



Dave Yost • Auditor of State

VILLAGE OF FELICITY
CLERMONT COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Felicity
Clermont County
415 Walnut Street
Felicity, Ohio 45120

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 Felicity, Clermont County, (the Village) as of and for the years ended December 31, 2012 and 2011.

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 opinions.

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

As described in Note 2 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, 2012 and 2011, or changes in financial position thereof for the year 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 Felicity, Clermont County, Ohio as of December 31, 2012 and 2011, 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 2.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during 2011 the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2015, 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

December 16, 2015

**VILLAGE OF FELICITY
CLERMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$19,771	\$30,771	\$50,542
Municipal Income Tax	47,419	47,221	94,640
Intergovernmental	65,485	24,527	90,012
Charges for Services	430	0	430
Fines, Licenses and Permits	13,467	895	14,362
Earnings on Investments	592	416	1,008
Miscellaneous	893	0	893
	<u>148,057</u>	<u>103,830</u>	<u>251,887</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	108,349	58,213	166,562
Public Health Services	2,655	0	2,655
Leisure Time Activities	201	0	201
Community Environment	0	5,267	5,267
Basic Utility Service	0	1,695	1,695
Transportation	20,426	18,690	39,116
General Government	53,796	9,466	63,262
	<u>185,427</u>	<u>93,331</u>	<u>278,758</u>
Total Cash Disbursements			
Total Receipts Over (Under) Disbursements	(37,370)	10,499	(26,871)
Other Financing Sources (Uses):			
Sale of Capital Assets	2,770	0	2,770
	<u>2,770</u>	<u>0</u>	<u>2,770</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(34,600)	10,499	(24,101)
Fund Cash Balances, January 1	<u>110,854</u>	<u>93,914</u>	<u>204,768</u>
Fund Cash Balances, December 31			
Nonspendable	0	0	0
Restricted	0	104,413	104,413
Committed	0	0	0
Assigned	18,006	0	18,006
Unassigned (Deficit)	58,248	0	58,248
	<u>\$76,254</u>	<u>\$104,413</u>	<u>\$180,667</u>
Fund Cash Balances, December 31			

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

**VILLAGE OF FELICITY
CLERMONT COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Agency	
Operating Cash Receipts:			
Charges for Services	\$284,427	\$0	\$284,427
Tap-In Fees	6,110	0	6,110
Total Operating Cash Receipts	290,537	0	290,537
Operating Cash Disbursements:			
Personal Services	100,361	0	100,361
Contractual Services	95,754	0	95,754
Supplies and Materials	33,888	0	33,888
Total Operating Cash Disbursements	230,003	0	230,003
Operating Income (Loss)	60,534	0	60,534
Non-Operating Cash Receipts (Disbursements)			
Earnings on Investments (proprietary funds only)	181	0	181
Capital Outlay	(25,297)	0	(25,297)
Principal Retirement	(25,000)	0	(25,000)
Interest and Other Fiscal Charges	(4,177)	0	(4,177)
Other Financing Sources	149	13,554	13,703
Other Financing Uses	0	(14,254)	(14,254)
Total Non-Operating Cash Disbursements	(54,144)	(700)	(54,844)
Net Receipts Over (Under) Disbursements	6,390	(700)	5,690
Fund Cash Balances, January 1	529,033	1,775	530,808
Fund Cash Balances, December 31	\$535,423	\$1,075	\$536,498

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

**VILLAGE OF FELICITY
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

1. DESCRIPTION OF THE ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Felicity, Clermont County, (the Village) as a body corporate and politic. The Village operates under a council/mayor form of government. Elected officials include six council members, a clerk/treasurer, and a mayor. The Village provides various services including police protection, recreation, street maintenance and repair, water and general administrative services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable, except debt service funds maintained by outside custodians which are not included in these financial statements. Such assets held by custodian are described in Note 8 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Fund Accounting

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

General Fund

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

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:

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

VILLAGE OF FELICITY
CLERMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012
(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Police Fund – This fund receives real estate tax levy monies and other resources to fund police department operations.

Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover water service costs.

Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

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's most significant agency fund accounts for the collection and distribution of Mayor's Court fines and forfeitures.

Budgetary Process

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

Appropriations

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

Estimated Resources

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

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 2012 budgetary activity appears in Note 4.

VILLAGE OF FELICITY
CLERMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012
(Continued)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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:

Nonspendable

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

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.

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.

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.

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.

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.

**VILLAGE OF FELICITY
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012
(Continued)**

3. 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:

	<u>2012</u>
Demand Deposits	<u>\$717,165</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or are collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution's public entity deposit pool.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2012 is as follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$80,462	\$150,827	\$70,365
Special Revenue	108,259	103,830	(4,429)
Enterprise	268,275	290,867	22,592
Total	\$456,996	\$545,524	\$88,528

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$187,696	\$185,427	\$2,269
Special Revenue	160,474	93,331	67,143
Enterprise	345,604	284,477	61,127
Total	\$693,774	\$563,235	\$130,539

5. PROPERTY TAXES

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 FELICITY
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012
(Continued)**

5. PROPERTY TAXES (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.

6. LOCAL INCOME TAX

The Village levies a municipal income tax of one 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.

Income tax receipts are recorded into the General Fund, Income Tax Fund and Police Fund as directed by a resolution adopted by Council.

7. DEBT

Debt outstanding at December 31, 2012 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Refunding Improvement Bonds	\$245,000	4.5% to 6.875%
Ohio Public Works Commission Loan	<u>65,000</u>	0.00%
Total	<u><u>\$310,000</u></u>	

The Refunding and Improvement Bonds relate to various improvements of the Village's water system. The Bonds were issued August 1, 1994, mature on August 1, 2024, and are subject to interest at a variable rate of 4.5 percent to 6.875 percent.

The Ohio Public Works Commission Loan relates to various improvements of the Village's water system. The loan was issued August 1, 1998, matures on July 1, 2019, and is not subject to interest.

Amortization of the Village's debt, including interest, is scheduled as follows:

**VILLAGE OF FELICITY
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012
(Continued)**

7. DEBT (Continued)

Year ending December 31:	Refunding and Improvements Bonds	Ohio Public Works Commission
2013	\$31,844	\$10,000
2014	30,813	10,000
2015	29,781	10,000
2016	28,750	10,000
2017	32,719	10,000
2018-2022	152,625	15,000
2023-2024	60,843	0
Total	<u>\$367,375</u>	<u>\$65,000</u>

8. DEBT SERVICE TRUST FUNDS

The Refunding and Improvement Bonds Trust Agreement required the Village to establish a debt service reserve fund to be maintained by a custodian bank. The Village has established this fund. At December 31, 2012, no money was held by the custodian. The accompanying financial statements do not include these assets or the related receipts and disbursements.

9. RETIREMENT SYSTEMS

The Village's 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.

The Ohio Revised Code also prescribes contribution rates. For 2012, OP&F participants contributed 10 percent of their wages. For 2012, the Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. For 2012, 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, 2012.

10. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village purchases insurance coverage through HCC Public Risk to protect themselves from potential losses.

There have been no significant reductions in insurance coverage from 2010, and no insurance settlement has exceeded insurance coverage during the last three years.

Workers' Compensation

The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative cost. The Village pays Sheakley Inc. to manage their workers compensation claims.

