



Dave Yost • Auditor of State

VILLAGE OF GOLF MANOR
HAMILTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2014	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Fiduciary Fund Types – For the Year Ended December 31, 2014	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2013	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Fiduciary Fund Types – For the Year Ended December 31, 2013	6
Notes to the Financial Statements	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Schedule of Findings.....	17
Schedule of Prior Audit Findings.....	21

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Golf Manor
Hamilton County
6450 Wiehe Road
Golf Manor, Ohio 45237

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Golf Manor, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2014 and 2013.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1B of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Golf Manor, Hamilton County, Ohio, as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2016, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

January 11, 2016

Village of Golf Manor, Ohio
Hamilton County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2014

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$711,704	\$950,080	\$0	\$0	\$1,661,784
Municipal Income Tax	611,704	0	0	0	611,704
Intergovernmental	208,246	220,549	0	0	428,795
Charges for Services	710,904	0	0	0	710,904
Fines, Licenses and Permits	70,731	4,990	0	0	75,721
Earnings on Investments	0	24	0	0	24
Miscellaneous	139,099	8,186	0	0	147,285
<i>Total Cash Receipts</i>	<u>2,452,388</u>	<u>1,183,829</u>	<u>0</u>	<u>0</u>	<u>3,636,217</u>
Cash Disbursements					
Current:					
Security of Persons and Property	1,168,609	678,833	0	0	1,847,442
Public Health Services	2,577	0	0	0	2,577
Community Environment	21,205	4,925	0	0	26,130
Basic Utility Services	239,481	0	0	0	239,481
General Government	1,109,891	441,343	0	0	1,551,234
Capital Outlay	0	8,661	0	1,985	10,646
Debt Service:					
Principal Retirement	27,334	38,584	0	0	65,918
Interest and Fiscal Charges	673	4,088	0	0	4,760
<i>Total Cash Disbursements</i>	<u>2,569,769</u>	<u>1,176,433</u>	<u>0</u>	<u>1,985</u>	<u>3,748,187</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(117,381)</u>	<u>7,396</u>	<u>0</u>	<u>(1,985)</u>	<u>(111,970)</u>
Other Financing Receipts (Disbursements)					
Transfers In	16,089	0	0	0	16,089
Transfers Out	0	0	(14,341)	(1,748)	(16,089)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>16,089</u>	<u>0</u>	<u>(14,341)</u>	<u>(1,748)</u>	<u>(0)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(101,292)</u>	<u>7,396</u>	<u>(14,341)</u>	<u>(3,733)</u>	<u>(111,970)</u>
<i>Fund Cash Balances, January 1</i>	<u>53,255</u>	<u>489,753</u>	<u>14,341</u>	<u>3,733</u>	<u>561,082</u>
Fund Cash Balances, December 31					
Restricted	0	578,942	0	0	578,942
Unassigned (Deficit)	(48,037)	(81,793)	0	0	(129,830)
<i>Fund Cash Balances, December 31</i>	<u>(\$48,037)</u>	<u>\$497,149</u>	<u>\$0</u>	<u>\$0</u>	<u>\$449,112</u>

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

VILLAGE OF GOLF MANOR
HAMILTON COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Agency</u>
Non-Operating Cash Receipts	
Other Non-Operating Cash Receipts	<u>\$86,217</u>
<i>Total Operating Cash Receipts</i>	<u>86,217</u>
Non-Operating Cash Disbursements	
Other Non-Operating Cash Disbursements	<u>88,009</u>
<i>Total Operating Cash Disbursements</i>	<u>88,009</u>
<i>Net Receipts Under Disbursements</i>	<u>(1,791)</u>
<i>Fund Cash Balances, January 1</i>	<u>8,362</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$6,571</u></u>

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

Village of Golf Manor, Ohio
 Hamilton County
 Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Cash Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2013

