



**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2001 and 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF AMBERLEY
HAMILTON COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Amberley, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2001 and 2000. 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, 2001 and 2000, 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, 2002 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

June 7, 2002

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, 2001**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Tax and Other Local Taxes	\$833,587	\$0	\$0	\$0	\$1,680,919	\$2,514,505
Intergovernmental Receipts	645,164	154,574	0	0	4,596	804,333
Charges for Services	668	0	0	0	0	668
Fines, Licenses, and Permits	178,851	75	0	0	0	178,926
Earnings on Investments	428,779	0	0	0	0	428,779
Miscellaneous	13,672	3,290	0	0	0	16,962
Total Cash Receipts	2,100,721	157,939	0	0	1,685,515	3,944,174
Cash Disbursements:						
Current:						
Security of Persons and Property	1,754,683	0	0	0	0	1,754,683
Public Health Services	40,029	0	0	0	0	40,029
Leisure Time Activities	3,902	0	0	0	0	3,902
Community Environment	28,953	0	0	0	0	28,953
Basic Utility Services	143,795	0	0	0	0	143,795
Transportation	578,036	0	0	0	0	578,036
General Government	644,077	0	0	0	45,737	689,814
Debt Service:						
Principal Payments	0	0	415,423	0	0	415,423
Interest Payments	0	0	202,130	0	0	202,130
Financing and Other Debt-Service Related	0	0	0	0	0	0
Capital Outlay	41,231	313,174	0	673,581	0	1,027,986
Total Cash Disbursements	3,234,707	313,174	617,552	673,581	45,737	4,884,751
Total Receipts Over/(Under) Disbursements	(1,133,985)	(155,235)	(617,552)	(673,581)	1,639,778	(940,576)
Other Financing Receipts/(Disbursements):						
Proceeds of Capital Lease	0	0	0	0	0	0
Transfers-In	1,750,000	337,975	505,431	0	0	2,593,406
Transfers-Out	0	(15,365)	0	0	(2,578,042)	(2,593,407)
Total Other Financing Receipts/(Disbursements)	1,750,000	322,610	505,431	0	(2,578,042)	(1)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	616,015	167,375	(112,121)	(673,581)	(938,264)	(940,577)
Fund Cash Balances, January 1	1,452,009	138,422	619,357	1,159,802	5,839,033	9,208,623
Fund Cash Balances, December 31	\$2,068,024	\$305,797	\$507,236	\$486,221	\$4,900,769	\$8,268,046
Reserves for Encumbrances, December 31	\$183,625	\$889	\$0	\$42,793	\$0	\$227,307

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 PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Fiduciary Fund Types
	Agency
Non -Operating Cash Receipts:	
Other Non-Operating Receipts	\$38,372
 Total Operating Cash Receipts	 38,372
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	36,719
 Total Non-Operating Cash Disbursements	 36,719
Operating Income/(Loss)	1,653
 Net Receipts Over/(Under) Disbursements	 1,653
Fund Cash Balances, January 1	1,524
Fund Cash Balances, December 31	\$3,177

