

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2011**



Dave Yost • Auditor of State

Village Council
Village of Golf Manor
6450 Wiehe Road
Cincinnati, OH 45237-4216

We have reviewed the *Independent Accountants' Report* of the Village of Golf Manor, Hamilton County, prepared by Bastin & Company, LLC, for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Golf Manor is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

October 29, 2013

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VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO

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Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT

Village of Golf Manor
Hamilton County
6450 Wiehe Road
Cincinnati, OH 45237-4216

To the Village Council:

We have audited the accompanying financial statements of the Village of Golf Manor, Hamilton County, Ohio, (the Village), as of and for the year ended December 31, 2011. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2011, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2011, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village, as of December 31, 2011, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

As described in Note 1, during 2011 the Village adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2013, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
June 24, 2013

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<i>Cash Receipts:</i>					
Property and Other Local Taxes	\$ 929,375	\$ 1,102,711	\$ -	\$ -	\$ 2,032,086
Municipal Income Tax	-	648,639	-	-	648,639
Intergovernmental	104,746	299,117	-	214,464	618,327
Charges for Services	716,967	-	-	-	716,967
Fines, Licenses and Permits	110,484	-	-	-	110,484
Miscellaneous	89,080	27,964	-	-	117,044
Total Cash Receipts	1,950,652	2,078,431	-	214,464	4,243,547
<i>Cash Disbursements:</i>					
<i>Current:</i>					
Security of Persons and Property	1,223,528	551,113	-	-	1,774,641
Public Health Services	2,915	-	-	-	2,915
Community Environment	27,263	-	-	-	27,263
Basic Utility Services	251,027	-	-	-	251,027
Transportation	-	154,960	-	-	154,960
General Government	1,156,080	150,730	-	-	1,306,810
Capital Outlay	36,150	500,591	-	214,464	751,205
<i>Debt Service:</i>					
Principal Retirement	12,075	295,603	-	-	307,678
Interest and Fiscal Charges	426	46,586	-	-	47,012
Total Cash Disbursements	2,709,464	1,699,583	-	214,464	4,623,511
Excess of Receipts Over (Under) Disbursements	(758,812)	378,848	-	-	(379,964)
<i>Other Financing Receipts (Disbursements):</i>					
Proceeds from Capital Lease	36,150	36,150	-	-	72,300
Sale of Capital Assets	2,405	-	-	-	2,405
Transfers-In	625,000	-	-	-	625,000
Transfers-Out	-	(625,000)	-	-	(625,000)
Total Other Financing Receipts (Disbursements)	663,555	(588,850)	-	-	74,705
Net Change in Fund Cash Balances	(95,257)	(210,002)	-	-	(305,259)
Fund Cash Balances, January 1, 2011	220,562	1,109,668	14,341	10,079	1,354,650
Fund Cash Balances, December 31, 2011:					
Restricted	-	899,666	14,341	10,079	924,086
Unassigned	125,305	-	-	-	125,305
Fund Cash Balances, December 31, 2011	\$ 125,305	\$ 899,666	\$ 14,341	\$ 10,079	\$ 1,049,391

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

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - (CASH BASIS)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Fiduciary Fund Types
	Agency
<i>Non-Operating Cash Receipts:</i>	
Other Financing Sources	\$ 119,074
Total Non-Operating Cash Receipts	119,074
<i>Non-Operating Cash Disbursements:</i>	
Other Financing Uses	118,200
Total Non-Operating Cash Disbursements	118,200
Net Change in Fund Cash Balances	874
Fund Cash Balance, January 1, 2011	12,593
Fund Cash Balance, December 31, 2011	\$ 13,467

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

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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 Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan, a public entity risk pool. Note 11 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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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

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.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)**

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:

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

Income Tax Fund - This fund receives income tax money for general expenses of 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)

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.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)**

E. Budgetary Process

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

1. Appropriations

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

A summary of 2011 budgetary activity appears in Note 3.

F. Fund Balance

For 2011, the Village implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types. The implementation of GASB Statement No. 54 did not have an effect on the previously reported fund balances.

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:

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)**

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.