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$856,138	\$1,038,803	\$0	\$0	\$1,894,941
Municipal Income Tax	700,293	0	0	0	700,293
Intergovernmental	142,390	162,141	0	68,861	373,392
Charges for Services	744,460	0	0	0	744,460
Fines, Licenses and Permits	109,985	36,940	0	0	146,925
Miscellaneous	81,106	0	0	0	81,106
Total Cash Receipts	2,634,372	1,237,884	0	68,861	3,941,116
Cash Disbursements					
Current:					
Security of Persons and Property	1,219,323	672,828	0	0	1,892,151
Public Health Services	2,620	0	0	0	2,620
Community Environment	22,885	0	0	0	22,885
Basic Utility Services	250,921	0	0	0	250,921
Transportation	0	508,189	0	0	508,189
General Government	1,119,679	50,313	0	0	1,169,992
Capital Outlay	0	0	0	68,861	68,861
Debt Service:					
Principal Retirement	26,684	297,828	0	0	324,512
Interest and Fiscal Charges	1,322	20,245	0	0	21,567
Total Cash Disbursements	2,643,435	1,549,402	0	68,861	4,261,698
Excess of Receipts Over (Under) Disbursements	(9,063)	(311,518)	0	0	(320,581)
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	1,500	0	0	0	1,500
Total Other Financing Receipts (Disbursements)	1,500	0	0	0	1,500
Net Change in Fund Cash Balances	(7,563)	(311,518)	0	0	(319,081)
Fund Cash Balances, January 1	60,819	801,272	14,341	3,733	880,165
Fund Cash Balances, December 31					
Restricted	0	489,753	14,341	3,733	507,827
Unassigned (Deficit)	53,255	0	0	0	53,255
Fund Cash Balances, December 31	\$53,255	\$489,753	\$14,341	\$3,733	\$561,082

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

VILLAGE OF GOLF MANOR
HAMILTON COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Agency</u>
Non-Operating Cash Receipts	
Other Non-Operating Cash Receipts	<u>\$94,989</u>
<i>Total Operating Cash Receipts</i>	<u>94,989</u>
Non-Operating Cash Disbursements	
Other Non-Operating Cash Disbursements	<u>100,022</u>
<i>Total Operating Cash Disbursements</i>	<u>100,022</u>
<i>Net Receipts Under Disbursements</i>	<u>(5,033)</u>
<i>Fund Cash Balances, January 1</i>	<u>13,395</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$8,362</u></u>

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

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Golf Manor, Hamilton County, Ohio (the Village) as a body corporate and politic. A publicly-elected Mayor and six-member Council directs the Village. The Village provides general governmental services, park operations and other leisure time activities, and police and fire services.

The Village participates in the Public Entities Pool of Ohio. (PEP) - a public entity risk pool. Note 10 to the financial statements provides additional information for this entity.

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits and Investments

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

D. Fund Accounting

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

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

1. Summary of Significant Accounting Policies Continued

Road Levy Fund - This fund receives property tax money to pay for the construction and reconstruction of new roads in the Village.

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

Police Levy Fund - This fund receives property tax money to pay for the Village's expenses for police protection.

Fire Levy Fund - This fund receives property tax money to pay for the Village's expenses for fire protection.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

General Obligation Fund - This fund was established in prior years for the retirement of general obligation debt of the Village.

4. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Neighborhood Stabilization Fund - This fund receives federal grant money for the revitalization of blighted neighborhood properties.

5. Fiduciary Funds

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following significant Fiduciary Fund:

Mayor's Court Fund - This fund is used to account for the collection and distribution of Mayor's Court fines, fees and bonds.

E. Budgetary Process

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

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

1. Summary of Significant Accounting Policies Continued

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

2. 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.