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, 2000**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Tax and Other Local Taxes	\$725,857	\$0	\$0	\$0	\$2,187,494	\$2,913,351
Intergovernmental Receipts	740,788	189,501	0	0	4,572	934,861
Charges for Services	477	0	0	0	0	477
Fines, Licenses, and Permits	117,022	159	0	0	0	117,182
Earnings on Investments	534,957	0	0	0	0	534,957
Miscellaneous	55,092	0	0	0	0	55,092
Total Cash Receipts	2,174,194	189,660	0	0	2,192,066	4,555,921
Cash Disbursements:						
Current:						
Security of Persons and Property	1,629,577	100	0	0	0	1,629,677
Public Health Services	38,255	0	0	0	0	38,255
Leisure Time Activities	5,689	0	0	0	0	5,689
Community Environment	51,404	0	0	0	0	51,404
Basic Utility Services	143,759	0	0	0	0	143,759
Transportation	649,920	0	0	0	0	649,920
General Government	726,607	0	0	0	32,460	759,067
Debt Service:						
Principal Payments	0	0	330,000	0	0	330,000
Interest Payments	0	0	175,248	0	0	175,248
Financing and Other Debt-Service Related	0	0	0	0	0	0
Capital Outlay	30,055	298,583	0	776,341	0	1,104,979
Total Cash Disbursements	3,275,267	298,683	505,248	776,341	32,460	4,887,998
Total Receipts Over/(Under) Disbursements	(1,101,072)	(109,023)	(505,248)	(776,341)	2,159,606	(332,078)
Other Financing Receipts/(Disbursements):						
Proceeds of Capital Lease	0	480,000	0	0	0	
Transfers-In	1,515,000	0	642,000	817,000	0	2,974,000
Transfers-Out	0	(480,000)	0	0	(2,494,000)	(2,974,000)
Total Other Financing Receipts/(Disbursements)	1,515,000	(480,000)	642,000	817,000	(2,494,000)	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	413,928	(589,023)	136,753	40,659	(334,394)	(332,078)
Fund Cash Balances, January 1	1,038,082	247,445	482,605	1,119,143	6,173,427	9,060,701
Fund Cash Balances, December 31	\$1,452,009	(\$341,578)	\$619,357	\$1,159,802	\$5,839,033	\$8,728,623
Reserves for Encumbrances, December 31	\$60,568	\$6,121	\$0	\$543,704	\$0	\$610,393

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 PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Fiduciary Fund Types</u>
	<u>Agency</u>
Non -Operating Cash Receipts:	
Other Non-Operating Receipts	<u>\$35,137</u>
Total Operating Cash Receipts	<u>35,137</u>
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	<u>37,215</u>
Total Non-Operating Cash Disbursements	<u>37,215</u>
Operating Income/(Loss)	<u>(2,078)</u>
Net Receipts Over/(Under) Disbursements	(2,078)
Fund Cash Balances, January 1	<u>3,602</u>
Fund Cash Balances, December 31	<u><u>\$1,524</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, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

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 and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

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

2. Special Revenue Fund

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

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Street Construction, Maintenance and Repair Fund

This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

3. Capital Projects 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 projects fund:

Capital Improvement Fund

This fund receives monies transferred from the Village's Local Earnings Tax Fund to be used to fund Village construction projects.

Capital Projects Public Facilities Fund

This fund receives monies transferred from Village's Local Earnings Tax to be used to fund Village public facilities.

4. Debt Service Fund

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

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 are used to 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 tax revenues from businesses and 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.

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Agency Fund:

Mayor's Court

This fund receives fines and forfeitures which are distributed to the Village and to the State.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

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 re-appropriated. The Village did not encumber all commitments required by law.

A summary of 2001 and 2000 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

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. 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:

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	2001	2000
Petty Cash	\$ 275	\$ 275
Demand deposits	21,059	(35,181)
Certificates of deposit	1,024,873	1,000,000
Total deposits	1,046,207	965,094
Investments:		
Repurchase Agreement	86,211	436,463
Treasury Bonds	3,399,900	5,474,578
Treasury Notes	483,371	0
STAR Ohio	3,252,357	2,332,488
Total investments	7,221,839	8,243,529
Total deposits and investments	\$8,268,046	\$9,208,623

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 and Notes 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. The Village invested in overnight repurchase agreement which were collateralized with U.S. Treasury obligations.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,164,795	\$3,850,721	\$1,685,926
Special Revenue	169,000	495,914	326,914
Capital Projects	50,000	0	(50,000)
Debt Service	25,000	505,431	480,431
Expendable Trust	1,900,330	1,685,515	(214,815)
Total	\$4,309,125	\$6,537,581	\$2,228,456

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,585,670	\$3,418,332	\$167,338
Special Revenue	358,169	329,427	28,742
Debt Service	617,553	617,552	1
Capital Projects	1,288,484	716,374	572,110
Fiduciary	2,628,642	2,623,779	4,863
Total	<u>\$8,478,518</u>	<u>\$7,705,464</u>	<u>\$773,054</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,196,186	\$3,689,194	\$493,008
Special Revenue	190,562	669,660	479,098
Debt Service	642,000	642,000	0
Capital Projects	817,000	817,000	0
Fiduciary	2,037,614	2,192,066	154,452
Total	<u>\$6,883,362</u>	<u>\$8,009,920</u>	<u>\$1,126,558</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,342,764	\$3,335,835	\$6,929
Special Revenue	829,364	784,804	44,560
Debt Service	505,248	505,248	0
Capital Projects	1,925,290	1,320,045	605,245
Fiduciary	2,544,600	2,526,460	18,140
Total	<u>\$9,147,266</u>	<u>\$8,472,391</u>	<u>\$674,874</u>