**VILLAGE OF FELICITY
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012
(Continued)**

11. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal, state and other local governments. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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**VILLAGE OF FELICITY
CLERMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$21,717	\$31,130	\$52,847
Municipal Income Tax	51,554	47,682	99,236
Intergovernmental	76,520	23,463	99,983
Charges for Services	75	0	75
Fines, Licenses and Permits	12,974	505	13,479
Earnings on Investments	475	310	785
Miscellaneous	1,933	280	2,213
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	165,248	103,370	268,618
Cash Disbursements:			
Current:			
Security of Persons and Property	95,236	47,170	142,406
Public Health Services	1,085	0	1,085
Leisure Time Activities	233	0	233
Community Environment	0	5,077	5,077
Basic Utility Service	0	1,668	1,668
Transportation	20,037	33,764	53,801
General Government	52,053	10,232	62,285
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	168,644	97,911	266,555
Total Receipts Over (Under) Disbursements	(3,396)	5,459	2,063
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	3,700	0	3,700
Other Financing Sources	0	98	98
Other Financing Uses	0	(4,811)	(4,811)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	3,700	(4,713)	(1,013)
Net Change in Fund Balances	304	746	1,050
Fund Cash Balances, January 1	110,550	93,168	203,718
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31			
Nonspendable	0	0	0
Restricted	0	93,914	93,914
Committed	0	0	0
Assigned	17,399	0	17,399
Unassigned (Deficit)	93,455	0	93,455
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$110,854</u>	<u>\$93,914</u>	<u>\$204,768</u>

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

**VILLAGE OF FELICITY
CLERMONT COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Agency	
Operating Cash Receipts:			
Charges for Services	\$275,489	\$0	\$275,489
Tap-In Fees	3,763	0	3,763
Total Operating Cash Receipts	<u>279,252</u>	<u>0</u>	<u>279,252</u>
Operating Cash Disbursements:			
Personal Services	99,510	0	99,510
Contractual Services	86,076	0	86,076
Supplies and Materials	47,393	0	47,393
Total Operating Cash Disbursements	<u>232,979</u>	<u>0</u>	<u>232,979</u>
Operating Income (Loss)	<u>46,273</u>	<u>0</u>	<u>46,273</u>
Non-Operating Cash Receipts (Disbursements)			
Earnings on Investments (proprietary funds only)	134	0	134
Capital Outlay	(1,808)	0	(1,808)
Principal Retirement	(20,000)	0	(20,000)
Interest and Other Fiscal Charges	(20,195)	0	(20,195)
Other Financing Sources	1,958	13,061	15,019
Other Financing Uses	0	(12,910)	(12,910)
Total Non-Operating Cash Disbursements	<u>(39,911)</u>	<u>151</u>	<u>(39,760)</u>
Net Receipts Over (Under) Disbursements	6,362	151	6,513
Fund Cash Balances, January 1	<u>522,671</u>	<u>1,624</u>	<u>524,295</u>
Fund Cash Balances, December 31	<u><u>\$529,033</u></u>	<u><u>\$1,775</u></u>	<u><u>\$530,808</u></u>

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

**VILLAGE OF FELICITY
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

1. DESCRIPTION OF THE ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Felicity, Clermont County, (the Village) as a body corporate and politic. The Village operates under a council/mayor form of government. Elected officials include six council members, a clerk/treasurer, and a mayor. The Village provides various services including police protection, recreation, street maintenance and repair, water and general administrative services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable, except debt service funds maintained by outside custodians which are not included in these financial statements. Such assets held by custodian are described in Note 8 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Fund Accounting

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

General Fund

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

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:

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

VILLAGE OF FELICITY
CLERMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Police Fund – This fund receives real estate tax levy monies and other resources to fund police department operations.

Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover water service costs.

Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

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's most significant agency fund accounts for the collection and distribution of Mayor's Court fines and forfeitures.

Budgetary Process

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

Appropriations

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

Estimated Resources

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

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 4.

VILLAGE OF FELICITY
CLERMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Balance

In 2011, the Village adopted Government Accounting Standard Board No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. For December 31, 2011, fund balance can be divided into five classifications based primarily on the extent which the Village must observe constraints imposed upon the use of its governmental fund resource.

The classifications are as follows:

Nonspendable

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

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.

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.

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.

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.

**VILLAGE OF FELICITY
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

3. 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:

	2011
Demand Deposits	\$735,576

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; [or] collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution's public entity deposit pool.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2011 is as follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$175,233	\$168,948	(\$6,285)
Special Revenue	139,399	103,468	(35,931)
Enterprise	268,275	281,334	13,059
Total	<u>\$582,907</u>	<u>\$553,750</u>	<u>(\$29,157)</u>

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$187,696	\$168,644	\$19,052
Special Revenue	101,845	102,722	(877)
Enterprise	319,777	274,982	44,795
Total	<u>\$609,318</u>	<u>\$546,348</u>	<u>\$62,970</u>

**VILLAGE OF FELICITY
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)**

5. PROPERTY TAXES

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 INCOME TAX

The Village levies a municipal income tax of one 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.

