



**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF AMBERLEY
TABLE OF CONTENTS**

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Funds Types – For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Agency Fund – For the Year Ended December 31, 1999	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Funds Types– For the Year Ended December 31, 1998	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Agency Fund – For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15
Schedule of Findings	17

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Amberley
Hamilton County
7149 Ridge Road
Cincinnati, OH 45237

To the Village Council:

We have audited the accompanying financial statements of the Village of Amberley, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2000 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 grants.

This report is intended solely for the information and use of management, and Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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Jim Petro
Auditor of State

June 26, 2000

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**VILLAGE OF AMBERLEY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES -
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Tax and Other Local Taxes	\$607,021	\$	\$		\$2,120,116	\$2,727,137
Intergovernmental Receipts	992,794	123,783			3,968	1,120,545
Charges for Services	847					847
Fines, Licenses, and Permits	58,661	175				58,836
Earnings on Investments	655,933					655,933
Miscellaneous	7,324					7,324
Total Cash Receipts	<u>2,322,580</u>	<u>123,958</u>	<u>0</u>	<u>0</u>	<u>2,124,084</u>	<u>4,570,622</u>
Cash Disbursements:						
Current:						
Security of Persons and Property	1,555,173					1,555,173
Public Health Services	36,837					36,837
Leisure Time Activities	2,664					2,664
Community Environment	42,162					42,162
Basic Utility Services	137,873					137,873
Transportation	544,915					544,915
General Government	555,020		1,500		99,152	655,672
Debt Service:						
Principal Payments			330,000			330,000
Interest Payments			180,922			180,922
Capital Outlay	23,896	53,474		4,141,090		4,218,460
Total Disbursements	<u>2,898,540</u>	<u>53,474</u>	<u>512,422</u>	<u>4,141,090</u>	<u>99,152</u>	<u>7,704,678</u>
Total Receipts Over/(Under) Disbursements	<u>(575,960)</u>	<u>70,484</u>	<u>(512,422)</u>	<u>(4,141,090)</u>	<u>2,024,932</u>	<u>(3,134,056)</u>
Other Financing Receipts/(Disbursements):						
Transfers-In	500,000	90,000	440,000	1,105,000		2,135,000
Transfers-Out					(2,135,000)	(2,135,000)
Total Other Financing Receipts/(Disbursements)	<u>500,000</u>	<u>90,000</u>	<u>440,000</u>	<u>1,105,000</u>	<u>(2,135,000)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(75,960)</u>	<u>160,484</u>	<u>(72,422)</u>	<u>(3,036,090)</u>	<u>(110,068)</u>	<u>(3,134,056)</u>
Fund Cash Balances, January 1	<u>1,114,042</u>	<u>86,961</u>	<u>555,027</u>	<u>4,155,231</u>	<u>6,283,495</u>	<u>12,194,756</u>
Fund Cash Balances, December 31	<u>\$1,038,082</u>	<u>\$247,445</u>	<u>\$482,605</u>	<u>\$1,119,141</u>	<u>\$6,173,427</u>	<u>\$9,060,700</u>
Reserves for Encumbrances, December 31	<u>\$52,797</u>	<u>\$0</u>	<u>\$0</u>	<u>\$589,887</u>	<u>\$0</u>	<u>\$642,684</u>

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

**VILLAGE OF AMBERLEY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Agency
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	\$31,845
Total Non-Operating Cash Receipts	31,845
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	31,255
Total Non-Operating Cash Disbursements	31,255
Net Receipts Over/(Under) Disbursements	590
Fund Cash Balances, January 1	3,012
Fund Cash Balances, December 31	\$3,602

