



**Auditor of State
Betty Montgomery**

VILLAGE OF AMBERLEY
HAMILTON COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Accountants' Report.....	1
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, 2003.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Fiduciary Fund Type - For the Year Ended December 31, 2003.....	4
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, 2002.....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Fiduciary Fund Type - For the Year Ended December 31, 2002.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13
Schedule of Prior Audit Findings	15

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Amberley
Hamilton County
7149 Ridge Road
Cincinnati, Ohio 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, 2003 and 2002. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 audit 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 audit provides 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, 2003 and 2002, 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 7, 2005 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 testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

Betty Montgomery
Auditor of State

June 7, 2005

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**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, 2003**

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:						
Property Tax and Other Local Taxes	\$956,542	\$0	\$0	\$0	\$2,055,962	\$3,012,504
State Shared Taxes and Permits	480,356	144,198				624,554
Charges for Services	11,466					11,466
Fines, Licenses, and Permits	173,282	3,030			5	176,317
Earnings on Investments	166,262					166,262
Miscellaneous	114,689	4,960				119,649
Total Cash Receipts	<u>1,902,597</u>	<u>152,188</u>	<u>0</u>	<u>0</u>	<u>2,055,967</u>	<u>4,110,752</u>
Cash Disbursements:						
Current:						
Security of Persons and Property	2,055,290	180				2,055,470
Public Health Services	82,319					82,319
Leisure Time Activities	3,686					3,686
Community Environment	39,181					39,181
Basic Utility Services	153,250					153,250
Transportation	732,386					732,386
General Government	829,724				49,191	878,915
Debt Service:						
Principal Payments			484,689			484,689
Interest Payments			128,169	10,696		138,865
Capital Outlay		94,184		61,505		155,689
Total Cash Disbursements	<u>3,895,836</u>	<u>94,364</u>	<u>612,858</u>	<u>72,201</u>	<u>49,191</u>	<u>4,724,450</u>
Total Receipts Over/(Under) Disbursements	<u>(1,993,239)</u>	<u>57,824</u>	<u>(612,858)</u>	<u>(72,201)</u>	<u>2,006,776</u>	<u>(613,698)</u>
Other Financing Receipts and (Disbursements):						
Transfers-In	2,300,000		609,128			2,909,128
Transfers-Out					(2,909,128)	(2,909,128)
Total Other Financing Receipts/(Disbursements)	<u>2,300,000</u>	<u>0</u>	<u>609,128</u>	<u>0</u>	<u>(2,909,128)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>306,761</u>	<u>57,824</u>	<u>(3,730)</u>	<u>(72,201)</u>	<u>(902,352)</u>	<u>(613,698)</u>
Fund Cash Balances, January 1	<u>2,338,659</u>	<u>299,264</u>	<u>612,858</u>	<u>358,189</u>	<u>4,156,205</u>	<u>7,765,175</u>
Fund Cash Balances, December 31	<u>\$2,645,420</u>	<u>\$357,088</u>	<u>\$609,128</u>	<u>\$285,988</u>	<u>\$3,253,853</u>	<u>\$7,151,476</u>
Reserves for Encumbrances, December 31	<u>\$39,768</u>	<u>\$33,985</u>	<u>\$0</u>	<u>\$84,073</u>	<u>\$0</u>	<u>\$157,826</u>

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

VILLAGE OF AMBERLEY
HAMILTON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	<u>42,287</u>
Total Non-Operating Cash Receipts	<u>42,287</u>
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	<u>43,591</u>
Total Non-Operating Cash Disbursements	<u>43,591</u>
Net Receipts Over/(Under) Disbursements	(1,304)
Fund Cash Balances, January 1	<u>3,807</u>
Fund Cash Balances, December 31	<u><u>\$2,503</u></u>

