



**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF MARIEMONT  
HAMILTON COUNTY

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## INDEPENDENT ACCOUNTANTS' REPORT

Village of Mariemont  
Hamilton County  
6907 Wooster Pike  
Mariemont, Ohio 45227

To the Village Council:

We have audited the accompanying financial statements of the Village of Mariemont, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999. 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, 2000 and 1999, 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 August 30, 2001 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 audit committee, management, Council and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

August 30, 2001

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VILLAGE OF MARIEMONT  
HAMILTON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND EXPENDABLE TRUST 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	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$1,818,520	\$61,450	\$371,045	\$168,087	\$0	\$2,419,102
Intergovernmental Receipts	501,171	145,199	0	60,177	0	706,547
Charges for Services	267,861	0	0	0	0	267,861
Fines, Licenses, and Permits	160,394	6,739	0	0	104	167,237
Earnings on Investments	116,862	2,562	0	4,480	0	123,904
Miscellaneous	24,579	0	0	0	13,500	38,079
<b>Total Cash Receipts</b>	<b>2,889,387</b>	<b>215,950</b>	<b>371,045</b>	<b>232,744</b>	<b>13,604</b>	<b>3,722,730</b>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	1,249,480	24,983	0	0	0	1,274,463
Public Health Services	5,145	0	0	0	0	5,145
Leisure Time Activities	594,983	81,355	0	0	0	676,338
Community Environment	54,647	0	0	0	0	54,647
Basic Utility Services	301,938	0	0	0	0	301,938
Transportation	12,649	85,637	0	0	0	98,286
General Government	470,975	4,284	0	3,787	14,932	493,978
Debt Service:						
Principal Payments	0	0	500,000	0	0	500,000
Interest Payments	0	0	21,040	0	0	21,040
Capital Outlay	0	0	0	233,939	0	233,939
<b>Total Disbursements</b>	<b>2,689,817</b>	<b>196,259</b>	<b>521,040</b>	<b>237,726</b>	<b>14,932</b>	<b>3,659,774</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>199,570</b>	<b>19,691</b>	<b>(149,995)</b>	<b>(4,982)</b>	<b>(1,328)</b>	<b>62,956</b>
<b>Other Financing Receipts/(Disbursements):</b>						
Sale of Bonds or Notes	0	0	150,000	0	0	150,000
Other Sources/(Uses)	0	0	0	(6,616)	0	(6,616)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	<b>(6,616)</b>	<b>0</b>	<b>143,384</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>199,570</b>	<b>19,691</b>	<b>5</b>	<b>(11,598)</b>	<b>(1,328)</b>	<b>206,340</b>
<b>Fund Cash Balances, January 1</b>	<b>1,382,084</b>	<b>46,116</b>	<b>47</b>	<b>96,278</b>	<b>3,449</b>	<b>1,527,974</b>
<b>Fund Cash Balances, December 31</b>	<b>\$1,581,654</b>	<b>\$65,807</b>	<b>\$52</b>	<b>\$84,680</b>	<b>\$2,121</b>	<b>\$1,734,314</b>
<b>Reserves for Encumbrances, December 31</b>	<b>\$103,575</b>	<b>\$0</b>	<b>\$0</b>	<b>\$86,095</b>	<b>\$0</b>	<b>\$189,670</b>

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

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
NONEXPENDABLE TRUST AND AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Receipts	874	143,005	143,879
Total Non-Operating Cash Receipts	874	143,005	143,879
<b>Non-Operating Cash Disbursements:</b>			
Other Non-Operating Cash Disbursements	0	140,430	140,430
Total Non-Operating Cash Disbursements	0	140,430	140,430
Net Receipts Over/(Under) Disbursements	874	2,575	3,449
Fund Cash Balances, January 1	13,702	(2,475)	11,227
<b>Fund Cash Balances, December 31</b>	<b><u>\$14,576</u></b>	<b><u>\$100</u></b>	<b><u>\$14,676</u></b>
Reserve for Encumbrances, December 31	<u>\$1,560</u>	<u>\$0</u>	<u>\$1,560</u>