4. PROPERTY TAX

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

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

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

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. DEBT

The Village issued Ohio Municipal Improvement Bonds in 1998 for a period of ten years. Interest is paid semi-annually. The bond will be repaid from monies received from earnings tax receipts. The Village entered into a lease-purchase agreement in 2000 for a period of five years.

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Municipal Improvement Bonds - 1998	\$3,010,000	4.75%
Quint Fire Truck Lease-Purchase - 2000	394,577	5.84%
Total	\$3,404,577	

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

Year ending December 31:	Municipal Building Improvement Loan	Lease- Purchase Agreement
2001	\$507,235	\$113,455
2002	505,360	113,455
2003	502,810	113,455
2004	504,585	113,455
2005	500,460	113,455
2006 – 2010	1,001,540	0
Total	\$3,521,990	\$567,274

6. RETIREMENT SYSTEMS

The Village's law enforcement officers and firefighters belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees 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 2001 and 2000, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 24% of their wages. For 2000 and 2001 PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced employer contributions to 8.13%. The Village has paid all contributions required through December 31, 2001.

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

7. RISK MANAGEMENT

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

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

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

8. MATERIAL NONCOMPLIANCE

Budgetary

For fiscal year 2001, appropriations for the Street Construction, Maintenance, and Repair Fund, Escrow Fund, and for the Capital Projects Fund exceeded the total estimated revenue contrary to Ohio Rev. Code Section 5705.39.

9. LOCAL INCOME TAX

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

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STATE OF OHIO
OFFICE OF THE AUDITOR

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

Village of Amberley
Hamilton County
7149 Ridge Road
Cincinnati, 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, 2001 and 2000, and have issued our report thereon dated June 7, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-30413-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 7, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter date June 7, 2002.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

June 7, 2002

**VILLAGE OF AMBERLEY
HAMILTON COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2001-30413-001

Noncompliance Citation

Ohio Rev. Code, Section 5705.39, states that the total appropriations from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. The following funds had total appropriations which exceeded the total estimated revenue at the specified dates:

Fund	Date	Total Estimated Revenue	Total Appropriations	Variance
Street Construction, Maintenance and Repair (Fund 200)	12/31/01	\$230,428	\$275,428	(\$45,307)
Escrow Account (Fund 270)	12/31/00	\$0	\$480,000	(\$480,000)
Capital Projects (Fund 400)	12/31/01	\$580,690	\$659,780	(\$79,090)

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**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explanation
1999-30413-001	Mayor's Court bank reconciliations performed by Financial Administrator were not traced to book balances, resulting in undetected posting errors.		<u>Partially Corrected</u> Mayor's Court bank reconciliations performed by Financial Administrator were not traced to book balances. When year-end reconciled balances were traced to book balances, no errors were noted. This issue has been addressed in the management letter.
1999-30413-002	The Village did not correctly certify beginning unencumbered balances to the County Auditor, resulting in total expenditures plus encumbrances which exceeded total certified resources.	Fully corrected.	
1999-30413-003	For the year 1998, the following funds had total appropriations which exceeded the total estimated revenue: General, Street Construction Maintenance and Repair, and Capital Projects.		<u>Partially Corrected</u> For the year 2001, two funds had appropriations which exceeded the total estimated revenue. For the year 2000, one fund had appropriations which exceeded the total estimated revenue. This has been addressed as Finding 2001-30413-001 in the current audit report.
1999-30313-004	For the year 1999, two funds had total expenditures which exceeded the total appropriations. For the year 1998, four funds had total expenditures which exceeded the total appropriations.		<u>Partially Corrected</u> For the year 2001, three funds had total expenditures which exceeded the total appropriations. For the year 2000, one fund had total expenditures which exceeded the total appropriations. This has been addressed in the Management Letter.



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF AMBERLEY

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 9, 2002**