



Dave Yost • Auditor of State



VILLAGE MAINEVILLE  
WARREN COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of Maineville  
Warren County  
8188 State Route 48  
Maineville, Ohio 45039

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Village of Maineville, Warren 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 Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these 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 thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Maineville, Warren 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(D) permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 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.



**Dave Yost**  
Auditor of State

Columbus, Ohio

August 20, 2014

**VILLAGE OF MAINEVILLE  
WARREN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$35,080	\$13,332	\$48,412
Municipal Income Tax	357,463		357,463
Intergovernmental	6,592	61,115	67,707
Special Assessments	75		75
Charges for Services	72,376		72,376
Fines, Licenses and Permits	33,795	1,335	35,130
Earnings on Investments	739	47	786
Miscellaneous	1,978		1,978
<i>Total Cash Receipts</i>	<u>508,098</u>	<u>75,829</u>	<u>583,927</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	151,790	4,180	155,970
Community Environment	11,048		11,048
Basic Utility Services	82,509		82,509
Transportation	63,204	23,233	86,437
General Government	148,318	1,715	150,033
Capital Outlay	30,736		30,736
Debt Service:			
Principal Retirement	2,650	7,900	10,550
Interest and Fiscal Charges	159	2,394	2,553
<i>Total Cash Disbursements</i>	<u>490,414</u>	<u>39,422</u>	<u>529,836</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>17,684</u>	<u>36,407</u>	<u>54,091</u>
<b>Other Financing Receipts (Disbursements)</b>			
Sale of Bonds	26,500		26,500
Sale of Capital Assets	4,320		4,320
<i>Total Other Financing Receipts (Disbursements)</i>	<u>30,820</u>	<u>0</u>	<u>30,820</u>
<i>Net Change in Fund Cash Balances</i>	48,504	36,407	84,911
<i>Fund Cash Balances, January 1</i>	<u>314,305</u>	<u>137,432</u>	<u>451,737</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	0	168,060	168,060
Committed	0	5,779	5,779
Assigned	1,836	0	1,836
Unassigned (Deficit)	360,973	0	360,973
<i>Fund Cash Balances, December 31</i>	<u>\$362,809</u>	<u>\$173,839</u>	<u>\$536,648</u>

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

VILLAGE OF MAINEVILLE  
WARREN COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Agency</u>
<b>Operating Cash Receipts</b>	
Miscellaneous	<u>\$63</u>
<i>Total Operating Cash Receipts</i>	<u>63</u>
<i>Net Change in Fund Cash Balances</i>	63
<i>Fund Cash Balances, January 1</i>	<u>44</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$107</u></u>

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



**VILLAGE OF MAINEVILLE  
WARREN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$36,222	\$8,180	\$44,402
Municipal Income Tax	301,364		301,364
Intergovernmental	6,322	46,952	53,274
Special Assessments	316		316
Charges for Services	74,374		74,374
Fines, Licenses and Permits	32,333	1,410	33,743
Earnings on Investments	1,683	63	1,746
Miscellaneous	494	2,171	2,665
	<b>Total Cash Receipts</b>	<b>58,776</b>	<b>511,884</b>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	149,758	1,209	150,967
Public Health Services			0
Leisure Time Activities			0
Community Environment	19,342		19,342
Basic Utility Services	77,866		77,866
Transportation	51,731	19,887	71,618
General Government	194,360		194,360
Capital Outlay			0
Debt Service:			
Principal Retirement	2,793	20,522	23,315
Interest and Fiscal Charges	124	3,671	3,795
	<b>Total Cash Disbursements</b>	<b>45,289</b>	<b>541,263</b>
	<b>Excess of Receipts Over (Under) Disbursements</b>	<b>13,487</b>	<b>(29,379)</b>
<b>Other Financing Receipts (Disbursements)</b>			
Other Financing Uses	(185)		(185)
	<b>Total Other Financing Receipts (Disbursements)</b>	<b>0</b>	<b>(185)</b>
	<b>Net Change in Fund Cash Balances</b>	<b>13,487</b>	<b>(29,564)</b>
	<b>Fund Cash Balances, January 1</b>	<b>123,945</b>	<b>481,301</b>
<b>Fund Cash Balances, December 31</b>			
Nonspendable	5	0	5
Restricted	76	127,018	127,094
Committed	12,324	6,234	18,558
Assigned	4,670	4,180	8,850
Unassigned (Deficit)	297,230	0	297,230
	<b>Fund Cash Balances, December 31</b>	<b>\$137,432</b>	<b>\$451,737</b>

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

VILLAGE OF MAINEVILLE  
WARREN COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Agency</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Other Financing Uses	<u>(\$118)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(118)</u>
<i>Net Change in Fund Cash Balances</i>	(118)
<i>Fund Cash Balances, January 1</i>	<u>162</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$44</u></u>

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

**VILLAGE OF MAINEVILLE  
WARREN COUNTY**

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

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Maineville, Warren County, Ohio, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides police services. The Village contracts with Rumpke to provide trash services to the Village citizens.

The Village participates in a public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is the Ohio 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 767 and 765 members as of December 31, 2012 and 2011 (the latest information available) respectively.

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 funds were deposited in a "NOW" checking account and invested in certificates of deposit with local commercial banks. The Village values its certificates of deposit at cost.

**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 accounts for and reports all financial resources not accounted for and reported in another fund.