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

**VILLAGE OF AMBERLEY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES -
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Tax and Other Local Taxes	\$395,295	\$	\$	\$	\$2,103,033	\$2,498,328
Intergovernmental Receipts	933,231	120,845			3,917	1,057,993
Charges for Services	730					730
Fines, Licenses, and Permits	52,862	250				53,112
Earnings on Investments	483,145					483,145
Miscellaneous	10,825					10,825
Total Cash Receipts	1,876,088	121,095	0	0	2,106,950	4,104,133
Cash Disbursements:						
Current:						
Security of Persons and Property	1,442,461					1,442,461
Public Health Services	35,708					35,708
Leisure Time Activities	3,370					3,370
Community Environment	31,647	42,983				74,630
Basic Utility Services	145,670					145,670
Transportation	485,182					485,182
General Government	563,451				24,141	587,592
Debt Service:						
Interest Payments			45,231			45,231
Capital Outlay	20,793	183,153		846,935		1,050,881
Total Disbursements	2,728,282	226,136	45,231	846,935	24,141	3,870,725
Total Receipts Over/(Under) Disbursements	(852,194)	(105,041)	(45,231)	(846,935)	2,082,809	233,408
Other Financing Receipts/(Disbursements):						
Sale of Bonds				4,000,000		4,000,000
Transfers-In	1,300,000		582,000	550,000		2,432,000
Other Financing Sources			18,258			18,258
Transfers-Out					(2,432,000)	(2,432,000)
Total Other Financing Receipts/(Disbursements)	1,300,000	0	600,258	4,550,000	(2,432,000)	4,018,258
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	447,806	(105,041)	555,027	3,703,065	(349,191)	4,251,666
Fund Cash Balances, January 1 (Restated)	666,236	192,002	0	452,166	6,632,685	7,943,089
Fund Cash Balances, December 31	\$1,114,042	\$86,961	\$555,027	\$4,155,231	\$6,283,494	\$12,194,755
Reserves for Encumbrances, December 31	\$123,101	\$121,040	\$0	\$72,903	\$0	\$317,044

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

**VILLAGE OF AMBERLEY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Agency
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	\$32,611
Total Non-Operating Cash Receipts	32,611
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	31,039
Total Non-Operating Cash Disbursements	31,039
Net Receipts Over/(Under) Disbursements	1,572
Fund Cash Balances, January 1	1,440
Fund Cash Balances, December 31	\$3,012

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

**VILLAGE OF AMBERLEY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Amberley, Hamilton County, Ohio (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, street maintenance, park operations (leisure time activities), fire and police protection.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

U.S. Treasury Notes, U.S. Treasury Bills, U.S. Treasury Bonds, and Repurchase Agreements are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

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

**VILLAGE OF AMBERLEY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant Debt Service Fund:

General Obligation Bond Retirement Fund - This fund received proceed from local earnings tax to pay principal and interest of general obligation bonds.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Village had the following significant Capital Project Fund:

Capital Project Fund - This fund receives proceeds from local earnings tax. The proceeds are being used for the construction of a new public facilities.

5. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. The trust funds of the Village are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Income Tax Trust Fund - This fund receives local earnings taxes from businesses and individuals. These funds are being used for general operating expenses of the Village.

Mayor's Court Fund - This agency fund receives fines and forfeitures for violation of ordinances within the Village limits.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

**VILLAGE OF AMBERLEY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ (190,626)	\$ (57,322)
Investments:		
Repurchase Agreement	432,990	246,218
Treasury Bills	1,005,207	3,811,778
Treasury Bonds	2,552,586	2,051,959
Treasury Notes	3,448,126	3,458,862
STAROhio	1,816,019	2,686,272
Total investments	9,254,928	12,255,089
Total deposits and investments	\$ 9,064,302	\$ 12,197,767

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: U.S. Treasury Notes, Bills, and Bonds are held in book-entry form by the Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Investments in STAROhio are not evidenced by securities that exist in physical or book-entry form. The Village invested in overnight repurchase agreement which were collateralized with U.S. Treasury obligations.

