employment are directed to the Village Manager's office. Any items added to personnel files are placed there by the Village Manager's office.

Finding Number	2006-004
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Material Weakness

4. *Lack of Proper Control Over Cash* - Because of the lack of knowledge of the Village staff, the Village has not been adequately reconciling the cash from the ledger to the bank statement. Through our testing of cash, we noted the following:
- Escrow account was missing from books
 - Interest income was not properly recorded
 - Bank charges were not properly recorded
 - Payroll account balance was missing from cash on books

This would permit a misappropriation of assets to go undetected. The Village should obtain adequate training for staff and complete a timely bank reconciliation every month.

Village Response: We concur. Escrow account has been added to the books and the payroll account will be added. Each month, interest and bank charges will be posted to the books initiated by the Finance Director. Further, the Finance Director will either reconcile the bank statements or will review and sign off on bank reconciliations as to their adequacy, completeness and timeliness.

FINDINGS AND RESPONSES RELATED TO THE INTERNAL CONTROL OVER FINANCIAL REPORTING REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number	2006-005
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Material Weakness

5. *Lack of Independent Oversight Over Disbursement Activity (Repeated from Prior Audit) -* Because of the lack of segregation of duties due to a small staff and inadequate procedures, the Village Clerk has the ability to make cash disbursements with little oversight. This would permit a misappropriation of assets to go undetected. Through testing of cash disbursements, we noted inadequate internal controls and compliance issues over disbursement activity (see the list of findings and responses noted on Finding #2006-012 in the “Compliance and Other Matters” section of this report). The Village should have adequate procedures in place to ensure that all disbursements are properly authorized by someone other than the person responsible for making the disbursement.

Village Response: We concur. The newly hired Finance Director has updated and documented the procurement and disbursement procedures, and has reviewed with Village department heads. The procedures provide for proper segregation of duties and approvals of applicable staff. In no circumstance is the person making disbursement involved in any step of the approval process.

Finding Number	2006-006
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Material Weakness

6. *Lack of Written Policy Regarding Use of Funds for Political Activity -* There is no written policy regarding the prohibition of use of public funds to publish, distribute or communicate information that supports or opposes the nomination or election of a candidate for public office, the investigation, prosecution or recall of a public official or the passage of a levy or bond issue.

Village Response: We concur. The Village will have a policy in place no later than December 31, 2008.

**FINDINGS AND RESPONSES RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Compliance and Other Matters

Finding Number	2006-007
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Budgetary Activity

1. *Budgeted Receipts Exceeded Actual Receipts* - Ohio Revised Code, Section 5705.36, requires that an amended certificate of estimated resources be obtained upon determination by the fiscal officer that revenues collected will be less than the amount in the official certificate of estimated resources. The following fund was not in compliance by the following amount for the respective year:

<u>Fund</u>	<u>2006</u>	<u>2005</u>
Capital Projects	\$2,797	\$ -

Village Response: We concur. Actual revenues will be monitored closely and a request for an amended certificate will be initiated if necessary.

Finding Number	2006-008
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Budgetary Activity

2. *No Appropriation Measure Filed With the County Auditor for 2006* - Ohio Revised Code, Section 5705.39, states that 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 certificate. This certificate was not filed in 2006.

Village Response: The Village did, indeed, submit to the County Auditor the 2006 annual appropriation ordinance. The ordinance was filed away in the County Auditor's office without a certificate getting prepared, according to an e-mail from the County Auditor's office. In the future, the Village will ensure that a certificate is obtained after submission of the annual appropriation ordinance to the County Auditor.

Finding Number	2006-009
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Budgetary Activity

3. *"Blanket" Fiscal Officer Certificate Exceeding One Year* - Ohio Revised Code, Section 5705.41(D), requires that blanket certificates do not extend beyond the fiscal year. Purchase order #RG033848 was opened in 2005 and remained open as of December 31, 2006.

Village Response: In the future, blanket purchase orders will be closed during year end closing.

**FINDINGS AND RESPONSES RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Finding Number	2006-010
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Budgetary Activity

4. *Expenditures Exceeded Appropriations (Repeated from Prior Audit)* - Ohio Revised Code, Section 5705.41(B), requires that no subdivision or taxing unit is to expend money except by a proper warrant drawn against an appropriate fund. The following funds were not in compliance by the following amounts for these respective years:

<u>Fund</u>	<u>2006</u>	<u>2005</u>
General	\$ -	\$917,177
Special Revenue	-	68,966
Capital Projects	-	352,737
Debt Service	248,073	388,058

Village Response: We concur. Expenditures will be monitored closely and controlled and, if necessary, appropriations will be properly amended before expenditures exceed appropriations.