Income tax receipts are recorded into the General Fund, Income Tax Fund and Police Fund as directed by a resolution adopted by Council.

7. DEBT

Debt outstanding at December 31, 2011 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Refunding Improvement Bonds	\$260,000	4.5% to 6.875%
Ohio Public Works Commission Loan	<u>75,000</u>	0.00%
Total	<u><u>\$335,000</u></u>	

The Refunding and Improvement Bonds relate to various improvements of the Village's water system. The Bonds were issued August 1, 1994, mature on August 1, 2024, and are subject to interest at a variable rate of 4.5 percent to 6.875 percent.

The Ohio Public Works Commission Loan relates to various improvements of the Village's water system. The loan was issued August 1, 1998, matures on July 1, 2019, and is not subject to interest.

Amortization of the Village's debt, including interest, is scheduled as follows:

**VILLAGE OF FELICITY
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)**

7. DEBT (Continued)

Year ending December 31:	Refunding and Improvements Bonds	Ohio Public Works Commission
2012	\$32,875	\$10,000
2013	31,844	10,000
2014	30,813	10,000
2015	29,781	10,000
2016	28,750	10,000
2017-2021	154,844	25,000
2022-2025	91,343	0
Total	\$400,250	\$75,000

8. DEBT SERVICE TRUST FUNDS

The Refunding and Improvement Bonds Trust Agreement required the Village to establish a debt service reserve fund to be maintained by a custodian bank. The Village has established this fund. At December 31, 2011, the custodian held \$13,698 in Village assets, respectively. The accompanying financial statements do not include these assets or the related receipts and disbursements.

9. RETIREMENT SYSTEMS

The Village's 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.

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. 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.

10. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village purchases insurance coverage through HCC Public Risk to protect themselves from potential losses.

There have been no significant reductions in insurance coverage from 2010, and no insurance settlement has exceeded insurance coverage during the last three years.

Workers' Compensation

The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative cost. The Village pays Sheakley Inc. to manage their workers compensation claims.

**VILLAGE OF FELICITY
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011
(Continued)**

11. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal, state and other local governments. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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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 Felicity
Clermont County
415 Walnut Street
Felicity, Ohio 45120

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 Felicity, Clermont County, Ohio (the Village) as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated December 16, 2015, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and we noted the Village implemented GASB No. 54 in 2011.

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 opinions 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. 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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Entity'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. We consider finding 2012-001 described in the accompanying schedule of findings 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 2012-001 through 2012-007.

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.

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

December 16, 2015

VILLAGE OF FELICITY
CLERMONT COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2012 AND 2011

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

FINDING NUMBER 2012-001

Noncompliance/Material Weakness

Ohio Admin. Code § 117-2-02(A) requires public offices to 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.

We noted the following conditions related to the Village's accounting records:

- The Village's system of accounting in place during 2011 and 2012 did not provide management with timely and accurate financial data from which well-informed decisions can be based. Financial reports that summarize data, when compared to the detailed reports from which they were derived, did not have matching report totals. Documentation could not be provided from the system to demonstrate which funds employees were being paid out of.
- Outstanding check lists could not be derived from the system and were maintained manually. Outstanding check lists provided for audit did not agree to the cash reconciliations prepared by the Village. The variance was based, in part, on voided remittance checks reflected on the list. The variance at December 31, 2012 was \$7,056. This variance was primarily offset on the reconciliation by an incorrect bank balance reflected for the Debt Service Reserve account with a variance of \$6,748. This also resulted in the cash reconciliations not being accurate.