VILLAGE OF AMBERLEY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,843,276	\$ 2,822,580	\$ (1,020,696)
Special Revenue	345,848	213,958	(131,890)
Debt Service	582,000	440,000	(142,000)
Capital Projects	1,568,990	1,105,000	(463,990)
Fiduciary	2,124,084	2,124,084	0
Total	<u>\$ 8,464,198</u>	<u>\$ 6,705,622</u>	<u>\$ (1,758,576)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,620,632	\$ 2,951,337	\$ 669,295
Special Revenue	246,621	53,474	193,147
Debt Service	1,022,000	512,422	509,578
Capital Projects	4,734,548	4,730,977	3,571
Fiduciary	2,170,580	2,234,152	(63,572)
Total	<u>\$ 11,794,381</u>	<u>\$ 10,482,362</u>	<u>\$ 1,312,019</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,522,362	\$ 3,176,088	\$ 1,653,726
Special Revenue	59,321	121,095	61,774
Debt Service	0	600,258	600,258
Capital Projects	(539,450)	4,550,000	5,089,450
Fiduciary	1,976,512	2,106,950	130,438
Total	<u>\$ 3,018,745</u>	<u>\$ 10,554,391</u>	<u>\$ 7,535,646</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,341,437	\$ 2,851,383	\$ 1,490,054
Special Revenue	276,857	347,176	(70,319)
Debt Service	582,000	45,231	536,769
Capital Projects	2,351,415	919,838	1,431,577
Fiduciary	2,457,600	2,456,141	1,459
Total	<u>\$ 10,009,309</u>	<u>\$ 6,619,769</u>	<u>\$ 3,389,540</u>

**VILLAGE OF AMBERLEY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

Budgetary Compliance:

The 1999 Bond Retirement and 1998 FEMA funds beginning fund balances were not correctly certified to the County Auditor.

The Capital Project and Income Tax funds total 1999 expenditures exceeded appropriations. The Street Construction Maintenance & Repair, and FEMA funds total 1998 expenditures exceeded appropriations.

“Blanket” purchases orders exceeded three months, and “super blanket “ purchase orders exceeded the fiscal year end.

Appropriations for the General, Street Construction Maintenance & Repair, Bond Retirement, and Capital Project 400 funds exceeded the total estimated revenue for fiscal year 1998. Appropriations for Nature Works, Bond Retirement, and Capital Project 410 funds exceeded the total estimated revenues for fiscal year 1998.

4. PROPERTY TAX

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

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

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Municipal Improvement Bonds	\$ 3,670,000	4.75% to 4.35%

The Village issued Ohio Municipal Improvement Bonds in 1998 for a period of ten years. Interest is paid semi-annually. The bond will be repaid from monies received from earnings tax receipts.

VILLAGE OF AMBERLEY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

5. DEBT (Continued)

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

Year ending December 31:	Municipal Building Improvement Loan
1999	\$ 505,248
2000	504,097
2001	507,235
2002	505,360
2003	502,810
Subsequent	<u>2,006,585</u>
Total	<u>\$ 4,531,335</u>

6. RETIREMENT SYSTEMS

The Village's law enforcement officers and firefighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village is a member of the Ohio Government Risk Management Plan (the Plan). The Plan assumes the risk of loss up to the limits of the Village's policy. The Plan may assess supplemental premiums. The following risks are covered by the Plan:

- General liability and casualty
- Errors and omissions
- Comprehensive property and general liability
- Public official's liability
- Vehicle

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

**VILLAGE OF AMBERLEY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

8. RESTATEMENT OF FUND CASH BALANCES

For the year ended December 31, 1997, the Village had audit adjustments which were not posted in their ledgers. The audit adjustments required the beginning January 1, 1998 fund balance be changed.

The restatement to the beginning fund balances are as follows:

	Previously stated Balance at <u>December 31, 1997</u>	<u>Adjustments</u>	<u>Restated Amount At January 1, 1998</u>
Governmental Funds:			
General	\$ 694,268	\$ (28,032)	\$ 666,236
Special Revenue	163,970	28,032	192,002

9. MAYOR'S COURT COMPLIANCE

Monthly bank reconciliations of the Court's account performed by the Finance Administrator were not traced to the book balances.

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Village of Amberley
Hamilton County
7149 Ridge Road
Cincinnati, OH 45237

To the Village Council:

We have audited the accompanying financial statements of the Village of Amberley, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 26, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 1999-30413-001 through 1999-30431-004.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 26, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 1999-30413-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We consider the reportable condition described above to be a material weakness.