3. Encumbrances

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

A summary of 2013 and 2014 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

1. Summary of Significant Accounting Policies Continued

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

H. Accumulated Leave

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

2. Equity in Pooled Deposits and Investments

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

	2013	2014
Demand deposits	\$569,445	\$455,685
Total deposits	\$569,445	\$455,685

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending 2013 and 2014 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,583,375	\$2,468,477	(\$114,898)
Special Revenue	1,837,000	1,183,829	(653,171)
Total	\$4,420,375	\$3,652,306	(\$768,069)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,575,640	\$2,569,769	\$5,871
Special Revenue	1,938,009	1,176,433	761,576
Debt Service	0	14,341	(14,341)
Capital Projects	0	3,733	(3,733)
Total	\$4,513,649	\$3,764,276	\$749,373

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,623,869	\$2,635,872	\$12,003
Special Revenue	1,823,255	1,237,884	(585,371)
Capital Projects	68,861	68,861	0
Total	\$4,515,985	\$3,942,617	(\$573,368)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,626,780	\$2,643,435	(\$16,655)
Special Revenue	2,152,952	1,549,402	603,550
Capital Projects	68,861	68,861	0
Total	\$4,848,593	\$4,261,698	\$586,895

4. Property Tax

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

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

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

4. Property Tax (Continued)

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

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

5. Local Income Tax

The Village levies a municipal income tax of 1.7 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

6. Debt

Debt outstanding at December 31, 2014 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Equipment Acquisition Bond	\$54,000	4.68%
Dump Truck Equipment Bond	\$29,103	2.81%
Total	<u>\$83,103</u>	

During 2009 the Village issued fire equipment acquisition bonds for \$190,000 for the acquisition of an ambulance and equipment. The bonds mature on December 1, 2016, and bear an interest rate of 4.68 percent.

During 2012 the Village issued a Dump Truck Equipment lease agreement for \$58,092 for the acquisition of a dump truck. The lease mature on March 1, 2016, and bear an interest rate of 2.81 percent.

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

Year ending	Fire Acquisition Bond	Dump Truck Equipment Bond
December 31:		
2015	\$30,527	\$15,175
2016	29,311	15,175
Total	<u>\$59,838</u>	<u>\$30,350</u>

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

7. Capital Leases

During 2011 the Village entered into a capital lease for two police cruisers in the amount of \$72,300. In November 2014 the balance was paid in full.

8. Interfund Transactions

The Village had the following interfund transaction in 2014:

Fund Type/Fund	Transfer In	Transfer Out
General Fund	\$10,988	
General Obligation		\$9,240
Bond Assessment		\$1,748
Total	\$10,988	\$10,988

9. Retirement Systems

A. Ohio Public Employees Retirement System

The Village's full-time employees and part time police officers belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing multiple employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. For 2013 and 2014, OPERS members should contribute 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries.

However, for the Village of Golf Manor, the Village contributed 8.5% employee share. The Village has paid all contributions required through December 31, 2014.

B. Ohio Police and Fire Pension Fund

The Village certified full time Fire Fighters and full time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost sharing multiple employer plan. The Ohio Revised Code prescribes this benefits, which include post retirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. For January 1, 2013 to June 30, 2013 OP&F members contributed 10% of their gross salaries and the Village contributed an amount 19.5% of full-time police officers' gross salaries and 24% of full time fire fighters' gross salaries. For July 1, 2013 to June 30, 2014 OP&F members contributed 10.75% of their gross salaries and the Village contributed an amount equaling 19.5% of full time police officers' gross salaries and 24% fire fighters salaries. For July 1, 2014 to December 31, 2014 OP&F members contributed 11.5% of their gross salaries and the Village contributed an amount equaling 19.5% of full time police officers gross salaries and 24% of full time fire fighters' gross salaries.

However, for the Village of Golf Manor, the Village contributed 8.5% employee share. The Village has paid all contributions required through December 31, 2014.

VILLAGE OF GOLF MANOR
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)

10. Risk Management

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village of Golf Manor's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability; and
- Vehicle.

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2013</u>	<u>2014</u>
Cash and investments	\$21,052,977	\$22,067,810
Actuarial liabilities	\$11,642,576	\$11,183,572



Dave Yost • Auditor of State

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

Village of Golf Manor
Hamilton County
6450 Wiehe Road
Golf Manor, Ohio 45237

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Golf Manor, Hamilton County, Ohio, (the Village) as of and for the year ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated January 11, 2016, wherein we noted that the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America..

