



OHIO AUDITOR OF STATE  
**KEITH FABER**





VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY

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## INDEPENDENT AUDITOR'S REPORT

Village of Bratenahl  
Cuyahoga County  
411 Bratenahl Road  
Bratenahl, Ohio 44108

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 Bratenahl, Cuyahoga County, Ohio (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 such 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, and the respective changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Bratenahl, Cuyahoga County, Ohio as of December 31, 2016 and 2015, 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 March 4, 2019, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 4, 2019

**VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$1,104,270	\$150,350			\$1,254,620
Municipal Income Tax	1,688,249				1,688,249
Intergovernmental	200,388	79,202			279,590
Charges for Services		33,163			33,163
Fines, Licenses and Permits	482,814	39,711			522,525
Earnings on Investments	20,112				20,112
Miscellaneous	53,658	4,374			58,032
<i>Total Cash Receipts</i>	<u>3,549,491</u>	<u>306,800</u>			<u>3,856,291</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	1,954,256	52,011			2,006,267
Public Health Services	4,692				4,692
Leisure Time Activities	5,000	42,317			47,317
Community Environment	70,900				70,900
Transportation	518,682	58,424			577,106
General Government	1,282,474	104,878			1,387,352
Capital Outlay	72,230	6,950			79,180
Debt Service:					
Principal Retirement			\$80,000	\$370,819	450,819
Interest and Fiscal Charges			2,350	4,537	6,887
<i>Total Cash Disbursements</i>	<u>3,908,234</u>	<u>264,580</u>	<u>82,350</u>	<u>375,356</u>	<u>4,630,520</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(358,743)</u>	<u>42,220</u>	<u>(82,350)</u>	<u>(375,356)</u>	<u>(774,229)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Notes				340,000	340,000
Other Financing Sources	3,664				3,664
Other Financing Uses	(115,414)				(115,414)
Transfers In				570,918	570,918
Transfers Out	(570,918)				(570,918)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(682,668)</u>			<u>910,918</u>	<u>228,250</u>
<i>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</i>	<u>(1,041,411)</u>	<u>42,220</u>	<u>(82,350)</u>	<u>535,562</u>	<u>(545,979)</u>
<i>Fund Cash Balances, January 1, 2016</i>	<u>1,178,329</u>	<u>339,914</u>	<u>101,295</u>	<u>751,668</u>	<u>2,371,206</u>
<b>Fund Cash Balances, December 31, 2016</b>					
Restricted		341,238	18,945	369,062	729,245
Committed		40,896		918,168	959,064
Assigned	136,918				136,918
<b>Fund Cash Balances, December 31, 2016</b>	<u>\$136,918</u>	<u>\$382,134</u>	<u>\$18,945</u>	<u>\$1,287,230</u>	<u>\$1,825,227</u>

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

VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Agency</u>
<b>Cash Receipts</b>	
Fines, Licenses and Permits	\$552,058
<b>Cash Disbursements</b>	
Other	<u>549,484</u>
<i>Operating Income</i>	<u>2,574</u>
<i>Fund Cash Balance, January 1, 2016</i>	<u>259,278</u>
<i>Fund Cash Balance, December 31, 2016</i>	<u><u>\$261,852</u></u>

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



**Bratenahl, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 1 - Reporting Entity**

The Village of Bratenahl, Cuyahoga County, Ohio (the Village) 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 police services, a service department, Mayor's court, and a community center. In addition, the Village contracts for dispatching with the Chagrin Valley Dispatch Council of Governments and with the City of Cleveland for Fire and Emergency Medical Services. Local income taxes are collected by the Cleveland Central Collection Agency.

***Jointly Governed Organization***

The Village participates in Northeast Ohio Public Energy Council (NOPEC) and the Chagrin Valley Dispatch Council of Governments. Note 11 provides additional information for these entities.

**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 (cash basis) for all governmental fund types, and a statement of receipts, disbursements and changes in fund balance (cash basis) for its fiduciary fund type 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:

***Parks and Recreation Fund*** – This fund is used to account for funding received from the recreation property levy (1.5 mils) for maintaining parks, a community center and providing recreation services to Village residents.

***Street Construction, Maintenance and Repair*** – This fund receives intergovernmental revenues collected by the State of Ohio from gasoline tax and motor vehicle license registration. These funds are used for constructing, maintaining and repairing road and streets located in the Village.