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

VILLAGE OF AMBERLEY
HAMILTON COUNTY

**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, 2002**

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:						
Property Tax and Other Local Taxes	\$855,028	\$0	\$0	\$0	\$1,539,785	\$2,394,813
State Shared Taxes and Permits	513,040	137,257				650,297
Intergovernmental Receipts	0	73,153				73,153
Charges for Services	5,511					5,511
Fines, Licenses, and Permits	190,353	28				190,381
Earnings on Investments	314,721					314,721
Miscellaneous	144,860	6,670				151,530
Total Cash Receipts	<u>2,023,513</u>	<u>217,108</u>	<u>0</u>	<u>0</u>	<u>1,539,785</u>	<u>3,780,406</u>
Cash Disbursements:						
Current:						
Security of Persons and Property	1,816,520	120				1,816,640
Public Health Services	42,281					42,281
Leisure Time Activities	5,940					5,940
Community Environment	41,573					41,573
Basic Utility Services	147,738					147,738
Transportation	618,741					618,741
General Government	680,085				37,994	718,079
Debt Service:						
Principal Payments			465,767			465,767
Interest Payments			148,966	445		149,411
Capital Outlay		149,521		127,587		277,108
Total Cash Disbursements	<u>3,352,878</u>	<u>149,641</u>	<u>614,733</u>	<u>128,032</u>	<u>37,994</u>	<u>4,283,278</u>
Total Receipts Over/(Under) Disbursements	<u>(1,329,365)</u>	<u>67,467</u>	<u>(614,733)</u>	<u>(128,032)</u>	<u>1,501,791</u>	<u>(502,872)</u>
Other Financing Receipts and (Disbursements):						
Transfers-In	1,600,000		720,355			2,320,355
Transfers-Out		(74,000)			(2,246,355)	(2,320,355)
Total Other Financing Receipts/(Disbursements)	<u>1,600,000</u>	<u>(74,000)</u>	<u>720,355</u>	<u>0</u>	<u>(2,246,355)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	270,635	(6,533)	105,622	(128,032)	(744,564)	(502,872)
Fund Cash Balances, January 1	2,068,024	305,797	507,236	486,221	4,900,769	8,268,047
Fund Cash Balances, December 31	<u>\$2,338,659</u>	<u>\$299,264</u>	<u>\$612,858</u>	<u>\$358,189</u>	<u>\$4,156,205</u>	<u>\$7,765,175</u>
Reserves for Encumbrances, December 31	<u>\$165,247</u>	<u>\$108,306</u>	<u>\$0</u>	<u>\$29,573</u>	<u>\$0</u>	<u>\$303,126</u>

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

VILLAGE OF AMBERLEY
HAMILTON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	<u>38,934</u>
Total Non-Operating Cash Receipts	<u>38,934</u>
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	<u>38,304</u>
Total Non-Operating Cash Disbursements	<u>38,304</u>
Net Receipts Over/(Under) Disbursements	630
Fund Cash Balances, January 1	<u>3,177</u>
Fund Cash Balances, December 31	<u><u>\$3,807</u></u>

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

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

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 government services, security of persons & property, park operations (leisure time activities), street maintenance, fire protection, and police.

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 Deposits

Investments are included in fund cash balances. 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.

U.S. Treasury Notes, 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.

D. Fund Accounting

The Village uses fund accounting to segregate cash that is 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
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Capital Projects Fund - This fund receives proceeds of general obligation notes. The proceeds are being used for street construction.

4. Debt Service Fund

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

Bond Retirement Fund – This fund receives monies transferred from the Village's Local Earnings Tax Fund to be used to pay principal and interest of the Village's long term debt.

5. Fiduciary Funds (Trust and Agency Funds)

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

Expendable Trust Funds:

Local Earnings Tax Fund – This fund reports the receipt of earnings of tax revenues from businesses & individuals which are transferred to other Village funds to finance general operations of the Village.

Police and Fire Disability and Pension Fund – This expendable trust fund receives local monies to fund the police and fire pension obligation.

Agency Fund:

Mayor's Court Fund – This fund is used to account for the collection and distribution of court fines and forfeitures.