**VILLAGE OF MAINEVILLE  
WARREN COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

Permissive Motor Vehicle License Tax Fund – This fund receives permissive tax money for maintaining and repairing the Village’s streets.

**3. Fiduciary Funds**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village’s agency funds account for the Historical Society Fund and Unclaimed Monies Fund. The Unclaimed Monies Fund is used to account for stale-dated checks.

**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 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.

**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 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.

**VILLAGE OF MAINEVILLE  
WARREN COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

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

**F. Fund Balance**

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

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**VILLAGE OF MAINEVILLE  
WARREN COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

**G. 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.

**2. Equity in Pooled Deposits**

The Village maintains a deposit 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	\$277,579	\$193,307
Certificates of deposit	259,175	258,474
Total deposits	\$536,754	\$451,781

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

**3. Budgetary Activity**

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

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$464,842	\$538,918	\$74,076
Special Revenue	69,394	75,829	6,435
Total	\$534,236	\$614,747	\$80,511

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$589,317	\$492,251	\$97,066
Special Revenue	56,167	39,422	16,745
Total	\$645,484	\$531,673	\$113,811

**VILLAGE OF MAINEVILLE  
WARREN COUNTY**

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

**3. Budgetary Activity (Continued)**

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$394,621	\$453,110	\$58,489
Special Revenue	84,054	58,776	(25,278)
Total	\$478,675	\$511,886	\$33,211

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$549,174	\$513,045	\$36,129
Special Revenue	55,628	45,290	10,338
Total	\$604,802	\$558,335	\$46,467

**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.

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<sup>th</sup>.

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 one 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.

The Village contracts with the Regional Income Tax Authority (RITA) for the purpose of administering the tax laws of the Village and collecting income taxes on behalf of the Village. Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Authority (RITA) either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**VILLAGE OF MAINEVILLE  
WARREN COUNTY**

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

**6. Debt**

Debt outstanding at December 31, 2013 was as follows:

	Principal	Interest Rate
Street Improvement General Obligation Bonds	\$45,300	4.5%
Vehicle Acquisition General Obligation Bond	23,850	3%
Total	\$69,150	

In 2009, the Village issued Street Improvement General Obligation Bonds, Series 2009 in the amount of \$75,000. The proceeds of the bonds were used to finance street improvements to the Village's streets. The bonds will mature over the next five years at a rate of 4.5%. The Village's taxing authority collateralized the bonds.

In 2013, the Village issued a Vehicle Acquisition General Obligation Bond. The proceeds from these bonds were used to purchase a police cruiser. The bonds will mature over the next five years at the rate of 3%. The Village's taxing authority collateralized the bonds.

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

	Street Improvement General Obligation Bonds	Vehicle Acquisition General Obligation Bond
Year ending December 31:		
2014	\$10,339	\$5,976
2015	10,265	5,817
2016	10,378	5,658
2017	10,269	5,499
2018	10,346	2,690
Total	\$51,597	\$25,640

**7. Retirement Systems**

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OP&F participants contributed 10.75% and 10% of their wages, respectively. For 2013 and 2012, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2013 and 2012, OPERS members contributed 10%, respectively, of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. Beginning January 2012, the Village increased the pick-up portion of non-elected participants' contributions from 2% to 10% in lieu of employees receiving raises. The Village paid all contributions required through December 31, 2013.



**VILLAGE OF MAINEVILLE  
WARREN COUNTY**

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

**8. Risk Management**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM), formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012, OPRM increased its retention to 50% of the first \$250,000 casualty treaty. OPRM's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 765 members as of December 31, 2012 and 2011, respectively.

OPRM members are responsible to notify OPRM of their intent to renew coverage by their renewal date. If a member chooses not to renew with OPRM, they have no other financial obligation to OPRM, but still need to promptly notify OPRM of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of OPRM.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

OPRM's audited financial statements 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):

	<b>2012</b>	<b>2011</b>
Assets	<u>\$13,100,381</u>	<u>\$12,501,280</u>
Liabilities	<u>(6,687,193)</u>	<u>(5,328,761)</u>
Members' Equity	<u>\$6,413,188</u>	<u>\$7,172,519</u>

You can read the complete audited financial statements for OPRM at its website, [www.ohioplan.org](http://www.ohioplan.org).

**VILLAGE OF MAINEVILLE  
WARREN COUNTY**

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

**9. Contingent Liabilities**

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

**10. Related Party Transactions**

A Village Council member, Mr. Doug Drook, is the owner of an automotive repair company that has performed repair work for the Village. The Village paid \$5,969 during 2012 and \$5,215 during 2013 for these services. The Village also contracts with Mr. Drook's wife to clean the Village Hall. The contract amount paid during 2013 and 2012 amounted to \$2,040 per year. Mr. Drook abstained from approving all expenditures relating to his business or his wife's contract.



# Dave Yost • Auditor of State

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

Village of Maineville  
Warren County  
8188 South Route 48  
Maineville, Ohio 45039

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 Maineville, Warren 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 August 20, 2014 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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*.

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

August 20, 2014

**VILLAGE OF MAINEVILLE  
WARREN COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2011-001	Ohio Revised Code 733.28, failure to record revenue accurately	Yes	
2011-002	Ohio Revised Code 5705.41 (D)(1), failure to properly encumber	Yes	
2011-003	Budgetary amounts not agreeing with UAN posted amounts	Yes	

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# Dave Yost • Auditor of State

**VILLAGE OF MAINEVILLE**

**WARREN 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  
SEPTEMBER 23, 2014**