



Dave Yost • Auditor of State



VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of Elmwood Place  
Hamilton County  
6118 Vine Street  
Cincinnati, Ohio 45216

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 Elmwood Place, Hamilton County, (the Village) as of and for the years ended December 31, 2016 and 2015.

### ***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, 2016 and 2015, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Village of Elmwood Place, Hamilton County as of December 31, 2016 and 2015, 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2017, 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

November 2, 2017

**Village of Elmwood Place**  
*Hamilton County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2016*

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$239,322	\$65,053		\$304,375
Municipal Income Tax	245,343			245,343
Intergovernmental	54,782	87,148		141,930
Charges for Services	176,261			176,261
Fines, Licenses and Permits	134,318	17,807		152,125
Earnings on Investments	52			52
Miscellaneous	36,922			36,922
<i>Total Cash Receipts</i>	<u>887,000</u>	<u>170,008</u>	<u>0</u>	<u>1,057,008</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	484,717	85,064		569,781
Leisure Time Activities	7,823			7,823
Basic Utility Services	106,913			106,913
Transportation	23,759	79,210		102,969
General Government	464,997	4,349		469,346
Debt Service:				
Principal Retirement	6,881			6,881
Interest and Fiscal Charges	250			250
<i>Total Cash Disbursements</i>	<u>1,095,340</u>	<u>168,623</u>	<u>0</u>	<u>1,263,963</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(208,340)</u>	<u>1,385</u>	<u>0</u>	<u>(206,955)</u>
<i>Net Change in Fund Cash Balances</i>	(208,340)	1,385	0	(206,955)
<i>Fund Cash Balances, January 1</i>	<u>453,476</u>	<u>160,831</u>	<u>25,402</u>	<u>639,709</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	162,216	25,402	187,618
Assigned	245,136	0	0	245,136
Unassigned (Deficit)	0	0	0	0
<i>Fund Cash Balances, December 31</i>	<u>\$245,136</u>	<u>\$162,216</u>	<u>\$25,402</u>	<u>\$432,754</u>

*See accompanying notes to the basic financial statements*

**Village of Elmwood Place**  
*Hamilton County*  
*Combining Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Fiduciary Funds*  
*For the Year Ended December 31, 2016*

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	<u>Agency</u>
<i>Non-Operating Cash Receipts:</i>	
Other Financing Sources	<u>\$162,377</u>
<i>Total Non-Operating Cash Receipts</i>	<u>162,377</u>
<i>Non-Operating Cash Disbursements:</i>	
Other Financing Uses	<u>171,870</u>
<i>Total Non-Operating Cash Disbursements</i>	<u>171,870</u>
<i>Net Change in Fund Cash Balances</i>	(9,493)
<i>Fund Cash Balances, January 1</i>	<u>12,339</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,846</u></u>

*See accompanying notes to the basic financial statements*



**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 1 - Reporting Entity**

The Village of Elmwood Place (the Village), Hamilton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, street maintenance and repair, park operations, police services and fire protection services.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Village participates in a public entity risk pool. Note 6 to the financial statements provide additional information for this entity.

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

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***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*** The Street Construction Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Police Levy Fund*** The Police Levy Fund receives property tax money to fund the police department..

***Fire Levy Fund*** The Fire Levy Fund receives property tax money to fund the fire department..

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**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 funds:

**Revitalization Fund** The Revitalization Fund received proceeds from the issuance of bonds in 2010, which are being used for the revitalization of blighted property with the Village.

**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 agency fund accounts for the financial activity of the Village Mayor's Court.

***Basis of Accounting***

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

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

***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. 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 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 2016 budgetary activity appears in Note 3.

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***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.

***Capital Assets***

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

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

***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

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

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.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$876,716	\$887,000	\$10,284
Special Revenue	168,243	170,008	1,765
Total	\$1,044,959	\$1,057,008	\$12,049

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,312,999	\$1,137,583	\$175,416
Special Revenue	249,800	168,800	81,000
Capital Projects	25,403		25,403
Total	\$1,588,202	\$1,306,383	\$281,819

**Note 4 – 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:

Demand deposits	\$435,600
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***Deposits***

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

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 5 – Taxes**

***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.

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

***Income Taxes***

The Village levies a municipal income tax of 2 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.