As a result of these conditions, the Auditor of State considered the financial records unauditible pursuant to Ohio Rev. Code Section 117.41. The Village engaged the Local Government Services (LGS) division of the Auditor of State to assist in compiling the financial statements and notes. LGS posted certain adjustments and corrections which are reflected in the accompanying financial statements. Also, timely and accurate financial information (including cash balances by fund, aggregate outstanding encumbrances by fund and remaining appropriations available for expenditure by fund) were not available to Village management. Therefore, management did not have adequate timely financial information available on which well-informed decisions could be based.

We recommend that the Village take the necessary steps to implement an accounting system that produces accurate, reliable and timely accounting data and financial reports. We also recommend the Village prepare accurate monthly cash reconciliations.

FINDING NUMBER 2012-002

Noncompliance

26 U.S.C. Section 3402 states every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary.

26 U.S.C Section 3403 states the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter.

The Village withheld various employment related taxes from employee paychecks. The Village remitted all federal tax withholdings via check to Riverhills Bank with the expectation that the Riverhills Bank would remit the taxes to the Internal Revenue Service. Beginning in December 2010 and continuing through December 2012, the withholdings checks sent to Riverhills Bank were not cashed or processed. The Village was subsequently informed that the Internal Revenue Service stopped the practice of receiving tax remittances from Riverhills Bank.

The Village maintained the withholdings check information on its outstanding check lists; however the remittances were not paid to the Internal Revenue Service and the issue was not resolved in a timely manner. In October 2012 and January 2013 the Village eventually made payments via bank withdrawal to the Internal Revenue Service totaling \$72,090 which included all back taxes, interest and fees.

Failure to remit federal tax withholdings timely resulted in unnecessary interest and fees being paid by the Village.

The Village should use due care in remit federal tax withholdings in a timely manner.

FINDING NUMBER 2012-003

Noncompliance

The Village's outstanding Refunding Improvement Bonds (enterprise debt) are subject to various debt compliance requirements that are contained in the Indenture of Mortgage dated August 1, 1994.

- The Village is required to submit an annual report of system operation to the bond trustee by June 30th of each year.
- The Village is required to pay monthly into the Bond Account held by the Bank of New York Mellon an amount equal to at least one-sixth of the interest due on all outstanding Bonds on the next ensuing interest payment date plus one-twelfth of the principal due on the next ensuing principal payment date.
- The Village must realize net income available for debt service of at least 120% of the following year's principal and interest payments related to the Refunding and Improvement Bonds plus 100% of the principal and interest of all other debt related to the water system that is due in the following year.

**FINDING NUMBER 2012-003
(Continued)**

The Village did not comply with the above requirements as follows:

- The Village did not prepare and submit annual reports of operation to the bond trustee by June 30th of each year.
- The Village did not make monthly payments into the Bond Account after July of 2012.
- The Village 2011 net income available for debt service was not at least 120% of the following year's principal and interest payments related to the Refunding and Improvement Bonds plus 100% of the principal and interest of all other debt related to the water system that is due in the following year. Net income available for debt service that was short of the required amount by \$3,177.

Noncompliance with debt covenant requirement could cause the Village to be subject to accelerated debt service payments.

The Village should assess their accounting system so that reports of the Water System's Operation can be compiled and submitted to the bond trustee by June 30th each year. The Village should make monthly payments into the Bond Account held by the Bank of New York Mellon as required by the debt covenant. Finally, The Village should review and consider adjusting rates and/or expenditure levels such that net income available for debt service meets the required level in the debt covenant.

FINDING NUMBER 2012-004

Noncompliance

Ohio Rev. Code, §5705.39, provides in part that total appropriations from each fund shall not exceed the total estimated resources as certified by the budget commission.

The following fund had appropriations in excess of the estimated resources available for expenditure as certified by the budget commission:

Fund	Estimated Resources	Appropriations	Variance
General - 2012	\$169,849	\$187,696	(\$17,847)

Allowing appropriations to exceed amounts certified as available can result in overspending and deficit fund balances.

The Village should routinely compare appropriations to the estimated resources available for expenditures as certified by the budget commission for each fund to ensure compliance with the requirements of the Ohio Revised Code.