***Court Computer Fund*** – This fund is used to account for court costs paid by defendants related to the computerization and technological upgrade of the Mayor's Court.

**Bratenahl, Ohio**  
*Cuyahoga 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)**

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

**General Bond/Note Obligation Fund** – This fund receives transfers and debt proceeds which are used to service bond and note issuances.

**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:

**Eddy Road Project** – This fund receives proceeds from note sales to perform necessary repairs to Eddy Road portion located in the Village.

**Greenspace Project** – This fund receives proceeds from note sales to acquire real property located in the Village for conservation purposes.

**Other Capital Projects (DOPWIC)** – This fund receives money from an interest free loan from the Department of Public Works Commission which is used for Village road projects.

**Capital Project Reserve Fund** – This fund receives money from the General Fund for purposes of paying towards various capital project expenditures.

**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 Juvenile Diversion Fund, Private Way Fund, and Mayor's Court and Bail Bonds Funds.

***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.

**Bratenahl, Ohio**  
*Cuyahoga 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)**

***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-object level of control for the General Fund and fund level for other funds 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 either cancelled or carried over, and need not be reappropriated.

A summary of 2016 budgetary activity appears in Note 3.

***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. The Village utilizes UBS to manage the investments which are primarily certificates of deposits reported at cost.

***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.

**Bratenahl, Ohio**  
*Cuyahoga 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)**

***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.

**Bratenahl, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

**Note 3 - Budgetary Activity**

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

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,023,945	\$3,553,155	(\$470,790)
Special Revenue	290,928	306,800	15,872
Debt Service	0	0	0
Capital Projects	558,138	910,918	352,780
Total	\$4,873,011	\$4,770,873	(\$102,138)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,023,367	\$4,896,258	\$127,109
Special Revenue	317,720	303,235	14,485
Debt Service	130,040	82,350	47,690
Capital Projects	375,356	375,356	0
Total	\$5,846,483	\$5,657,199	\$189,284

**Note 4 – Deposits and Investments**

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

	2016
Demand deposits	\$438,516
Certificates of deposit	1,424,841
Total deposits	1,863,357
Municipal bonds	223,722
Total deposits and investments	\$2,087,079

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

**Bratenahl, Ohio**  
*Cuyahoga 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 1.5 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**

Workers' Compensation coverage is provided by the State of Ohio. 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 costs.

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Public Official dishonesty;
- Vehicles;
- Fireworks and;
- Errors and omissions.

**Bratenahl, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**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.

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***

Village full-time Police 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. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. 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. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016. OP&F contributes 0.5 percent to fund these benefits.

**Bratenahl, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 9 – Debt**

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Capital Improvement Notes	\$340,000	2%
Ohio Public Works Commission Loan	212,504	0
Total	\$552,504	

The Capital Improvement Notes were issued in 2016 and were used to partially refund \$350,000 of notes outstanding at December 31, 2015. These notes along with the Ohio Public Works Commission Loan proceeds were used for replacement of pavement, curbs, sidewalks aprons and waterlines with in the Village.

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

Year Ending December 31:	OPWC Loan	General Obligation Notes
2017	\$41,638	\$346,800
2018	41,638	
2019	34,370	
2020	27,102	
2021	27,102	
2022-2023	40,654	
Total	\$212,504	\$346,800

**Note 10 – Contingent Liabilities**

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village’s financial condition.



**Bratenahl, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 11 – Jointly Governed Organizations**

The Village is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 200 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

In addition, the Village has joined the Chagrin Valley Dispatch, a regional council of governments formed under Chapter 167 of the Ohio Revised Code in order to provide the Village with dispatching services.

**Note 12 – Subsequent Events**

In 2017 the Village began construction of a \$2,160,000 service garage and salt dome project. In June 2017, and a General Obligation Note in the amount of \$2,100,000 was issued to partially fund this project. The Notes matured in August of 2018 and the Village paid down \$100,000 in principal on the Notes leaving an outstanding principal balance of \$2,000,000 which was rolled over to August of 2019.

