



Dave Yost • Auditor of State

VILLAGE OF AMBERLEY
HAMILTON COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Amberley, Hamilton County, Ohio (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.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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 Amberley, Hamilton County, Ohio 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 June 23, 2015, 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

June 23, 2015

VILLAGE OF AMBERLEY
HAMILTON 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	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$942,644	\$1,452,613	\$0	\$0	\$2,395,257
Municipal Income Tax	2,614,330	0	0	0	2,614,330
Intergovernmental	698,380	432,469	0	0	1,130,849
Charges for Services	363,887	22,930	0	0	386,817
Fines, Licenses and Permits	161,445	964	0	0	162,409
Earnings on Investments	12,226	2,194	0	0	14,420
Miscellaneous	58,454	4,810	0	0	63,264
<i>Total Cash Receipts</i>	<u>4,851,366</u>	<u>1,915,980</u>	<u>0</u>	<u>0</u>	<u>6,767,346</u>
Cash Disbursements					
Current:					
Security of Persons and Property	1,140,392	1,682,423	0	0	2,822,815
Public Health Services	140,091	0	0	0	140,091
Leisure Time Activities	0	190	0	0	190
Basic Utility Services	193,519	0	0	0	193,519
Transportation	762,310	473,231	0	0	1,235,541
General Government	1,175,584	570	0	0	1,176,154
Capital Outlay	0	0	0	42,621	42,621
<i>Total Cash Disbursements</i>	<u>3,411,896</u>	<u>2,156,414</u>	<u>0</u>	<u>42,621</u>	<u>5,610,931</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,439,470</u>	<u>(240,434)</u>	<u>0</u>	<u>(42,621)</u>	<u>1,156,415</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	200	0	0	0	200
Transfers In	215	38,000	0	461,460	499,675
Transfers Out	(499,460)	0	(215)	0	(499,675)
Other Financing Uses	(3,513)	(37,040)	0	0	(40,553)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(502,558)</u>	<u>960</u>	<u>(215)</u>	<u>461,460</u>	<u>(40,353)</u>
<i>Net Change in Fund Cash Balances</i>	936,912	(239,474)	(215)	418,839	1,116,062
<i>Fund Cash Balances, January 1</i>	<u>2,035,492</u>	<u>788,740</u>	<u>215</u>	<u>162,569</u>	<u>2,987,016</u>
Fund Cash Balances, December 31					
Restricted	0	549,266	0	0	549,266
Committed	0	0	0	122,379	122,379
Assigned	119,029	0	0	459,029	578,058
Unassigned (Deficit)	2,853,375	0	0	0	2,853,375
<i>Fund Cash Balances, December 31</i>	<u>\$2,972,404</u>	<u>\$549,266</u>	<u>\$0</u>	<u>\$581,408</u>	<u>\$4,103,078</u>

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

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

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

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals</u>
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$323,011	\$49,240	\$372,251
Earnings on Investments (trust funds only)	<u>0</u>	<u>7</u>	<u>7</u>
<i>Total Operating Cash Receipts</i>	<u>323,011</u>	<u>49,247</u>	<u>372,258</u>
Operating Cash Disbursements			
Personal Services	16,142	0	16,142
Employee Fringe Benefits	2,399	0	2,399
Contractual Services	89,513	0	89,513
Supplies and Materials	1,604	0	1,604
Other	<u>0</u>	<u>1,084</u>	<u>1,084</u>
<i>Total Operating Cash Disbursements</i>	<u>109,658</u>	<u>1,084</u>	<u>110,742</u>
<i>Operating Income (Loss)</i>	<u>213,353</u>	<u>48,163</u>	<u>261,516</u>
Non-Operating Receipts (Disbursements)			
Property and Other Local Taxes	0	5,834	5,834
Intergovernmental	198,650	0	198,650
Earnings on Investments (proprietary funds only)	2,441	0	2,441
Other Financing Sources	0	70,949	70,949
Other Financing Uses	<u>(253,147)</u>	<u>(117,502)</u>	<u>(370,649)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(52,056)</u>	<u>(40,719)</u>	<u>(92,775)</u>
<i>Net Change in Fund Cash Balances</i>	161,297	7,444	168,741
<i>Fund Cash Balances, January 1</i>	<u>500,466</u>	<u>35,581</u>	<u>536,047</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$661,763</u></u>	<u><u>\$43,025</u></u>	<u><u>\$704,788</u></u>