FINDING NUMBER 2012-005

Noncompliance

Ohio Rev. Code, § 5705.41(B), provides that no subdivision or taxing unit to expend money unless it has been appropriated.

The Village had expenditures in excess of appropriations in the following funds:

Fund	Expenditures plus Encumbrances	Appropriations	Variance
Police Levy-2011	\$47,295	\$20,000	(\$27,295)
Water Revenue-2011	301,993	259,015	(42,978)
Water Revenue-2012	331,506	277,622	(53,884)

Expenditures in excess of appropriations can result in overspending and deficit fund balances.

The Village should routinely compare actual expenditures to current appropriations and amend appropriations when needed.

FINDING NUMBER 2012-006

Noncompliance

Ohio Rev. Code, § 117.38, provides that the Village must file annual reports with the Auditor of State within 60 days of the fiscal year end.

The Village did not file an annual report with the Auditor of State for 2011.

Failure to file the annual report could result in the Village being fined by the Auditor of State.

We recommend the Village file their annual reports within 60 days of the fiscal year end.

FINDING NUMBER 2012-007

Noncompliance

Ohio Admin. Code § 117-2-02 (C)(1) states all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

Appropriations:

Appropriations posted to the accounting system did not agree with appropriations made by Village Council as follows:

**FINDING NUMBER 2012-007
 (Continued)**

2011			
Fund Type	Appropriations Adopted or Filed	Appropriations Posted to the Accounting System	Variance
General Fund	\$187,696	\$183,481	\$ 4,215
Special Revenue	101,845	51,898	49,947
Enterprise Funds	319,777	293,374	26,403
2012			
Fund Type	Appropriations Adopted or Filed	Appropriations Posted to the Accounting System	Variance
General Fund	\$187,696	\$220,663	\$(32,967)
Special Revenue	160,474	114,708	45,766
Enterprise Funds	345,604	434,335	(88,731)

Estimated Receipts:

The estimated receipts entered in the accounting system did not agree with estimated receipts certified by the budget commission on the latest amended certificate of estimated resources.

Certified estimated receipts varied from those posted to the accounting system as follows:

2011			
Fund Type	Certified Estimated Receipts	Estimated Receipts Posted to the Accounting System	Variance
General Fund	\$175,333	\$168,661	\$6,672
Special Revenue	139,399	105,432	33,967
Enterprise Funds	268,275	279,387	(11,112)
2012			
Fund Type	Certified Estimated Receipts	Estimated Receipts Posted to the Accounting System	Variance
General Fund	\$80,462	\$161,610	\$(81,148)
Special Revenue	108,259	108,197	62
Enterprise Funds	268,275	299,349	(31,074)

Failure to completely and accurately post budgetary information in the accounting system reduces Council's ability to monitor financial activity and make informed financial decisions, and increases the risk that errors, theft or fraud could occur and not be detected in a timely manner.

We recommend that the Village Council adopt appropriations and estimated resources and the amounts adopted should be recorded in the minute records. Only those appropriations and estimated resources amounts adopted by the Village Council and documented in the minute records should be posted in the accounting system.

Officials' Response:

We did not receive a response from Officials to these findings.

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**VILLAGE OF FELICITY
CLERMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012 & 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-001	Material Audit Adjustments and Restatement of Opening Cash Balances	Yes	
2010-002	Inadequately Implemented System of Accounting	No	Repeated as part of Finding 2012-001
2010-003	Bank Reconciliation Accuracy and Supervisory Reviews	No	Repeated as part of Finding 2012-001
2010-004	Appropriations in Excess of Estimated Resources	No	Repeated as Finding 2012-004
2010-005	Expenditures in Excess of Appropriations	No	Repeated as Finding 2012-005
2010-006	Failure to Comply with Indenture of Mortgage Related Enterprise Debt	No	Repeated as Finding 2012-003
2010-007	Failure to Submit Annual Report to the Auditor of State	No	Repeated as Finding 2012-006

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VILLAGE OF FELICITY

CLERMONT 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 7, 2016