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2014-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining 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 we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2014-002 and 2014-003.

Entity's Response to Findings

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

January 11, 2016

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

FINDING NUMBER 2014-001

Material Weakness

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements required by 117-2-03 of the Administrative Code.

We identified the following conditions related to the above criteria:

- Beginning fund balances in the Village's 2013 financial statement filed with the Auditor of State and presented for audit for the Special Revenue Funds, Debt Service Funds, and Capital Projects funds did not agree to the audited 2012 ending fund balances; the Special Revenue funds were overstated by \$5,101, the Debt Service funds were understated by \$1,368, and the Capital Project funds were understated by \$3,733. The financial statements and accounting records have been adjusted for these errors.
- Homestead and Rollback receipts totaling \$94,434 and \$47,145 in the Special Revenue Funds were incorrectly posted to Property and Other Local Taxes Revenue rather than Intergovernmental Revenue in 2013 and 2014, respectively. The financial statements were not adjusted for these errors.
- Homestead and Rollback, Local Government fund and local government state receipts totaling \$121,201 in the General Fund were incorrectly recorded as Property and Other Local Taxes Revenue instead of Intergovernmental Revenue in 2013. The financial statements were not adjusted for these errors.
- State and Local Highway Distribution receipts totaling \$8,718 in the General Fund should have been posted to the Street, Construction, Maintenance and Repair Fund (201) in 2013. The financial statements and accounting records have been adjusted for these errors.
- Homestead and Rollback receipts were incorrectly posted at net in the General Fund resulting in Intergovernmental Revenue and General Government disbursements being understated by \$82,794 and \$82,969 in 2013 and 2014, respectively. The financial statements were not adjusted for these errors.
- Homestead and Rollback receipts were incorrectly posted at net in the Special Revenue Funds resulting in Intergovernmental Revenue and Security of Persons and Property disbursements being understated by \$95,504 and \$95,287 in 2013 and 2014, respectively. The financial statements have been adjusted for these errors.
- Homestead and Rollback receipts totaling \$14,158, \$14,158 and \$18,878 were incorrectly posted to the General Fund rather than to the Police Fund (504), Fire Fund (503) and Street Levy Fund (505), respectively, in 2014. The financial statements and accounting records have been adjusted for these errors.
- Permissive Motor Vehicle License Tax receipts totaling \$29,915 and \$29,060 in the Special Revenue Funds were incorrectly posted to Intergovernmental Revenue rather than Property and Other Local Taxes Revenue in 2013 and 2014, respectively. The financial statements were not adjusted for these errors.

FINDING NUMBER 2014-001
(Continued)

- Donation receipts totaling \$20,000 in the General Fund were incorrectly posted to Intergovernmental Revenue rather than Miscellaneous Revenue in 2013. The financial statements were not adjusted for these errors.
- Building permits totaling \$10,062 in the General Fund were incorrectly posted to Charges-for-Services Revenue rather than Fines, Licenses and Permits Revenue in 2013. The financial statements were not adjusted for these errors.
- Fire and Emergency Medical Tech receipts totaling \$2,750 in the General Fund should have been posted to the Fire Fund (503) in 2014. The financial statements and accounting records have been adjusted for these errors.
- Restricted fund balance totaling \$20,358 and \$12,973 in the Special Revenue Funds and Debt Service Funds, respectively, in 2013, and \$14,015 in the Special Revenue Funds in 2014 was incorrectly posted to Unassigned fund balance. The financial statements have been adjusted for these errors.
- Assigned fund balance totaling \$26,549 and \$30,206 in the General Fund for 2013 and 2014, respectively, was incorrectly posted to Unassigned fund balance. The financial statements were not adjusted for these errors.