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



VILLAGE OF MARIEMONT  
HAMILTON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND EXPENDABLE TRUST FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$2,014,131	\$62,202	\$0	\$381,755	\$0	\$2,458,088
Intergovernmental Receipts	551,859	89,059	0	88,143	0	729,061
Charges for Services	266,169	0	0	0	0	266,169
Fines, Licenses, and Permits	156,885	7,442	0	0	140	164,467
Earnings on Investments	77,175	390	0	9,750	0	87,315
Miscellaneous	491,377	0	0	0	10,924	502,301
<b>Total Cash Receipts</b>	<u>3,557,596</u>	<u>159,093</u>	<u>0</u>	<u>479,648</u>	<u>11,064</u>	<u>4,207,401</u>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	1,166,884	22,732	0	0	0	1,189,616
Public Health Services	5,174	0	0	0	0	5,174
Leisure Time Activities	596,222	139,504	0	0	0	735,726
Community Environment	48,617	0	0	0	0	48,617
Basic Utility Services	301,938	0	0	0	0	301,938
Transportation	32,702	102,693	0	0	0	135,395
General Government	1,368,437	4,635	0	4,678	10,231	1,387,981
Debt Service:						
Principal Payments	0	0	400,000	0	0	400,000
Interest Payments	0	0	17,120	0	0	17,120
Capital Outlay	0	0	0	281,532	20,025	301,557
<b>Total Disbursements</b>	<u>3,519,974</u>	<u>269,564</u>	<u>417,120</u>	<u>286,210</u>	<u>30,256</u>	<u>4,523,124</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>37,622</u>	<u>(110,471)</u>	<u>(417,120)</u>	<u>193,438</u>	<u>(19,192)</u>	<u>(315,723)</u>
<b>Other Financing Receipts/(Disbursements):</b>						
Sale of Bonds or Notes	300,000	0	200,021	0	0	500,021
Transfers-In	0	0	217,077	0	0	217,077
Transfers-Out	0	0	0	(217,077)	0	(217,077)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>300,000</u>	<u>0</u>	<u>417,098</u>	<u>(217,077)</u>	<u>0</u>	<u>500,021</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>337,622</u>	<u>(110,471)</u>	<u>(22)</u>	<u>(23,639)</u>	<u>(19,192)</u>	<u>184,298</u>
<b>Fund Cash Balances, January 1</b>	<u>1,044,462</u>	<u>156,587</u>	<u>69</u>	<u>119,917</u>	<u>22,641</u>	<u>1,343,676</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$1,382,084</b></u>	<u><b>\$46,116</b></u>	<u><b>\$47</b></u>	<u><b>\$96,278</b></u>	<u><b>\$3,449</b></u>	<u><b>\$1,527,974</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$47,326</b></u>	<u><b>\$24,080</b></u>	<u><b>\$0</b></u>	<u><b>\$97,091</b></u>	<u><b>\$1,000</b></u>	<u><b>\$169,497</b></u>

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

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
NONEXPENDABLE TRUST AND AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Receipts	650	129,556	130,206
Total Non-Operating Cash Receipts	650	129,556	130,206
<b>Non-Operating Cash Disbursements:</b>			
Other Non-Operating Cash Disbursements	0	133,200	133,200
Total Non-Operating Cash Disbursements	0	133,200	133,200
Net Receipts Over/(Under) Disbursements	650	(3,644)	(2,994)
Fund Cash Balances, January 1	13,052	1,169	14,221
<b>Fund Cash Balances, December 31</b>	<b>\$13,702</b>	<b>(\$2,475)</b>	<b>\$11,227</b>

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

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Mariemont, 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, park operations (leisure time activities), waste disposal and police and fire services.

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**

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. 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.

**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:

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

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Park and Recreation Fund - This fund received revenue from the sale of unused park land in the industrial area to be used only for the maintenance of parks. In addition, this fund received revenue from a Nature Works grant.

MariElders Fund - This fund receives distributions from property taxes for the purposes of providing money for this senior citizens group.

**3. 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:

Other Debt Service Fund - This fund is maintained to pay the debt for judgment bond anticipation notes.

**4. Capital Project Funds**

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

Permanent Improvement Fund - This fund received levy monies for street repairs, installation and repair of curbs, sidewalks, and storm sewers; tree maintenance, upgrading of parks, upgrading of street lights, reducing erosion, and purchase of equipment and facilities for police, and for fire and administrative departments.

**5. Fiduciary Funds (Trust and Agency Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Fiduciary Funds:

**Expendable Trust Funds:**

Ann Buntin Becker Park Fund - This fund receives donations from various sources for the renovation of this park. Funds will be invested until they are depleted.

Hospital Care Fund - This fund represents employee deductions for medical care.

**Nonexpendable Trust Fund:**

Bloch Trust Fund - This fund receives money from an estate which mandates the interest be used for the upkeep and beautification of the Town Center Fountain area.

**Agency Fund:**

Mayor's Court - This fund receives fines and forfeitures money to be distributed to the Village and to the State.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 reappropriated.