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**VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$1,135,282	\$154,818	\$86,007		\$1,376,107
Municipal Income Tax	1,937,196				1,937,196
Intergovernmental	203,770	80,188	15,880		299,838
Charges for Services	1,000	34,153			35,153
Fines, Licenses and Permits	431,276	25,342			456,618
Earnings on Investments	37,078	159	569		37,806
Miscellaneous	36,794	30,717			67,511
<i>Total Cash Receipts</i>	<u>3,782,396</u>	<u>325,377</u>	<u>102,456</u>		<u>4,210,229</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	1,948,201	46,856			1,995,057
Public Health Services	4,692				4,692
Leisure Time Activities	2,902	137,549			140,451
Community Environment	65,443				65,443
Transportation	518,342				518,342
General Government	1,167,932	100,540			1,268,472
Capital Outlay	29,889				29,889
Debt Service:					
Principal Retirement			75,795	\$441,638	517,433
Interest and Fiscal Charges			19,748	5,200	24,948
<i>Total Cash Disbursements</i>	<u>3,737,401</u>	<u>284,945</u>	<u>95,543</u>	<u>446,838</u>	<u>4,564,727</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>44,995</u>	<u>40,432</u>	<u>6,913</u>	<u>(446,838)</u>	<u>(354,498)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Notes				350,000	350,000
Other Financing Sources	6,977				6,977
Other Financing Uses	(60,908)				(60,908)
Transfers In				105,338	105,338
Transfers Out	(105,338)				(105,338)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(159,269)</u>			<u>455,338</u>	<u>296,069</u>
<i>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</i>	<u>(114,274)</u>	<u>40,432</u>	<u>6,913</u>	<u>8,500</u>	<u>(58,429)</u>
<i>Fund Cash Balances, January 1, 2015</i>	<u>1,292,603</u>	<u>299,482</u>	<u>94,382</u>	<u>743,168</u>	<u>2,429,635</u>
<b>Fund Cash Balances, December 31, 2015</b>					
Restricted		270,116	101,295	8,500	379,911
Committed		69,798		743,168	812,966
Assigned	429,164				429,164
Unassigned	749,165				749,165
<i>Total Fund Cash Balances, December 31, 2015</i>	<u>\$1,178,329</u>	<u>\$339,914</u>	<u>\$101,295</u>	<u>\$751,668</u>	<u>\$2,371,206</u>

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

VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Agency</u>
<b>Cash Receipts</b>	
Fines, Licenses and Permits	\$675,821
<b>Cash Disbursements</b>	
Other	<u>615,910</u>
<i>Operating Income</i>	<u>59,911</u>
<i>Fund Cash Balance, January 1, 2015</i>	<u>199,367</u>
<i>Fund Cash Balance, December 31, 2015</i>	<u><u>\$259,278</u></u>

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

**Bratenahl, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 1 - Reporting Entity**

The Village of Bratenahl, Cuyahoga County, Ohio (the Village) 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 police services, a service department, Mayor's court, and a community center. In addition, the Village contracts for dispatching with the Chagrin Valley Dispatch Council of Governments and with the City of Cleveland for Fire and Emergency Medical Services. Local income taxes are collected by the Cleveland Central Collection Agency.

***Jointly Governed Organization***

The Village participates in Northeast Ohio Public Energy Council (NOPEC) and the Chagrin Valley Dispatch Council of Governments. Note 11 provides additional information for these entities.

**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 (cash basis) for all governmental fund types, and a statement of receipts, disbursements and changes in fund balance (cash basis) for its fiduciary fund type 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:

***Parks and Recreation Fund*** – This fund is used to account for funding received from the recreation property levy (1.5 mils) for maintaining parks, a community center and providing recreation services to Village residents.

***Street Construction, Maintenance and Repair*** – This fund receives intergovernmental revenues collected by the State of Ohio from gasoline tax and motor vehicle license registration. These funds are used for constructing, maintaining and repairing road and streets located in the Village.

***Court Computer Fund*** – This fund is used to account for court costs paid by defendants related to the computerization and technological upgrade of the Mayor's Court.

**Bratenahl, Ohio**  
*Cuyahoga 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)**

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

***General Bond/Note Obligation Fund*** – This fund receives transfers and debt proceeds which are used to service bond and note issuances.

***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:

***Eddy Road Project*** – This fund receives proceeds from note sales to perform necessary repairs to Eddy Road portion located in the Village.

***Greenspace Project*** – This fund receives proceeds from note sales to acquire real property located in the Village for conservation purposes.