Also, *Governmental Accounting Standards Board codification sections 1300.104-.105* state that “special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects” and that the “general fund should be used to account for and report all financial resources not accounted for and reported in another fund.” The Village recorded the general income tax activity (no restriction) in a Special Revenue Fund rather than the General fund. For 2013, the Income Tax Fund had a beginning fund balance of \$17,139, income tax receipts of \$700,293, General Government disbursements of \$18,473, Transfers Out to the General Fund of \$680,000, and an ending fund balance of \$18,959. For 2014, the Income Tax Fund had a beginning fund balance of \$18,959, income tax receipts of \$611,704, General Government disbursements of \$15,392, Transfers Out to the General Fund of \$614,779, and an ending fund balance of \$492. The financial statements and accounting records have been adjusted to account for the general income tax activity in the General fund.

Finally, The Village failed to post budgetary amounts at the legal level of control into the financial accounting system. A lack of budgetary amounts recorded in the accounting system inhibits Council’s ability to monitor the budget, and increase the risk that the Village could miss an opportunity to take timely corrective action if revenue estimates or appropriations are significantly different from actual receipts and disbursements.

The Village did not have procedures in place for effective monitoring of the Village’s financial activity, and the accuracy of accounting and financial reporting. The Village Finance Director has sole responsibility for accounting and reporting. Due to the small size of the Village, it is important that Council take an active role in monitoring the posting of such activity. Failure to accurately post financial activity and monitor financial activity increases the risk that errors, theft and fraud could occur and not be detected in a timely manner.

We recommend due care be exercised when posting entries to the financial records and financial statement preparation. In addition, we recommend that Village Council adopt procedures for ongoing reviews of the actual financial activity as compared to the official budget.

**FINDING NUMBER 2014-001
(Continued)**

Officials' Response:

The Village will begin using UAN software in 2016; our hope is that this will eliminate most of these issues.

FINDING NUMBER 2014-002

Noncompliance

Ohio Rev. Code, § 5705.10(I), states money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

The General Fund, Fire Levy and Police Levy funds had negative fund balances of (\$48,035), (\$78,731) and (\$3,061), respectively, at December 31, 2014.

We recommend that the Village monitor fund balances and budgetary financial reports and take corrective action during the year such as advancing funds, if possible or not expending funds when they are not available.

Officials' Response:

The Village is working hard to correct the issue of negative fund balances. Some of these were corrected in 2015.

FINDING NUMBER 2014-003

Noncompliance

Ohio Rev. Code, § 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

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

1. "Then and Now" Certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrances, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

FINDING NUMBER 2014-003
(Continued)

2. Blanket Certificate – Fiscal officers may prepare “blanket” certifications for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificates – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Where a continuing contract is to be performed in whole or in part in an ensuing fiscal year, only the amount required to meet those amounts in the fiscal year in which the contract is made need be certified.

The Village failed to open regular purchase orders at year end when the blanket purchase orders were closed resulting in all applicable expenditures not being encumbered in 2013 and 2014.

In addition, the Village used Blanket Certificates exclusively in 2013 and 2014, but these were approved by the Council Finance Committee rather than being established by Council via a resolution or ordinance.

Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. Unless the Village uses the exceptions noted above, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village’ exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that funds are or will be available prior to obligation by the Village. When prior certification is not possible, “then and now” certification should be used.

We recommend the Village officials and employees obtain the Fiscal Officer’s certification of the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. Blanket purchase orders should be established only by resolution or ordinance of Council and memorialized in the minutes. The Fiscal Officer should post approved purchase orders to the proper appropriation code to reduce the available appropriation.

Officials’ Response:

The Village will begin working immediately to correct the issue of purchase orders for the beginning of 2016. Our hope is to continue to learn and get better with each audit.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2014 AND 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Audit Adjustments	NO	Reissued, Finding 2014-001
2012-002	Law Enforcement Trust Account	YES	
2012-003	Mayor's Court Activities	NO	Reported in the Management Letter
2012-004	Budgetary Compliance	NO	Reported in the Management Letter
2012-005	Certificate of Funds Availability	NO	Reissued, Finding 2014-003

This page intentionally left blank.



Dave Yost • Auditor of State

VILLAGE OF GOLF MANOR

HAMILTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 2, 2016