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

VILLAGE OF AMBERLEY
HAMILTON 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	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$976,400	\$44,663	\$0	\$0	\$1,021,063
Municipal Income Tax	2,665,947	0	0	0	2,665,947
Intergovernmental	5,724,916	226,794	0	0	5,951,710
Charges for Services	294,940	24,760	0	0	319,700
Fines, Licenses and Permits	240,752	1,476	0	0	242,228
Earnings on Investments	8,738	2,142	0	0	10,880
Miscellaneous	16,632	12,068	3,105	0	31,805
<i>Total Cash Receipts</i>	<u>9,928,325</u>	<u>311,903</u>	<u>3,105</u>	<u>0</u>	<u>10,243,333</u>
Cash Disbursements					
Current:					
Security of Persons and Property	2,722,573	81,026	0	0	2,803,599
Public Health Services	130,343	0	0	0	130,343
Leisure Time Activities	2,232	9,537	0	0	11,769
Community Environment	31,348	18,837	0	0	50,185
Basic Utility Services	217,935	0	0	0	217,935
Transportation	711,692	0	0	0	711,692
General Government	951,601	0	0	0	951,601
Capital Outlay	0	329,955	0	48,139	378,094
Debt Service:					
Principal Retirement	0	0	6,220,000	0	6,220,000
Interest and Fiscal Charges	0	0	85,050	0	85,050
<i>Total Cash Disbursements</i>	<u>4,767,724</u>	<u>439,355</u>	<u>6,305,050</u>	<u>48,139</u>	<u>11,560,268</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>5,160,601</u>	<u>(127,452)</u>	<u>(6,301,945)</u>	<u>(48,139)</u>	<u>(1,316,935)</u>
Other Financing Receipts (Disbursements)					
Transfers In	0	18,000	6,302,000	8,445	6,328,445
Transfers Out	(6,328,445)	0	0	0	(6,328,445)
Other Financing Uses	0	(37,523)	0	0	(37,523)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(6,328,445)</u>	<u>(19,523)</u>	<u>6,302,000</u>	<u>8,445</u>	<u>(37,523)</u>
<i>Net Change in Fund Cash Balances</i>	(1,167,844)	(146,975)	55	(39,694)	(1,354,458)
<i>Fund Cash Balances, January 1</i>	<u>3,203,336</u>	<u>935,715</u>	<u>160</u>	<u>202,263</u>	<u>4,341,474</u>
Fund Cash Balances, December 31					
Restricted	0	788,740	0	137,000	925,740
Assigned	157,633	0	215	25,569	183,417
Unassigned (Deficit)	1,877,859	0	0	0	1,877,859
<i>Fund Cash Balances, December 31</i>	<u>\$2,035,492</u>	<u>\$788,740</u>	<u>\$215</u>	<u>\$162,569</u>	<u>\$2,987,016</u>