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.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)**

2. EQUITY IN POOLED DEPOSITS

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31, 2011 was as follows:

Demand deposits \$ 1,062,858

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

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2011 follows:

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,594,448	\$ 2,614,207	\$ 19,759
Special Revenue	1,944,970	2,114,581	169,611
Capital Projects	214,464	214,464	-
Total	<u><u>\$ 4,753,882</u></u>	<u><u>\$ 4,943,252</u></u>	<u><u>\$ 189,370</u></u>

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,708,959	\$ 2,709,464	\$ (505)
Special Revenue	2,263,272	2,324,583	(61,311)
Capital Projects	214,464	214,464	-
Total	<u><u>\$ 5,186,695</u></u>	<u><u>\$ 5,248,511</u></u>	<u><u>\$ (61,816)</u></u>

4. COMPLIANCE

- Contrary to Ohio Revised Code Section 5705.41(B), the Village's expenditures exceeded total appropriations for four funds.
- Contrary to Ohio Revised Code Section 5705.41(D), the Village did not properly certify the availability of funds.
- Contrary to Ohio Revised Code Section 9.38, receipts for the Mayor's Court were not deposited within the required time period.
- Contrary to Ohio Revised Code Sections 733.40, distributions of Mayor's Court funds to the Village's general operating fund were not made within the required time period.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)**

5. PROPERTY TAX

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

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

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

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

6. LOCAL EARNINGS 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.

7. DEBT

Debt outstanding at December 31, 2011 was as follows:

	Principal	Interest Rate
Street Improvement Tax Anticipation Notes	\$ 492,968	5.27%
Fire Equipment Acquisition Bonds	127,000	4.68%
Fire Equipment Acquisition Bonds #2	19,600	3.00%
Total	\$ 639,568	

During 2006 the Village issued street improvement tax anticipation notes for \$1,525,000, in anticipation of a street tax levy for the general construction, reconstruction and repair of Village streets. The notes mature on September 26, 2013, and bear an interest rate of 5.27 percent.

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 2010 the Village issued additional fire equipment acquisition bonds for \$29,000 for the acquisition of an emergency vehicle. The bonds mature on May 1, 2013, and bear an interest rate of 3.00 percent.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)**

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

Year	Street Improvement	Fire Equipment	Fire Equipment
	Tax Anticipation Notes	Acquisition Bonds	Acquisition Bonds #2
2012	\$ 266,135	\$ 28,945	\$ 10,188
2013	266,135	28,868	10,300
2014	-	29,745	-
2015	-	28,528	-
2016	-	29,311	-
Total	<u>\$ 532,270</u>	<u>\$ 145,397</u>	<u>\$ 20,488</u>

8. CAPITAL LEASES

During 2011 the Village entered into a capital lease for two police cruisers in the amount of \$72,300. Payments on the lease are scheduled to commence in 2012. Amortization of the lease, including interest at 3.92%, is scheduled as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2012	\$25,662
2013	25,662
2014	25,662
Less: amount representing interest	<u>(4,686)</u>
Present value of future minimum lease payments	<u>\$72,300</u>

9. INTERFUND TRANSACTIONS

The Village had the following interfund transaction in 2011:

<u>Fund Type/Fund</u>	<u>Transfer-In</u>	<u>Transfer-Out</u>
General Fund	\$625,000	\$ -
Income Tax	-	<u>625,000</u>
Total	<u>\$625,000</u>	<u>\$625,000</u>

Income taxes are collected in the Income Tax Fund and transferred to other funds.

10. RETIREMENT SYSTEMS

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

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)**

The Ohio Revised Code also prescribes contribution rates. For 2011, OP&F participants contributed 10 percent of their wages. For 2011, the Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. For 2011, OPERS members contributed 10 percent of their gross salaries and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2011.

11. RISK MANAGEMENT

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (41.5% effective November 1, 2011, 40% through October 31, 2011 and 17.5% through October 31, 2010) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 782 and 761 members as of December 31, 2011 and 2010 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2011 and 2010.

	2011	2010
Assets	\$12,501,280	\$12,036,541
Liabilities	(5,328,761)	(4,845,056)
Members' Equity	\$7,172,519	\$7,191,485

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' 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
Cincinnati, OH 45237-4216

To the Village Council:

We have audited the financial statements of the Village of Golf Manor, Hamilton County, Ohio (the Village), as of and for the year ended December 31, 2011, and have issued our report thereon dated June 24, 2013, 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 and implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control over financial reporting that we consider material weaknesses.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2011-01 through 2011-03 described in the accompanying schedule of findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2011-03 through 2011-05.

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.

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

A handwritten signature in cursive script that reads "Bastin & Company, L.L.C." The signature is written in black ink on a white background.

Cincinnati, Ohio
June 24, 2013

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2011**

Finding Number 2011-01 – Audit Adjustments

Material Weakness

During the course of our audit, we identified misstatements in the financial statements that were not initially identified by the Village's internal control. Audit adjustments were necessary to correct errors in the Village's financial statements provided for audit. A description of the significant adjustments, by area, follows:

Proceeds from Capital Lease – Adjustments to record capital lease proceeds and related expenditures of \$72,300 were made to reflect items not recorded by the Village.

Proceeds from Federal Grant – Adjustments to record proceeds from a grant and related expenditures of \$214,464 were made to reflect items not recorded by the Village.