A summary of 2000 and 1999 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. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation leave is not reflected as liabilities under the cash basis of accounting used by the Village.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Village maintains a cash and investments 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 MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 1,041,395	\$ 674,223
Certificates of deposit	<u>0</u>	<u>200,000</u>
Total deposits	<u>1,041,395</u>	<u>874,223</u>
STAR Ohio	<u>707,595</u>	<u>664,978</u>
Total investments	<u>707,595</u>	<u>664,978</u>
Total deposits and investments	<u>\$ 1,748,990</u>	<u>\$ 1,539,201</u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,652,091	\$ 2,889,387	\$ 237,296
Special Revenue	240,375	215,950	(24,425)
Debt Service	521,045	521,045	0
Capital Projects	314,569	232,744	(81,825)
Expendable Trust	12,332	13,604	772
Nonexpendable Trust	<u>500</u>	<u>874</u>	<u>374</u>
Total	<u>\$ 3,740,912</u>	<u>\$ 3,873,604</u>	<u>\$ 132,192</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,168,253	\$ 2,793,392	\$ 374,861
Special Revenue	235,625	196,259	39,366
Debt Service	521,041	521,040	1
Capital Projects	487,091	330,437	156,654
Expendable Trust	15,107	14,932	175
Nonexpendable Trust	<u>1,600</u>	<u>1,560</u>	<u>40</u>
Total	<u>\$ 4,428,717</u>	<u>\$ 3,857,620</u>	<u>\$ 571,097</u>

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,702,097	\$ 3,857,596	\$ 155,499
Special Revenue	223,071	159,093	(63,978)
Debt Service	417,600	417,098	(502)
Capital Projects	633,026	479,648	(153,378)
Expendable Trust	10,441	11,064	623
Nonexpendable Trust	500	650	150
Total	<u>\$ 4,986,735</u>	<u>\$ 4,925,149</u>	<u>\$ (61,586)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,768,723	\$ 3,567,300	\$ 201,423
Special Revenue	325,326	293,644	31,682
Debt Service	417,040	417,120	(80)
Capital Projects	596,970	600,378	(3,408)
Expendable Trust	32,362	31,256	1,106
Nonexpendable Trust	500	0	500
Total	<u>\$ 5,140,921</u>	<u>\$ 4,909,698</u>	<u>\$ 231,223</u>

**4. PROPERTY TAX**

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

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 MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Judgment Bond Anticipation Notes	\$ 150,000	5.05%

The Judgment Bond Anticipation Notes loan was issued for the purpose of paying a final judgment, evidenced by a settlement approved by the Hamilton County Court of Common Pleas, Civil Division in the matter of a wrongful death claim, under authority of the general laws of the State of Ohio and the Uniform Public Securities Law of the Ohio Revised Code, and by virtue of an ordinance duly adopted on October 23, 2000 by the Council of said municipality.

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

Year ending December 31:	Judgment Anticipation Notes
2001	\$ 157,575

**6. RETIREMENT SYSTEMS**

The Village's law enforcement officers and firefighters belong to the Police and Firemen's Disability and Pension Fund (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF 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 2000 and 1999, members contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 24% for firefighters' and 19.5% for law enforcement officers' wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an average rate of 10.84% for fiscal year 2000 and 13.55% for fiscal year 1999. The Village has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

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



**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

The Plan uses conventional insurance coverages and reinsures their coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-intention (deductible) amounts which vary from member to member and any amounts over and above maximum insurance amounts.

During fiscal year 1999, the Village paid \$450,000 for losses that exceeded their maximum insurance coverage of \$1,000,000.

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Village of Mariemont  
Hamilton County  
6907 Wooster Pike  
Mariemont, Ohio 45227

To the Village Council:

We have audited the accompanying financial statements of the Village of Mariemont, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 30, 2001. 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 are 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 30, 2001.

**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. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2000-30431-001.

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. 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. However, we consider the reportable condition described above, item 2000-30431-001, to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated August 30, 2001.

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

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

**Jim Petro**  
Auditor of State

August 30, 2001

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2000-30431-001**

**Reportable Condition/Material Weakness**

The annual report should agree with the ledgers of the Village. The annual report for fiscal years 1999 and 2000 did not agree to the Village's receipt ledger and did not accurately reflect the transactions of Village. Although the receipts matched the ledgers as a whole, the line items for the revenue accounts were materially misstated. The Village's financial statements required material adjustments and reclassifications to accurately report the Village's revenues. We recommend the Village refer to the Auditor of State's Village Officer's Handbook when posting receipts to accurately report the revenues of the Village.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF MARIEMONT**

**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  
OCTOBER 4, 2001**