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

**AMBERLEY VILLAGE
HAMILTON COUNTY**

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

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>(Memorandum Only)</u>
Operating Cash Receipts			
Charges for Services	\$326,225	\$0	\$326,225
Earnings on Investments (trust funds only)	1,363	15	1,378
Miscellaneous	0	1,415	1,415
<i>Total Operating Cash Receipts</i>	<u>327,588</u>	<u>1,430</u>	<u>329,018</u>
Operating Cash Disbursements			
Personal Services	38,857	2,848	41,705
Supplies and Materials	19,769	396	20,165
<i>Total Operating Cash Disbursements</i>	<u>58,626</u>	<u>3,244</u>	<u>61,870</u>
<i>Operating Income (Loss)</i>	<u>268,962</u>	<u>(1,814)</u>	<u>267,148</u>
Non-Operating Receipts (Disbursements)			
Capital Outlay	(225,974)	0	(225,974)
Other Financing Sources	0	86,874	86,874
Other Financing Uses	0	(86,569)	(86,569)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(225,974)</u>	<u>305</u>	<u>(225,669)</u>
<i>Net Change in Fund Cash Balances</i>	42,988	(1,509)	41,479
<i>Fund Cash Balances, January 1</i>	<u>457,478</u>	<u>37,090</u>	<u>494,568</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$500,466</u></u>	<u><u>\$35,581</u></u>	<u><u>\$536,047</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, 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 Amberley, Hamilton County, as a body corporate and politic. A publicly-elected seven-member Council (including Mayor) govern the Village. The Village provides security of persons and property, park operations (leisure time activities), street maintenance, fire and police services, public works and administrative services to its residents. The Village participates in the Center for Local Government Benefits Pool, a public entity risk pool. Note 8 to the financial statements provides additional information for this entity.

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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-02-03(D) permit.

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 and U.S. Agency Notes and bonds 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 AMBERLEY
HAMILTON 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.

Police and Fire Disability and Pension Fund – This fund receives property tax monies to fund the police and fire pension accrued liability obligations.

Police Levy Fund – This fund receives property tax monies collected from a special levy to fund a large portion of police personnel expenses.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Debt Service Fund – This fund receives monies transferred from the Village's General Fund for the payment of principal and interest on the BAN issued to purchase a country club.

4. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project fund:

Capital Projects Fund – This fund receives monies transferred from the Village's General Fund including all inheritance money received by the Village (2013). The proceeds are used to purchase capital equipment and fund capital improvements to Village facilities.

5. Enterprise Funds

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Storm Water Utility Fund - This fund receives charges for services from residents to cover repair and maintenance costs of storm water basins.

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

6. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

The Village had the following significant Fiduciary Funds:

Agency Funds:

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

Valley Band Escrow Fund – This fund is used to account for the multi-jurisdictional Valley Band radio escrow account to maintain the Valley Band radio system.

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.

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.

VILLAGE OF AMBERLEY
HAMILTON COUNTY

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

1. Summary of Significant Accounting Policies (Continued)

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 AMBERLEY
HAMILTON 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.

H. Accumulated Leave

In certain circumstances, upon retiring from employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits and Investments

The Village maintains a deposit and investment 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	\$807,866	\$523,063
Certificates of deposit	4,000,000	3,000,000
Total deposits	4,807,866	3,523,063
Total investments	0	0
Total deposits and investments	\$4,807,866	\$3,523,063

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	\$4,672,029	\$4,851,781	\$179,752
Special Revenue	1,910,776	1,953,980	43,204
Debt Service	0	0	0
Capital Projects	464,846	461,460	(3,386)
Enterprise	523,650	524,102	452
Fiduciary	147,000	126,030	(20,970)
Total	\$7,718,301	\$7,917,353	\$199,052

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

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

3. Budgetary Activity (Continued)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,187,204	\$4,033,569	\$153,635
Special Revenue	2,423,046	2,273,767	149,279
Debt Service	215	215	0
Capital Projects	189,000	165,000	24,000
Enterprise	494,172	420,492	73,680
Fiduciary	176,803	122,232	54,571
Total	<u>\$7,470,440</u>	<u>\$7,015,275</u>	<u>\$455,165</u>

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,396,541	\$9,928,325	\$531,784
Special Revenue	274,501	329,903	55,402
Debt Service	6,302,000	6,305,105	3,105
Capital Projects	32,855	8,445	(24,410)
Enterprise	325,000	327,588	2,588
Fiduciary	90,000	88,304	(1,696)
Total	<u>\$16,420,897</u>	<u>\$16,987,670</u>	<u>\$566,773</u>