**Note 6 - Risk Management**

***Risk Pool Membership***

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2016, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 6 - Risk Management (Continued)**

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016 and 2015 (the latest information available):

	2016	2015
Assets	\$42,182,281	38,307,677
Liabilities	(\$13,396,700)	(12,759,127)
Net Assets	\$28,785,581	\$25,548,550

At December 31, 2015 and 2016, respectively, the liabilities above include approximately \$11.5 million and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$11.0 million and \$11.5 million of unpaid claims to be billed. The Pool's membership increased to 499 members in 2015 and 520 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Village's share of these unpaid claims collectible in future years is approximately \$34,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2016	\$44,018

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 7 - Defined Benefit Pension Plans (Continued)**

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

***Ohio Police and Fire Retirement System***

The Village's law enforcement officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2016 OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of law enforcement officers' wages. The Village has paid all contributions required through December 31, 2016.

***Social Security***

The Village's firefighters contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

**Note 8 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

**Note 9 – Debt**

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$10,309	0.00%
Air Conditioning System Capital Lease US Bank F	5,759	2.75%
Total	\$16,068	

The Village was awarded a \$15,275 loan by the Ohio Public Works Commission on April 3, 2009, for the Oak Street Improvements Project. The loan requires semi-annual payments of \$382 on January 1 and July of each year for 20 years, with the first principal payment beginning on January 1, 2011. The final payment is due on July 1, 2030.

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

**Note 9 – Debt (Continued)**

***Leases***

The Village leases equipment under a noncancelable lease. The Village disbursed \$6,367 to pay lease costs for the year ended December 31, 2016.

During 2015, the Village entered into a capital lease purchase agreement with US Bank Equipment Finance in the amount of \$12,378. The capital lease was for a new administration building air conditioning system. The Village is making monthly payments of \$531. The final payment is due in November 2017.

***Amortization***

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

Year ending December 31:	OPWC Oak		Total
	Street Improvements Loan	Air Conditioning System Capital Lease	
2017	\$764	\$5,837	\$6,601
2018	764		764
2019	764		764
2020	764		764
2021	764		764
2022-2026	3,818		3,818
2027-2030	2,671		2,671
Total	\$10,309	\$5,837	\$16,146

**Note 10 – Contingent Liabilities**

The Village passed Ordinance 09-12 on July 10, 2012, which provided for the implementation of a speed camera automated enforcement program. On March 7, 2013, the Court of Common Pleas, Hamilton County, Ohio, declared the Village's use of the speed cameras automated enforcement program unconstitutional and ordered the Village to cease operating the program. A determination on the status of funds collected under the program has not been made. Although management cannot presently determine the outcome of this and other suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. 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.



**Village of Elmwood Place**  
*Hamilton County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2015*

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$240,892	\$65,595		\$306,487
Municipal Income Tax	274,596			274,596
Intergovernmental	57,013	84,810		141,823
Charges for Services	200,509			200,509
Fines, Licenses and Permits	122,052	16,805		138,857
Earnings on Investments	72			72
Miscellaneous	15,046			15,046
<i>Total Cash Receipts</i>	<u>910,180</u>	<u>167,210</u>	<u>0</u>	<u>1,077,390</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	408,768	75,160		483,928
Leisure Time Activities	6,415			6,415
Basic Utility Services	129,320			129,320
Transportation	10,481	75,011		85,492
General Government	513,316	4,896		518,212
Capital Outlay	12,378			12,378
Debt Service:				
Principal Retirement	109,529			109,529
Interest and Fiscal Charges	485			485
<i>Total Cash Disbursements</i>	<u>1,190,692</u>	<u>155,067</u>	<u>0</u>	<u>1,345,759</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(280,512)</u>	<u>12,143</u>	<u>0</u>	<u>(268,369)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Other Debt Proceeds	12,378			12,378
Transfers In			12,000	12,000
Transfers Out	(12,000)			(12,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>378</u>	<u>0</u>	<u>12,000</u>	<u>12,378</u>
<i>Net Change in Fund Cash Balances</i>	<u>(280,134)</u>	<u>12,143</u>	<u>12,000</u>	<u>(255,991)</u>
<i>Fund Cash Balances, January 1</i>	<u>733,610</u>	<u>148,688</u>	<u>13,402</u>	<u>895,700</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	160,831	25,402	186,233
Assigned	407,846	0	0	407,846
Unassigned (Deficit)	45,630	0	0	45,630
<i>Fund Cash Balances, December 31</i>	<u>\$453,476</u>	<u>\$160,831</u>	<u>\$25,402</u>	<u>\$639,709</u>

See accompanying notes to the basic financial statements

**Village of Elmwood Place**  
*Hamilton County*  
*Combining Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Fiduciary Funds*  
*For the Year Ended December 31, 2015*

