

***VILLAGE OF AMELIA
CLERMONT COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2013 & 2012





Dave Yost • Auditor of State

Village Council
Village of Amelia
44 West Main Street
Amelia, Ohio 45102

We have reviewed the *Report of Independent Accountants* of the Village of Amelia, Clermont County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Amelia is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 28, 2014

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**VILLAGE OF AMELIA
CLERMONT COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2013 and 2012**

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Report of Independent Accountants	1-2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances – All Governmental Funds, For the Year Ended December 31, 2013	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances – All Fiduciary Fund Types, For the Year Ended December 31, 2013	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2012	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances – All Fiduciary Fund Types, For the Year Ended December 31, 2012	6
Notes to the Financial Statements	7-15
Independent Accountants’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	16-17
Schedule of Audit Findings	18
Schedule of Prior Audit Findings	19

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Amelia
Clermont county
44 West Main Street
Amelia, Ohio 45102

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Amelia, Clermont County, (the Village) as of and for the years ended December 31, 2013 and 2012.

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 of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1 of the financial statements, the Village has 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, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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, 2013 and 2012, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Village of Amelia, Clermont County, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2014, 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.



Charles E. Harris & Associates, Inc.

June 15, 2014

VILLAGE OF AMELIA
CLERMONT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2013

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Receipts:				
Property Taxes	\$ 110,535	\$ 888,613	\$ -	\$ 999,148
Intergovernmental	80,259	329,099	-	409,358
Special Assessments	2,627	-	-	2,627
Charges for Services	11,528	-	-	11,528
Fines, Licenses and Permits	134,186	10,816	-	145,002
Earning on Investment	203	-	-	203
Miscellaneous	10,149	31,136	169,424	210,709
Total Receipts	349,487	1,259,664	169,424	1,778,575
Disbursements:				
Security of Persons & Property	31,060	850,984	-	882,044
Public Health Services	13,552	15,081	-	28,633
Leisure Time Activities	18,282	2,521	-	20,803
Community Environment	14,644	-	-	14,644
Basic Utility Services	-	11,236	-	11,236
Transportation	-	153,537	-	153,537
General Government	229,180	52,455	-	281,635
Capital Outlay	69,388	341,642	146,582	557,612
Debt Service:				
Principal Retirement	-	27,277	550,081	577,358
Interest	-	1,541	9,517	11,058
Total Disbursements	376,106	1,456,274	706,180	2,538,560
Total Receipts Over/(Under) Disbursements	(26,619)	(196,610)	(536,756)	(759,985)
Other Financing Receipts(Disbursements)				
Advance-In	15,000	-	15,000	30,000
Advance-Out	(15,000)	-	(15,000)	(30,000)
Sale of Note	-	-	650,425	650,425
Total Other Financing Receipts/(Disbursements)	-	-	650,425	650,425
Net Change in Fund Balances	(26,619)	(196,610)	113,669	(109,560)
Fund Cash Balance, January 1, 2013	164,137	1,060,273	16,106	1,240,516
Fund Balances				
Restricted	-	863,663	129,775	993,438
Unassigned	137,518	-	-	137,518
Fund Cash Balance, December 31, 2013	\$ 137,518	\$ 863,663	\$ 129,775	\$ 1,130,956

See Accompanying Notes to the Financial Statements.

VILLAGE OF AMELIA
CLERMONT COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Fiduciary Fund Types
For the Year Ended December 31, 2013

	Fiduciary Fund Type Agency
Other Financing Receipts/(Disbursements):	
Other Financing Sources	117,000
Other Financing Uses	(119,105)
Total of Other Financing Receipts / (Disbursements)	(2,105)
Fund Cash Balance, January 1, 2013	13,755
Fund Cash Balance, December 31, 2013	\$ 11,650

See Accompanying Notes to the Financial Statements.

VILLAGE OF AMELIA
CLERMONT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2012