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.

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

A summary of 2003 and 2002 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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investment 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:

	2003	2002
Demand deposits	\$581,212	\$120,944
Total deposits	581,212	120,944
U.S. Treasury Bonds	5,670,409	4,695,680
STAR Ohio	902,358	2,952,358
Total investments	6,572,767	7,648,038
Total deposits and investments	\$7,153,979	\$7,768,982

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 Bonds are held in book entry form by Fifth Third Bank, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book entry form.

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,223,792	\$4,202,597	\$978,805
Special Revenue	146,940	152,188	5,248
Debt Service	0	609,128	609,128
Capital Projects	0	0	0
Fiduciary	1,644,065	2,055,967	411,902
Total	<u>\$5,014,797</u>	<u>\$7,019,880</u>	<u>\$2,005,083</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,185,286	\$3,935,604	\$249,682
Special Revenue	342,806	128,349	214,457
Debt Service	612,858	612,858	0
Capital Projects	207,116	156,274	50,842
Fiduciary	2,959,728	2,958,319	1,409
Total	<u>\$8,307,794</u>	<u>\$7,791,404</u>	<u>\$516,390</u>

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,373,601	\$3,623,513	\$249,912
Special Revenue	136,580	217,108	80,528
Debt Service	700,000	720,355	20,355
Capital Projects	0	0	0
Fiduciary	1,679,254	1,539,785	(139,469)
Total	<u>\$5,889,435</u>	<u>\$6,100,761</u>	<u>\$211,326</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,811,296	\$3,518,125	\$293,171
Special Revenue	289,047	257,947	31,100
Debt Service	614,733	614,733	0
Capital Projects	185,273	157,605	27,668
Fiduciary	2,259,955	2,284,349	(24,394)
Total	<u>\$7,160,304</u>	<u>\$6,832,759</u>	<u>\$327,545</u>

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

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 payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

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

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

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 2 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

6. DEBT/LEASES

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Municipal Improvement Bonds - 1998	\$2,210,000	4.75%
Quint Fire Truck Lease-Purchase - 2000	208,474	5.84%
Total	<u>\$2,418,474</u>	

The 1998 Village Hall Bonds relate to the construction of the present Village Hall. The 2000 Fire Truck Lease relates to the Fire Truck presently used by the Village Fire Department.

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

	<u>Village Hall Bonds</u>	<u>Fire Truck Lease</u>
Year ending December 31:		
2004	\$502,810	\$113,455
2005	504,585	\$113,455
2006	500,460	
2007	500,660	
2008	500,880	
Total	<u>\$2,509,395</u>	<u>\$226,910</u>

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

6. DEBT/LEASES (Continued)

The bond is collateralized by the faith, credit and revenue of the Village. The lease is collateralized by the Fire Truck.

7. RETIREMENT SYSTEMS

The Village's police chief belongs to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees and part-time police officers belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement 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 2003 and 2002, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The Village has paid all contributions required through December 31, 2003.

8. RISK MANAGEMENT

Risk Pool Membership

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures with A- VII or better rated carriers, except for a 5% portion the Plan retains. With policies effective September 1, 2003 and after, The Plan pays the lesser of 5% or \$25,000 for casualty losses up to the coverage limit and the lesser of 5% or \$50,000 for property losses up to the coverage limit. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

	2003	2002
Assets	\$5,402,167	\$5,584,592
Liabilities	(1,871,123)	(2,441,793)
Members' Equity	\$3,531,044	\$3,142,799

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.



Auditor of State Betty Montgomery

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

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

To the Village Council:

We have audited the financial statements of the Village of Amberley, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 7, 2005, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

As part of reasonable assurance whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and the Village Council. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

June 7, 2005

VILLAGE OF AMBERLEY
HAMILTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-30431-001	Ohio Rev. Code 5705.39, appropriations in excess of estimated resources.	Yes	



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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 4, 2005**