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	<u>Agency</u>
<i>Non-Operating Cash Receipts:</i>	
Other Financing Sources	<u>\$118,119</u>
<i>Total Non-Operating Cash Receipts</i>	<u>118,119</u>
<i>Non-Operating Cash Disbursements:</i>	
Other Financing Uses	<u>121,014</u>
<i>Total Non-Operating Cash Disbursements</i>	<u>121,014</u>
<i>Net Change in Fund Cash Balances</i>	(2,895)
<i>Fund Cash Balances, January 1</i>	<u>15,234</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$12,339</u></u>

*See accompanying notes to the basic financial statements*

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 1 - Reporting Entity**

The Village of Elmwood Place (the Village), Hamilton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, street maintenance and repair, park operations, police services and fire protection services.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Village participates in a public entity risk pool. Note 6 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.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***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*** The Street Construction Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Police Levy Fund*** The Police Levy Fund receives property tax money to fund the police department..

***Fire Levy Fund*** The Fire Levy Fund receives property tax money to fund the fire department..

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**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 funds:

**Revitalization Fund** The Revitalization Fund received proceeds from the issuance of bonds in 2010, which are being used for the revitalization of blighted property with the Village.

**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 agency fund accounts for the financial activity of the Village Mayor's Court.

***Basis of Accounting***

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

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

***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. 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 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 2015 budgetary activity appears in Note 3.

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***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.

***Capital Assets***

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

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

***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

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

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.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$877,350	\$922,558	\$45,208
Special Revenue	160,417	167,210	6,793
Capital Projects	12,000	12,000	0
Total	\$1,049,767	\$1,101,768	\$52,001

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,371,796	\$1,238,465	\$133,331
Special Revenue	225,752	160,816	64,936
Capital Projects	25,402		25,402
Total	\$1,622,950	\$1,399,281	\$223,669

**Note 4 – 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:

Demand deposits	\$652,048
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***Deposits***

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

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 5 – Taxes**

***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.

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

***Income Taxes***

The Village levies a municipal income tax of 2 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.

**Note 6 - Risk Management**

***Risk Pool Membership***

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2015, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 6 - Risk Management (Continued)**

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2015 and 2014:

	2015	2014
Assets	\$38,307,677	35,402,177
Liabilities	(\$12,759,127)	(12,363,257)
Net Assets	\$25,548,550	\$23,038,920

At December 31, 2014 and 2015, respectively, the liabilities above include approximately \$11.1 million and \$11.5 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11.0 million of unpaid claims to be billed. The Pool's membership increased from 488 members in 2014 to 499 members in 2015. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the Village's share of these unpaid claims collectible in future years is approximately \$28,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2015	\$40,139

After one year of membership, a member may withdraw on the anniversary of the date of joining PE, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.



**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 7 - Defined Benefit Pension Plans (Continued)**

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

***Ohio Police and Fire Retirement System***

The Village's law enforcement officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For January 1, 2015 through June 30, 2015 OP&F participants contributed 11.50% of their wages. For July 1, 2015 through December 31, 2015 participants contributed 12.25%. The Village contributed to OP&F an amount equal to 19.5% of law enforcement officers' wages. The Village has paid all contributions required through December 31, 2015.

***Social Security***

The Village's firefighters contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

**Note 8 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

**Note 9 – Debt**

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$11,074	0.00%
Air Conditioning System Capital Lease US Bank F	11,876	2.75%
Total	\$22,950	

The Village was awarded a \$15,275 loan by the Ohio Public Works Commission on April 3, 2009, for the Oak Street Improvements Project. The loan requires semi-annual payments of \$382 on January 1 and July of each year for 20 years, with the first principal payment beginning on January 1, 2011. The final payment is due on July 1, 2030.

**Village of Elmwood Place, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

**Note 9 – Debt (Continued)**

***Leases***

The Village leases equipment under a noncancelable lease. The Village disbursed \$530 to pay lease costs for the year ended December 31, 2015.

During 2015, the Village entered into a capital lease purchase agreement with US Bank Equipment Finance in the amount of \$12,378. The capital lease was for a new administration building air conditioning system. The Village is making monthly payments of \$531. The final payment is due in November 2017.