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Receipts:				
Property Taxes	\$ 86,166	\$ 867,237	\$ -	\$ 953,403
Intergovernmental	114,658	331,669	502,547	948,874
Special Assesment	1,145	-	-	1,145
Charges for Services	6,040	675	-	6,715
Fines, Licenses and Permits	126,217	8,698	-	134,915
Earning on Investment	1,175	232	-	1,407
Miscellaneous	31,195	5,922	3,729	40,846
Total Receipts	366,596	1,214,433	506,276	2,087,305
Disbursements:				
Security of Persons & Property	35,086	795,289	-	830,375
Public Health Services	13,711	16,655	-	30,366
Leisure Time Activities	10,200	1,172	-	11,372
Community Environment	7,311	-	-	7,311
Basic Utility Services	-	12,358	-	12,358
Transportation	-	147,290	-	147,290
General Government	230,013	43,149	-	273,162
Capital Outlay	-	-	1,140,251	1,140,251
Debt Service:				
Principal Retirement	-	26,999	-	26,999
Interest	-	2,248	-	2,248
Total Disbursements	296,321	1,045,160	1,140,251	2,481,732
Total Receipts Over/(Under) Disbursements	70,275	169,273	(633,975)	(394,427)
Other Financing Receipts(Disbursements)				
Advance-In	37,700	70,000	107,700	215,400
Advance-Out	(37,700)	(70,000)	(107,700)	(215,400)
Sale of Note	-	-	550,081	550,081
Total Other Financing Receipts/(Disburstments)	-	-	550,081	550,081
Net Change in Fund Balances	70,275	169,273	(83,894)	155,654
Fund Cash Balance, January 1, 2012	93,862	891,000	100,000	1,084,862
Fund Balances				
Restricted	-	1,060,273	16,106	1,076,379
Unassigned	164,137	-	-	164,137
Fund Cash Balance, December 31, 2012	\$ 164,137	\$1,060,273	\$ 16,106	\$ 1,240,516

See Accompanying Notes to the Financial Statements.

VILLAGE OF AMELIA
CLERMONT COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Fiduciary Fund Types
For the Year Ended December 31, 2012

	Fiduciary Fund Type Agency
Other Financing Receipts/(Disbursements):	
Other Financing Sources	107,819
Other Financing Uses	(97,484)
Total of Other Financing Receipts / (Disbursements)	10,335
Fund Cash Balance, January 1, 2012	3,420
Fund Cash Balance, December 31, 2012	\$ 13,755

See Accompanying Notes to the Financial Statements.

**VILLAGE OF AMELIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Village of Amelia, Clermont 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 water, sewer, trash utilities and park operations. The Village contracts with the Preble County Sheriff's department to provide security of persons and property.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. 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 values certificates of deposit at cost.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

**VILLAGE OF AMELIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

2. Special Revenue Funds

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

Police District Fund – This fund receives property tax money to fund police protection service for the Village.

Fire Fund – This fund receives property tax money to fund fire and EMS services for the Village.

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

Main Street/Woodlands Dr. Improvement Fund – This fund is used to account for monies received to install a traffic light and construct additional traffic lane at the intersection of Main Street, Woodlands Dr. and St. Route 125.

4. Fiduciary Fund (Agency Only)

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village had the following significant Agency Fund:

Other Agency – This fund accounts for monies received and disbursed by the Mayor's Court.

E. Budgetary Process

The Ohio Revised Code requires that each fund 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 Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**VILLAGE OF AMELIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies (continued)

E. Budgetary Process (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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

G. 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.

H. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted

Fund balance is reported as 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.

**VILLAGE OF AMELIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies (continued)

H. Fund Balances (continued)

Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution or ordinance) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution or ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Council, which includes giving the Fiscal Officer the authority to constrain monies for intended purposes.

Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

2. Equity in Pooled Deposits and Investments

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

	2013	2012
Demand Deposits	\$ 908,237	\$ 688,106
Star Ohio	234,369	566,165
Total deposits	<u>\$ 1,142,606</u>	<u>\$ 1,254,271</u>

**VILLAGE OF AMELIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

2. Equity in Pooled Deposits and Investments (Continued)

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village or (3) by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budget vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 326,341	\$ 349,487	\$ 23,146
Special Revenue	1,184,414	1,259,664	75,250
Capital Projects	818,924	819,849	925
Total	<u>\$ 2,329,679</u>	<u>\$ 2,429,000</u>	<u>\$ 99,321</u>

2013 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 434,675	\$ 376,106	\$ 58,569
Special Revenue	1,690,895	1,456,274	234,621
Capital Projects	747,781	706,180	41,601
Total	<u>\$ 2,873,351</u>	<u>\$ 2,538,560</u>	<u>\$ 334,791</u>

2012 Budget vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 428,837	\$ 366,596	\$ (62,241)
Special Revenue	1,301,598	1,214,433	(87,165)
Capital Projects	1,164,056	1,056,357	(107,699)
Total	<u>\$ 2,894,491</u>	<u>\$ 2,637,386</u>	<u>\$ (257,105)</u>

**VILLAGE OF AMELIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

3. Budgetary Activity (Continued)

2012 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 391,445	\$ 296,321	\$ 95,124
Special Revenue	1,344,095	1,045,160	298,935
Capital Projects	1,151,900	1,140,251	11,649
Total	<u>\$ 2,887,440</u>	<u>\$ 2,481,732</u>	<u>\$ 405,708</u>

4. Property Tax

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.