***Other Capital Projects (DOPWIC)*** – This fund receives money from an interest free loan from the Department of Public Works Commission which is used for Village road projects.

***Capital Project Reserve Fund*** – This fund receives money from the General Fund for purposes of paying towards various capital project expenditures.

***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 Juvenile Diversion Fund, Private Way Fund, and Mayor's Court and Bail Bonds Funds.

***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.

**Bratenahl, Ohio**  
*Cuyahoga 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)**

***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-object level of control for the General Fund and fund level for other funds 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 either cancelled or carried over, and need not be reappropriated.

A summary of 2015 budgetary activity appears in Note 3.

***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. The Village utilizes UBS to manage the investments which are primarily certificates of deposits reported at cost.

***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.

**Bratenahl, Ohio**  
*Cuyahoga 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)**

***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.



**Bratenahl, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

**Note 3 - Budgetary Activity**

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

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,014,797	\$3,789,373	(\$225,424)
Special Revenue	258,444	325,377	66,933
Debt Service	79,691	102,456	22,765
Capital Projects	497,638	455,338	(42,300)
Total	\$4,850,570	\$4,672,544	(\$178,026)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,097,580	\$4,073,476	\$24,104
Special Revenue	348,000	315,190	32,810
Debt Service	85,000	95,543	(10,543)
Capital Projects	488,475	446,838	41,637
Total	\$5,019,055	\$4,931,047	\$88,008

**Note 4 – Deposits and Investments**

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

	2015
Demand deposits	\$654,728
Certificates of deposit	1,748,686
Total deposits	2,403,414
Municipal bonds	227,070
Total deposits and investments	\$2,630,484

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

**Bratenahl, Ohio**  
*Cuyahoga 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 1.5 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**

Workers' Compensation coverage is provided by the State of Ohio. 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 costs.

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Public Official dishonesty;
- Vehicles;
- Fireworks and;
- Errors and omissions.

**Bratenahl, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**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.

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***

Village full-time Police 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. OP&F participants contributed 11.5% of their wages through June 30, 2015 and 12.25% of their wages through December 31, 2015. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. 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. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. OP&F contributes 0.5 percent to fund these benefits.

**Bratenahl, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 9 – Debt**

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$80,000	5%
Capital Improvement Notes	350,000	2%
Ohio Public Works Commission Loan	254,141	0
Total	\$684,141	

The General Obligation Bonds were issued in 1996 and were used for the purpose of improving Lake Shore Boulevard and Bratenahl Road. The Capital Improvement Notes along with the Ohio Public Works Commission Loan proceeds were used for replacement of pavement, curbs, sidewalks aprons and waterlines with in the Village.

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

Year Ending		General Obligation Bonds	General Obligation Notes
December 31:	OPWC Loan		
2016	\$41,638	\$84,700	\$354,537
2017	41,638		
2018	41,638		
2019	34,370		
2020	27,102		
2021-2023	67,756		
Total	\$254,142	\$84,700	\$354,537

**Note 10 – Contingent Liabilities**

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village’s financial condition.

**Bratenahl, Ohio**  
*Cuyahoga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 11 – Jointly Governed Organizations**

The Village is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 200 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

In addition, the Village has joined the Chagrin Valley Dispatch, a regional council of governments formed under Chapter 167 of the Ohio Revised Code in order to provide the Village with dispatching services.

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# OHIO AUDITOR OF STATE KEITH FABER



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

Village of Bratenahl  
Cuyahoga County  
411 Bratenahl Road  
Bratenahl, Ohio 44108

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 Bratenahl, Cuyahoga County, Ohio (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 March 4, 2019, 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 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 first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2016-001 and 2016-002 to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 2016-001 and 2016-002.

***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 subject the Village's responses to the auditing procedures applied in the audit of the financial statements 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 report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 4, 2019



**VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY**

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

**FINDING NUMBER 2016-001**

**Material Weakness / Noncompliance Finding – Bank Reconciliations:**

**Ohio Admin. Code 117-2-02 (A)** requires all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

A necessary step in the internal control over financial reporting is to reconcile the bank balance to the accounting record's cash book balance. Bank reconciliation means accounting for the differences between the bank statement's balances and the cash and investment book balances according to the entity's records at a specific point in time. In order for the bank reconciliation to be an effective internal control, the bank reconciliation should be performed each month within a few days of receiving the entity's bank statements and should include all bank accounts held by the entity. Additionally, all differences between the bank statement balances and accounting record balances should be identified, documented, and if necessary, adjusted to the accounting records immediately.