Capital Outlay Expenditures – Adjustments to record expenditures for road improvements and reconstruction in the amount of \$443,726 were made to reclassify amounts recorded as general government expense to capital outlay expense.

Property Tax Distribution Expenses – Adjustments to record property tax distribution expenses in the amount of \$72,894 were made to reclassify amounts recorded as security of persons and property expense to general government expense.

Debt Service Payments – Adjustments totaling \$888 were made to reclassify amounts recorded as principal payments to interest expense.

Law Enforcement Trust Account – Adjustments totaling \$32,611 were made to reflect the beginning of the year balance in a Law Enforcement Trust bank account maintained by the police department. In addition, adjustments of \$9,993 for revenues and \$11,000 for expenses were also made to reflect 2011 activities.

The presentation of materially correct financial statements is the responsibility of management. We recommend that the Village implement control procedures to ensure the proper recording and reporting of revenues and expenditures.

Village's Response

The Village will attempt to more closely monitor the proper recording of transactions in the future.

Finding Number 2011-02 – Law Enforcement Trust Account

Material Weakness

The Village's police department maintains a Law Enforcement Trust bank account with a balance of \$31,604 as of December 31, 2011. The account is controlled solely by the police chief and is not recorded on the Village's accounting system or subjected to the accounting or budgetary controls afforded to the other accounts and funds of the Village.

The Village should implement adequate control procedures over the account to provide for an independent review and approval process of activities of this account. The Village should consider bringing the account under the financial recording and budgetary controls of the Village's normal financial system.

Village's Response

This issue was brought to our attention in the prior audit and has been discussed with the Village's management; however, no changes have been implemented to date. This issue will be reviewed by Council and changes they deem appropriate will be implemented.

Finding Number 2011-03 – Mayor's Court Activities

Noncompliance and Material Weakness

Testing applied to the Village's Mayor's Court disclosed the following control and compliance conditions:

- Ohio Revised Code Section 733.40 requires that distributions to the Village's general operating account be made by the first Monday of the month following the last Mayor's Court session of the preceding month. Testing disclosed that 75 percent of distributions to the Village's general operating account were not in compliance.
- Ohio Revised Code Section 9.38 requires that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt, or within three business days if less than \$1,000 and the money can be safeguarded. Testing disclosed that 40 percent of items tested were not in compliance.
- Monthly bank reconciliations have not been performed, documented or approved for the accounts maintained by the Mayor's Court.
- There is no follow-up made with violators if they fail to appear in court or pay their outstanding fine beyond the issuance of a warrant.

We recommend the Village review and modify the procedures of the Mayor's Court to ensure compliance with the requirements of the Ohio Revised Code and to strengthen controls.

Village's Response

The Village will review procedures and attempt to make distributions and deposits on a timely basis. The Village will also begin doing reconciliations and sending out system-generated form letters to violators who fail to appear in court or pay their outstanding fine.

Finding Number 2011-04 – Budgetary Compliance

Noncompliance

Ohio Revised Code Section 5705.41(B) states “no subdivision or taxing unit is to expend money unless it has been appropriated”. The following funds had expenditures that exceeded appropriations:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General	\$2,672,809	\$2,673,314	\$ (505)
Income Tax	622,000	651,618	(29,618)
Home Improvement	-	20,715	(20,715)
Law Enforcement Trust	-	11,000	(11,000)

We recommend that management of the Village more closely monitor its budgetary compliance with the applicable sections of the Ohio Revised Code.

Village’s Response

The Law Enforcement Trust Fund was not included as a fund as part of the Village’s appropriations as the account is maintained by the police department as discussed above. For other funds, the Village will attempt to more closely monitor its compliance with the requirements of the Ohio Revised Code.

Finding Number 2011-05 – Certification of Funds Availability

Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision’s fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

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 encumbrance, 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.

2. Blanket Certificate - Fiscal officers may prepare “blanket” certificates 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 Certificate - 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.

The availability of funds was not certified prior to the time of commitment in 15 percent of expenditures tested, nor did the Village properly use the aforementioned exceptions. Unless the Village uses the exceptions noted above, prior certification is not only required by statute but also 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’s funds 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.

Village’s Response

The Village concurs with the citation and will attempt to ensure certifications are properly performed in the future.

**VILLAGE OF GOLF MANOR
HAMILTON COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011**

Finding Number	Finding Summary	Fully Corrected?	Status Explanation
2010-01	Audit adjustments	No	Reissued as finding number 2011-01.
2010-02	Mayor's Court	No	Partially corrected. Reissued as finding number 2011-03.
2010-03	Budgetary Compliance Expenditures exceeded appropriations	No	Reissued as finding number 2011-04.

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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
NOVEMBER 12, 2013**