5. Debt

Debt outstanding at December 31, 2013 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Bond Anticipation Notes (2010)	\$34,097	2.59%
OPWC #CT26C	31,050	0.00%
Riverhills Bank #20110454 - police cruiser loan	1,882	4.00%
Bond Anticipation Notes (2013)	<u>650,425</u>	1.75%
Total	<u><u>\$717,454</u></u>	

**VILLAGE OF AMELIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

5. Debt (Continued)

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

Year Ending December 31:	Note (2010)	OPWC #CT26C	#20110454 police cruiser loan	Note (2013)
2014	\$17,494	\$4,140	\$1,932	\$661,800
2015	17,270	4,140	-	-
2016	-	4,140	-	-
2017	-	4,140	-	-
2018	-	4,140	-	-
2019-2021	-	10,350	-	-
Total	<u>\$34,764</u>	<u>\$31,050</u>	<u>\$1,932</u>	<u>\$661,800</u>

The Village issued bond anticipation notes in 2007 in the amount of \$105,000. The notes were renewed in 2008 for \$100,000 and renewed again in 2009 for \$90,000 and again in 2010 for \$80,000. The proceeds of the notes were used to construct a service facility for the purpose of storing salt and other road-related purposes. The proceeds of the notes were paid into the Village's Service Facility Construction fund.

The Village's taxing authority collateralized the notes.

The Ohio Public Works Commission loan in the amount of \$82,800 was originated in 2001 for the purpose of Oak Street traffic lights improvement. It is scheduled to be fully repaid by 2021.

The loan with Riverhills Bank originated in 2011 for the purpose financing the purchase of a police cruiser. The loan is scheduled to be repaid in 2014.

The Village issued a bond anticipation note in 2013 in the amount of \$650,425. The proceeds of the note were used to construct additional Traffic Lane on St. Route 125, and to move underground utilities and install traffic signal. The note is scheduled to be repaid in 2014.

6. Risk Management

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

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

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

**VILLAGE OF AMELIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

6. Risk Management (Continued)

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2012, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011 (the latest information available):

	<u>2012</u>	<u>2011</u>
Assets	\$34,389,569	\$33,362,404
Liabilities	<u>(14,208,353)</u>	<u>(14,187,273)</u>
Net Position	<u>\$20,181,216</u>	<u>\$19,175,131</u>

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$13.1 million and \$13.0 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$12.1 million of unpaid claims to be billed to approximately 466 and 455 member governments in the future, as of December 31, 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2012, the Village's share of these unpaid claims collectible in future years is approximately \$12,000.

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

<u>Contributions to PEP</u>	
<u>2013</u>	<u>2012</u>
\$ 14,324	\$ 13, 646

**VILLAGE OF AMELIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

6. Risk Management (Continued)

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

There have been no significant reductions in insurance coverage from the prior fiscal years and settled claims have not exceeded this commercial coverage in any of the last three years.

7. Contingent Liabilities/Subsequent Events

Management believes there are no pending claims or lawsuits.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Village of Amelia
Clermont County
44 West Main Street
Amelia, Ohio 45102

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Amelia, Clermont County, (the Village) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated June 15, 2014, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings we identified certain deficiency in internal control over financial reporting that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

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

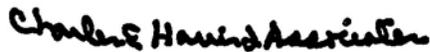
We also noted certain matters that we have reported to management of the Village in a separate letter dated June 15, 2014.

Entity's Response to Finding

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
June 15, 2014

**VILLAGE OF AMELIA
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>

FINDING NUMBER 2013-001

Material Weakness - Budgetary Entries in UAN Accounting System

The budgetary entries in the UAN accounting system did not reconcile with the amended certificates of estimated resources or approved appropriation resolutions passed by the Village Council. Therefore, the Council cannot properly monitor Village expenditures and receipts and management cannot adequately monitor budgetary regulations.

We recommend that the Fiscal Officer post all budgetary information to the computer system on a regular basis. This will enhance the Village's ability to monitor all budgetary receipts and expenditures in comparison to actual receipts and expenditures.

Management's Response:

Client declined to respond to this finding.

**VILLAGE OF AMELIA
CLERMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2011-1	Contrary to Ohio Rev. Code Section 5705.41(D)(1) the Village did not certify the availability funds prior to commitment.	YES	No Longer Valid
2011-2	Village had incorrect Accounting transactions.	YES	No Longer Valid



Dave Yost • Auditor of State

VILLAGE OF AMELIA

CLERMONT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 7, 2014**