The original reconciled cash balances reflected on the UAN accounting system's December 31, 2016 and 2015 bank reconciliations did not agree to the final adjusted reconciled bank balances by differences of (\$177,072) and \$172,181, respectively. These differences resulted in an initial "unauditable" designation by the Auditor of State and a significant delay in the completion of the Village's 2016 and 2015 financial statement audit.

Subsequent review of accounting records and bank reconciliations by management in their proof of cash identified numerous errors including, but not limited to, omission of certain bank accounts, incorrect identification of outstanding checks, deposit in transit and other reconciling items, as well as, multiple incorrectly recorded, unrecorded, and duplicate recorded receipts and disbursements. After accounting for these items an unadjusted difference of \$9,301 remained at December 31, 2016 and was adjusted to the General Fund cash disbursements to balance the Village's bank reconciliation to its financial statements.

Failure to reconcile all bank accounts and clearly document all reconciling adjustments timely substantially increases the risk of bank overdrafts, theft, and various accounting and financial statement errors. Additionally, failure to maintain required accounting records inhibits management's ability to monitor the Village's financial activity and prepare accurate financial statements.

The Village should ensure bank to book reconciliations are performed monthly for all accounts. Any noted discrepancies should be promptly investigated, documented and corrected in the accounting records when identified.

**Officials' Response:** The Village Council authorized the Mayor to engage a contract with Local Government Services to provide assistance with correcting fund and depository balances for the calendar year 2017. In addition, Council in 2018 authorized the hiring of an Assistant Deputy Fiscal Officer who has been doing monthly proof of cashes for the Village on the main operating account with Dollar Bank. For 2019 we will be able to reconcile through the UAN system once LGS updates the UAN balances.

**FINDING NUMBER 2016-002**

**Material Weakness / Noncompliance Finding – Mayor’s Court Activity:**

**Ohio Admin. Code 117-2-02 (A)** requires all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

Mayor’s Court receipts, disbursements and cash fund balances should be accounted for in an Agency Fund and should be reflected on the Village’s annual financial statements, accordingly. Total court fines and costs collected should be initially recorded in an Agency Fund. The Village’s share should then be recorded as an Agency Fund disbursement and a General Fund receipt. Additionally, fines and costs distributed to the State should also be recorded as Agency Fund disbursements, and any residual Agency Fund cash balance should represent court collections which have yet to be distributed at year-end. These procedures allow for the entire activity of the Village to be included on the Village’s accounting records and financial statements.

The Village maintained a separate accounting system to record Mayor’s Court activity outside the UAN accounting system. The Mayor’s Court gross receipts, disbursements and cash balances were not entered into the UAN system which resulted in the Village originally filing financial statements with the Auditor of State which omitted this activity. Management subsequently adjusted and refiled its financial statements to reflect the Mayor’s Court activity and cash balances.

The Village should ensure the gross activity and cash balances of the Mayor’s Court is reported within an agency fund-type for its annual financial report filed with the Auditor of State.

**Officials’ Response:** The Village has entered Mayor’s Court and Bail Bond activity into the UAN system beginning in year 2018 in accordance with procedures in UAN. For 2019 the Village will record monthly revenue and expense from both the Mayor’s Court and Bail Bond Funds into the UAN system per the bank statement.

**VILLAGE OF BRATENAHL  
CUYAHOGA 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	<b>Noncompliance and Significant Deficiency – Condition of Court Accounting Records, Ohio Admin Code § 117-2-02(A):</b> Several deficiencies related to the court accounting records were identified.	Not Corrected	See Finding 2016-002
2014-002	<b>Noncompliance – Proper Encumbering, Ohio Rev. Code § 5705.41(D):</b> Several tested expenditures did not have proper fiscal officer certification	Not Corrected	A similar comment was reported in the management letter.
2014-003	<b>Material Weakness – Financial Reporting:</b> Several material financial statement errors were identified and adjusted to the statements by management.	Not Corrected	See Finding 2016-001

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OHIO AUDITOR OF STATE  
**KEITH FABER**



**VILLAGE OF BRATENAHI**

**CUYAHOGA 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  
MARCH 28, 2019**