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$11,847,270	\$11,253,802	\$593,468
Special Revenue	960,785	603,499	357,286
Debt Service	6,305,264	6,305,050	214
Capital Projects	228,758	48,139	180,619
Enterprise	777,309	338,772	438,537
Fiduciary	123,033	89,812	33,221
Total	<u>\$20,242,419</u>	<u>\$18,639,074</u>	<u>\$1,603,345</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. Property owners pay taxes semiannually, with the first half due January 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.

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

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

4. Property Tax (Continued)

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

5. Local Income Tax

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

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

6. Debt

The Village had no debt outstanding at December 31, 2013 or 2012.

7. Retirement Systems

The Village's law enforcement officers and firefighters 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, prior to July 1, and 2012, OP&F participants contributed 10% of their wages. For 2013, after July 1, OP&F participants contributed 10.75%. 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% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2013.

8. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Shared Risk Pool

The Village is a member of the Center for Local Governments Benefits Pool (Benefits Pool), a public entity shared risk pool. The Benefits Pool's primary purpose and objective is establishing and carrying out a cost effective health program for its member organizations. Each member is entitled to appoint one Director on the Board of Directors.

**VILLAGE OF AMBERLEY
HAMILTON COUNTY**

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

8. Risk Management (Continued)

The Jefferson Health Plan serves as the fiscal agent for the Benefits Pool.

The Benefits Pool contracts with The Jefferson Health Plan, a risk-sharing, claims servicing and insurance purchasing pool, comprised of 75 members, including two insurance consortiums. Each participant appoints a member of the insurance plan's assembly. The Benefits Pools business and affairs are conducted by a nine member Board of Directors elected from the assembly. The Benefits Pool offers medical, dental, and prescription drug coverage to the members, with the opportunity to choose from several different benefit plans. The Benefits Pool is responsible for claims up to \$150,000 per individual. Benefits Pool participants also participate in a shared risk internal pool for individual claims between \$150,000 and \$500,000, and all claims within this range are paid from the shared internal risk pool. For all individual claims exceeding \$500,000, stop loss coverage is purchased. All Benefits Pool participants also pay a monthly administrative fee for fiscal services and third party administrative services.

In the event that the Village would withdraw from the Benefits Pool, the Village would be required to give 90 day written notice prior to the effective date of withdraw, be responsible for any current payments due as well as the Village's share of any reserve deficit of the Benefits Pool. To obtain information for the Benefits Pool, write to the fiscal agent, The Jefferson Health Plan, 2023 Sunset Boulevard, Steubenville, Ohio 43952.

9. Contingent Liabilities

The Village is defendant in a law suit challenging the validity of a five-year special police levy approved by voters in March 2012. The Village cannot presently determine the outcome of this suit but the Village was successful at the trial court level and the matter is on appeal. Although management cannot presently determine the outcome of this suit, it is possible, but not likely or probable that the claim will result in a material adverse loss.



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 Amberley
Hamilton County
7149 Ridge Road
Cincinnati, Ohio 45237

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 Amberley, Hamilton County, Ohio (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 23, 2015.

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

June 23, 2015

**VILLAGE OF AMBERLEY
HAMILTON 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; <i>Explain</i>
2011-001	Ohio Rev. Code 5705.41(B), not properly encumbering	Yes	
2011-002	Ohio Rev. Code 5705.36 (A) estimated receipts exceeded actual	No	Not corrected; however since no overspending occurred, comment will not be repeated.
2011-003	Ohio Rev. Code 5705.39 total appropriations exceeded estimated receipts	Yes	
2011-004	Village should be posting mayor's court activity throughout the year in an Agency Fund.	Yes	
2011-005	Village was not posting all budgetary actions in the accounting system.	Yes	

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Dave Yost • Auditor of State

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, 2015**