



Dave Yost • Auditor of State

**COALITION FOR FISCAL FAIRNESS IN OHIO
HAMILTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Basic Financial Statements:	
Statement of Receipts, Disbursements and Changes in Fund Balance (Cash Basis) General Fund - For the Year Ended June 30, 2015	3
Statement of Receipts, Disbursements and Changes in Fund Balance (Cash Basis) General Fund - For the Year Ended June 30, 2014	4
Notes to the Basic Financial Statements	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Coalition for Fiscal Fairness in Ohio
Hamilton County
5959 Hagewa Drive
Cincinnati, Ohio 45242

To the Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements of the General Fund, and related notes of the Coalition for Fiscal Fairness in Ohio, Hamilton County, Ohio, (the Coalition) as of and for the years ended June 30, 2015 and 2014.

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 Coalition'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 Coalition'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 opinions.

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

As described in Note 1B of the financial statements, the Coalition 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 Coalition 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 Coalition as of June 30, 2015 and 2014, 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 cash balances of the Coalition for Fiscal Fairness in Ohio, Hamilton County as of June 30, 2015 and 2014, and its 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 12, 2016, on our consideration of the Coalition'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 Coalition's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

January 12, 2016

**COALITION FOR FISCAL FAIRNESS IN OHIO
HAMILTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE (CASH BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General</u>
Cash Receipts	
Membership Contributions	<u>\$136,674</u>
<i>Total Cash Receipts</i>	<u>136,674</u>
Cash Disbursements	
Current:	
Consulting Services	150,000
Meeting Expense	<u>1,136</u>
<i>Total Cash Disbursements</i>	<u>151,136</u>
<i>Net Change in Fund Cash Balance</i>	(14,462)
<i>Fund Cash Balance, July 1</i>	<u>62,419</u>
Fund Cash Balance, June 30	
Assigned	0
Unassigned	<u>47,957</u>
<i>Fund Cash Balance, June 30</i>	<u><u>\$47,957</u></u>

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

**COALITION FOR FISCAL FAIRNESS IN OHIO
HAMILTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE (CASH BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>General</u>
Cash Receipts	
Membership Contributions	<u>\$133,000</u>
<i>Total Cash Receipts</i>	<u>133,000</u>
Cash Disbursements	
Current:	
Consulting Services	<u>173,500</u>
<i>Total Cash Disbursements</i>	<u>173,500</u>
<i>Net Change in Fund Cash Balance</i>	(40,500)
<i>Fund Cash Balance, July 1</i>	<u>102,919</u>
Fund Cash Balance, June 30	
Assigned	0
Unassigned	<u>62,419</u>
<i>Fund Cash Balance, June 30</i>	<u><u>\$62,419</u></u>

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

**COALITION FOR FISCAL FAIRNESS IN OHIO
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Coalition for Fiscal Fairness in Ohio (the Coalition) is a Regional Council of Governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition operates under a Board of Directors consisting of the five original members. There were 21 dues paying member districts in both fiscal years 2015 and 2014.

The purpose of the Coalition is to educate the public and legislative body in Ohio of the devastating effects of eliminating tangible personal property taxes from school districts with no permanent funding replacement plan. The Coalition is organized and operated exclusively for the above and other non-profit purposes, and no part of any net earnings shall inure to the benefit of any member or officer.

Services provided by the Coalition include but are not limited to:

1. documenting the fiscal and/or operational impact of eliminating tangible personal property taxes from Ohio school districts without a permanent funding replacement plan;
2. developing long-term policies, reforms, solutions and/or strategies for permanently replacing the loss of tangible personal property taxes to school districts;
3. working to increase the awareness of the Coalition's position among the public, other educators, and the Ohio General Assembly;
4. participating in legal processes that directly impact the elimination of tangible personal property taxes from school districts; and
5. working collaboratively and cooperatively with other organizations regarding any legislative or regulatory initiative that might affect the efficiency and effectiveness of Ohio's schools or detrimentally affect Coalition member school districts.

**COALITION FOR FISCAL FAIRNESS IN OHIO
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Coalition recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. 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

The Coalition maintains one non-interest bearing checking account.

D. Budgetary

The Coalition is not subject to budgetary laws prescribed by the Ohio Revised Code.

E. Fund Accounting

The Coalition uses fund accounting to segregate cash that is restricted as to use. The Coalition classifies its funds into the following type:

General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

**COALITION FOR FISCAL FAIRNESS IN OHIO
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance

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

1. Non-spendable

The Coalition classifies assets as *non-spendable* 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

Directors can *commit* amounts via formal action (resolution). The Coalition must adhere to these commitments unless the Directors amend 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 balance 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 the Coalition Directors or a Coalition official delegated that authority by resolution or by State Statute.

**COALITION FOR FISCAL FAIRNESS IN OHIO
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

5. Unassigned

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

The Coalition 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.

2. EQUITY IN POOLED DEPOSITS

The Coalition maintains a deposit pool for all funds use. The Coalition has elected to follow the Ohio Revised Code guidelines that prescribe allowable deposits and investments. The carrying amount of deposits was \$47,957 at June 30, 2015 and \$62,419 at June 30, 2014.

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. RISK MANAGEMENT

The Coalition is uninsured for risk of errors and omissions.



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*

Coalition for Fiscal Fairness in Ohio
Hamilton County
5959 Hagewa Drive
Cincinnati, Ohio 45242

To the Members of the Board:

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 cash balances, receipts, and disbursements of the General Fund of the Coalition for Fiscal Fairness in Ohio, Hamilton County, (the Coalition) as of and for the years ended June 30 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated January 12, 2016, wherein we noted the Coalition followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Coalition'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 Coalition'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 Coalition'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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Coalition'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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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 Coalition's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Coalition's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

January 12, 2016



Dave Yost • Auditor of State

COALITION FOR FISCAL FAIRNESS

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
JANUARY 26, 2016**