***Amortization***

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

Year ending December 31:	OPWC Oak Street Improvements Loan	Air Conditioning System Capital Lease	Total
2016	\$764	\$6,367	\$7,131
2017	764	5,837	6,601
2018	764		764
2019	764		764
2020	764		764
2021-2025	3,818		3,818
2026-2030	3,435		3,435
Total	\$11,073	\$12,204	\$23,277

**Note 10 – Contingent Liabilities**

The Village passed Ordinance 09-12 on July 10, 2012, which provided for the implementation of a speed camera automated enforcement program. On March 7, 2013, the Court of Common Pleas, Hamilton County, Ohio, declared the Village’s use of the speed cameras automated enforcement program unconstitutional and ordered the Village to cease operating the program. A determination on the status of funds collected under the program has not been made. Although management cannot presently determine the outcome of this and other suits, management believes that the resolution of these matters will not materially adversely affect the Village’s financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. 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.



# 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 Elmwood Place  
Hamilton County  
6118 Vine Street  
Cincinnati, Ohio 45216

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 cash balances, receipts, and disbursements by fund type of the Village of Elmwood Place, Hamilton County, (the Village) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated November 2, 2017 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.

### ***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider significant deficiencies. We consider findings 2016-001 and 2016-002 to be significant deficiencies.

### ***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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242  
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

[www.ohioauditor.gov](http://www.ohioauditor.gov)

***Village's Response to Findings***

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

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

Columbus, Ohio

November 2, 2017

**VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015**

**FINDING NUMBER 2016-001**

**Significant Deficiency**

When designing the public office's system in internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

The following deficiencies were noted for the Mayor's Court:

- The Village did not complete any monthly bank reconciliations of the Mayor's Court account for 2015;
- The Village's Mayor's Court bank reconciliation did not reconcile for December 2016 with a variance of \$1,411 bank balance over system balance;
- The monthly bank reconciliations in 2016 were not approved by a supervisor;
- Receipts were overstated by \$7,988 at December 31, 2015 and \$2,798 at December 31, 2016;
- Expenditures were overstated by \$3,528 at December 31, 2015 and by \$2,798 at December 31, 2016.

The Village has posted adjustments to the financial statements.

Reconciliations of the book to the monthly bank statements and the Village's accounting records provide a control to monitor the completeness and accuracy of the monthly activity for the Mayor's Court bank accounts.

Failure to accurately reconcile the bank account and have a supervisory review of the completed monthly bank reconciliations and monthly reports increases the risk that errors or irregularities could occur and not be detected in a timely manner and also increases the fraud risk over Mayor's Court activities.

We recommend the Mayor's Court Clerk prepare monthly bank reconciliations to the Mayor's Court accounting system. We also recommend that the Mayor's Court monthly bank reconciliations are approved by a supervisor. We recommend the Village the financial activity of the Mayor's Court per the financial statements agree to the activity in the Mayor's Court accounting system.

**Officials' Response:**

The Village experienced employee turnover in the Mayor's Court Clerk position during 2015. During 2016, a new clerk was hired and began preparing activity reports and bank reconciliations. Going forward, the Village will attempt to ensure bank reconciliations are properly prepared and approved and that reported amounts agree to the accounting system instead of bank account activity.

**FINDING NUMBER 2016-002**

**Significant Deficiency**

When designing the public office's system of internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of fund balances and periodically reconciling them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data. No single employee should have multiple functions within each account cycle of the Village unless compensating controls have been implemented.

Due to a small staff, the Office Manager receives various payments to the Village, prepares the Village deposits, records receipt (deposit) information into the Village accounting system, and reconciles the Village accounting system to the bank statement monthly. Additionally, the Office Manager prepares and approves purchase orders, receives bills, mails all payments, inputs payments into the accounting system and handles all payroll information sent to the payroll service provider.

A lack of segregation of duties increase the risk that errors, theft, or fraud could occur and not be detected in a timely manner.

We recommend the Village implement segregation of duties over financial transactions by involving other Village officials and employees to do such duties or by implementing compensating controls.

**Officials' Response:**

The Village will look into ways to better segregate duties with our limited staffing. Going forward we intend to provide the Mayor and Council monthly detailed receipt and expenditure reports for review and approval. Also bank reconciliations will be approved by the Mayor.

VILLAGE OF ELMWOOD PLACE  
HAMILTON COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2016 AND 2015

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2014-001	Audit Adjustments	Partially Corrected	Reissued in the Management Letter
2014-002	Inadequate certification of fund availability	Corrective Action Taken and Finding is Fully Corrected	

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# Dave Yost • Auditor of State

VILLAGE OF ELMWOOD PLACE

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 28, 2017