Village of Amberley
Hamilton County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to management of the Village in a separate letter dated June 26, 2000.

This report is intended for the information and use of management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 26, 2000

**VILLAGE OF AMBERLEY
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

FINDING NUMBER 1999-30413-001

Noncompliance Citation/ Material Weakness

Ohio Admin. Code, Section 117-5-09(d), promulgated under the authority of ORC Section 117.43, requires monthly reconciliations of the bank balance to the book balance and open items list. The Finance Administrator performed monthly reconciliations of the Mayor’s Court bank account; however, they were not traced to the book balances. This practice resulted in undetected posting errors.

Monthly reconciliations are an intricate part of any internal control system, and should be performed monthly by the Finance Administrator. The Mayor’s Court reconciled bank balance should be equal to the amount of outstanding checks and the open items list prepared by the Court Clerk. The reconciliations should be reviewed periodically by the Mayor for timeliness and accuracy. This process may help to detect possible errors and reduce the possibility of misappropriation of funds within the Mayor’s Court.

Ohio Admin. Code, Section 117-5-09, also establishes guidelines for the proper and complete maintenance of a cash journal. The Court’s cash journal does not contain month-to-date or year-to-date totals, instead it is maintained from court date to court date.

To improve accountability and to strengthen internal accounting controls, the Mayor’s Court Clerk should prepare and maintain an accurate cash journal as prescribed by Ohio Administrative Code Section 117-5-09. The cash book should include month-to-date and year-to-date totals that agree to the Court’s receipts ledger, check register, and the reconciled monthly bank balance.

FINDING NUMBER 1999-30413-002

Noncompliance Citation

Ohio Rev. Code, Section 5705.36, requires all municipalities to request reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be less than the amount in the official certificate of estimated resources, and that expenditures or the incurrence of obligations will be greater than actual resources. The intent of this requirement is to require the fiscal officer to obtain a reduced amended certificate when it appears that budgetary resources will fall short of earlier estimates, reducing the possibility that deficit spending will occur.

The Village did not correctly certified their beginning balances to the County Auditor for the following funds:

Fund	Certified Beginning Balance	Actual Beginning Balance	Variance
FY 1999:			
Bond Retirement	\$ 0	\$555,027	\$555,027
FY 1998:			
FEMA	8,439	33,753	25,314

This resulted in total expenditures plus encumbrances which exceeded total certified resources.

**VILLAGE OF AMBERLEY
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 1999-30413-003

Noncompliance Citation

Ohio Rev. Code, Section 5705.39, requires that the total appropriation from each fund should not exceed the total estimated revenue. The following funds had total appropriations which exceeded the total estimated revenue:

Fund	Total Estimated Revenue	Total Appropriation	Variance
FY 1999:			
Nature Works	\$ 0	\$ 90,000	\$ 90,000
Bond Retirement	582,000	1,022,000	440,000
Capital Project 410	0	355,000	355,000
FY 1998:			
General	\$1,727,048	\$4,332,584	\$2,605,536
Street Construction Maintenance & Repair	43,847	223,000	179,153
Capital Project 400	132,436	2,333,400	2,200,964
Bond Retirement	0	582,000	582,000

FINDING NUMBER 1999-30413-004

Noncompliance Citation

Ohio Rev. Code, Section 5705.41(B), prohibits a subdivision from making an expenditure unless it has been properly appropriated. The following funds were found to have total expenditures which exceeded total appropriations as of December 31, 1999 and 1998:

Fund	Total Appropriation	Total Expenditures	Variance
FY 1999:			
Capital Project 410	\$ 355,000	\$ 4,364,076	\$ 4,009,076
Income Tax	2,169,980	2,233,736	63,755
FY 1998:			
Street Construction Maintenance & Repair	237,418	289,774	52,356
FEMA	8,439	33,753	25,314



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF AMBERLEY

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
AUGUST 1, 2000**