Finding Number	2006-011
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Fund Balances

5. *Negative Fund Balances (Repeated from Prior Audit)* - Ohio Revised Code, Section 5705.10 requires that appropriations do not exceed official or amended estimated resources. These deficit balances indicate that cash from other funds has been used to pay obligations of these funds. This is a violation of Ohio Revised Code, Section 5705.10, which also requires that money paid into any fund shall be used only for the purpose for which the fund is established. Certain special revenue, capital projects and debt service funds had negative (cash) fund balances as of December 31, 2006 and 2005 as follows:

	<u>2006</u>	<u>2005</u>
Special Revenue		
Summer Lunch Grant	\$(11,178)	\$ -
FEMA Fire Grant	(5,179)	-
Capital Projects		
Building Improvement	(139)	-
Property Acquisition	(235,165)	(224,958)
Debt Service		
Pool House Construction	(1,674)	(1,674)

Village Response: We concur. Expenditures will be monitored closely and controlled and, if necessary, approved fund transfers will be made prior to the occurrence of a negative fund balance.

**FINDINGS AND RESPONSES RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Finding Number

2006-012

Fund Balances

6. *Inadequate Independent Oversight of Disbursement Activity* - Ohio Revised Code, Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the Treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Through testing of cash disbursements, we noted the following:

- Payments made in excess of purchase order
- Payments made without proper invoice support
- Payments made without verification of receipt of goods or services
- Payments made without proper authorization
- Confirming purchase orders used
- Bank statements missing and inadequately reconciled by someone independent of the cash disbursement function
- Duplicate payments made
- Unsigned and unissued checks not voided

The Village should implement adequate procedures to ensure that all disbursements are properly appropriated, money is in the appropriate fund and free from encumbrances.

*Village Response: We concur. As mentioned in response in **Finding Number 2006-005**, disbursement procedures have been revised to address the lack of separation of duties and lack of proper authorization/approvals. Check copies are now attached to approved vouchers with the source documents attached. In addition, the bank statement is now reconciled by someone independent of the cash disbursement function and unsigned and unissued checks are marked "Void".*

**FINDINGS AND RESPONSES RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Finding Number

2006-013

Other

7. *Financial Report Was Not Filed Within 60 Days of the Fiscal Year End* - Ohio Revised Code, Section 117.38 requires each public office to file their annual reports with the Auditor of State within 60 days of the fiscal year end. The report must be filed on forms prescribed by the Auditor of State. However, if the Auditor of State has not prescribed a form for the report, the public office shall submit its report on the form utilized by the public office. Any public office which does not file the report by the required date shall pay a penalty of twenty-five dollars for each day the report remains unfiled, not to exceed seven hundred fifty dollars. At the time the report is filed with the Auditor of State, the chief fiscal officer shall publish a notice in a local newspaper that the annual financial report has been completed and is available for inspection at the office of the chief fiscal officer.

The annual report for 2006 was not prepared until July 23, 2007.

Village Response: The Village lacked a Finance Director during 2007. A contractor was obtained to prepare and file the required report with the State Auditor's Office and a waiver of the maximum penalty was granted.

Finding Number

2006-014

Other

8. *Income Tax Refunds in Excess of \$10 Were Not Reported to the Taxpayer on Form 1099d* - Internal Revenue Regulation, Section 1.6050E-1 requires that every refund officer prepare and mail an information return in accordance with this section for each calendar year. This section applies to any refund officer who, with respect to an individual, makes payments of refunds of state or local income taxes or allows credits or offsets with respect to such taxes aggregating \$10 or more for such individual in any calendar year. An information return must be prepared even if the refund officer is not required to furnish a statement to the applicable taxpayer. The information return required by this section shall be made on Forms 1096 and 1099.

The Village of Woodlawn has not issued any 1099's for income tax refunds.

Village Response: We concur. It is unclear why information returns were not issued for this audit period. The Village will begin preparing 1099's related to income tax refunds starting with the 2008 tax year with the installation of new tax software, which will prepare the forms in a much more efficient and accurate manner.

**FINDINGS AND RESPONSES RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Finding Number

2006-015

Other

9. *Inadequate Detail of Capital Assets* - Ohio Revised Code Section 117-2-02(D) requires a fixed assets record including information on the original costs, acquisition date, voucher number, the asset type (land, building, vehicle, etc.), asset description, location and tag number. All public offices should have a record of significant capital assets owned sufficient to manage their operations.

Village Response: The Village agrees but has not yet decided the implementation process. The Village will develop the proper listing of capital assets by December 31, 2008.

**VILLAGE OF WOODLAWN
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	Finding Summary	Fully Corrected?	Not corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: Explain
Internal Control Over Financial Reporting			
2004-001	Lack of Independent Oversight Over Disbursement Activity	No	Not corrected. Refer to finding 2006-005
2004-002	Segregate Cash Receipts and Record Keeping Function	Yes	
Compliance			
2004-001	Negative Fund Balances Ohio Revised Code 5705.10	No	Not corrected. Refer to finding 2006-011
2004-002	Appropriations Exceeded Estimated Resources Ohio Revised Code 5705.10	No	Not corrected. Refer to finding 2006-011
2004-003	Expenditures Exceeded Appropriations Ohio Revised Code 5705.41(B)	No	Not corrected. Refer to finding 2006-010
2004-004	Code Receipts and Expenditures to Proper Accounts Ohio Revised Code 733.28	Yes	
2004-005	Obtain Proper Approval for Transfer of Funds Ohio Revised Code 5705.14	Yes	



Mary Taylor, CPA
Auditor of State

VILLAGE OF WOODLAWN

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
APRIL 29, 2008**