

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY, OHIO**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2006 AND 2005**





# Mary Taylor, CPA

Auditor of State

Village Council  
Village of Mariemont  
6907 Wooster Pike  
Cincinnati, Ohio 45227

We have reviewed the *Independent Auditors' Report* of the Village of Mariemont, Hamilton County, prepared by Bastin & Company, LLC, for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

July 2, 2007

**This Page is Intentionally Left Blank.**

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY, OHIO**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditors' Report .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2006.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Agency Fund For the Year Ended December 31, 2006.....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2005.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Agency Fund For the Year Ended December 31, 2005.....	6
Notes to the Financial Statements.....	7
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	13

**This Page is Intentionally Left Blank.**

# Bastin & Company, LLC

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

The Honorable Members of Village Council  
Village of Mariemont  
6907 Wooster Pike  
Cincinnati, Ohio 45227

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, 2006 and 2005. 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 described more fully in Note 1, the Village prepares its financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity-wide statements and also to present its larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require, governmental units to reformat their statements. The Village has elected not to reformat its statements. Since the Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2006 and 2005, or their changes in financial position for the years then ended.

Also, 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, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the years ended December 31, 2006 and 2005. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2007 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio  
May 15, 2007



**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES – ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<i>Cash Receipts:</i>					
Property and Other Local Taxes	\$ 312,788	\$243,501	\$ -	\$352,350	\$ 908,639
Municipal Income Taxes	1,783,219	-	-	-	1,783,219
Intergovernmental Revenues	376,460	152,003	-	32,252	560,715
Charges for Services	188,168	129,224	-	-	317,392
Fines, Licenses and Permits	187,561	81	-	-	187,642
Earnings on Investments	96,971	-	-	7,100	104,071
Miscellaneous	<u>53,837</u>	<u>18,035</u>	<u>-</u>	<u>48,976</u>	<u>120,848</u>
Total Cash Receipts	<u>2,999,004</u>	<u>542,844</u>	<u>-</u>	<u>440,678</u>	<u>3,982,526</u>
<i>Cash Disbursements:</i>					
Current:					
Security of Persons and Property	1,540,914	349,076	-	-	1,889,990
Public Health Services	6,308	-	-	-	6,308
Leisure Time Activities	691,875	66,720	-	-	758,595
Community Environment	87,928	-	-	-	87,928
Basic Utility Services	243,041	-	-	-	243,041
Transportation	13,471	115,994	-	-	129,465
General Government	590,717	11,298	-	-	602,015
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,797</u>	<u>297,797</u>
Total Cash Disbursements	<u>3,174,254</u>	<u>543,088</u>	<u>-</u>	<u>297,797</u>	<u>4,015,139</u>
Receipts Over (Under) Disbursements	(175,250)	(244)	-	142,881	(32,613)
<i>Other Financing Receipts/(Disbursements):</i>					
Advances-In	200,000	-	-	-	200,000
Advances-Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>
Total Other Financing Receipts/(Disbursements)	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Receipts and Other Financing Receipts Over/Under Disbursements and Other Financing Disbursements	24,750	(244)	-	(57,119)	(32,613)
Fund Cash Balance, January 1, 2006	<u>1,845,028</u>	<u>185,406</u>	<u>47</u>	<u>276,467</u>	<u>2,306,948</u>
Fund Cash Balance, December 31, 2006	<u>\$ 1,869,778</u>	<u>\$185,162</u>	<u>\$ 47</u>	<u>\$ 219,348</u>	<u>\$2,274,335</u>
Reserves for Encumbrances, December 31, 2006	<u>\$ 109,814</u>	<u>\$ 19,786</u>	<u>\$ -</u>	<u>\$ 10,186</u>	<u>\$ 139,786</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES – AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
<i>Non-Operating Cash Receipts:</i>	
Other Non-Operating Cash Receipts	<u>\$146,035</u>
Total Non-Operating Cash Receipts	<u>146,035</u>
<i>Non-Operating Cash Disbursements:</i>	
Other Non-Operating Cash Disbursements	<u>136,203</u>
Total Non-Operating Cash Disbursements	<u>136,203</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	9,832
Fund Cash Balance, January 1, 2006	<u>12,199</u>
Fund Cash Balance, December 31, 2006	<u>\$ 22,031</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES – ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<i>Cash Receipts:</i>					
Property and other Local Taxes	\$ 290,469	\$ 254,423	\$ -	\$380,760	\$ 925,652
Municipal Income Taxes	1,599,582	-	-	-	1,599,582
Intergovernmental Revenues	1,400,747	145,683	-	38,707	1,585,137
Charges for Services	304,615	-	-	-	304,615
Fines, Licenses and Permits	174,852	4,384	-	-	179,236
Earnings on Investments	52,828	4,024	-	3,556	60,408
Miscellaneous	<u>50,683</u>	<u>9,397</u>	<u>-</u>	<u>8,905</u>	<u>68,985</u>
Total Cash Receipts	<u>3,873,776</u>	<u>417,911</u>	<u>-</u>	<u>431,928</u>	<u>4,723,615</u>
<i>Cash Disbursements:</i>					
Current:					
Security of Persons and Property	1,474,815	340,288	-	-	1,815,103
Public Health Services	6,157	-	-	-	6,157
Leisure Time Activities	610,065	68,460	-	-	678,525
Community Environment	79,516	-	-	-	79,516
Basic Utility Services	245,662	-	-	-	245,662
Transportation	15,797	95,236	-	-	111,033
General Government	541,169	12,656	-	-	553,825
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>616,699</u>	<u>616,699</u>
Total Cash Disbursements	<u>2,973,181</u>	<u>516,640</u>	<u>-</u>	<u>616,699</u>	<u>4,106,520</u>
Receipts Over (Under) Disbursements	900,595	(98,729)	-	(184,771)	617,095
<i>Other Financing Receipts/(Disbursements):</i>					
Advances-In	-	-	-	200,000	200,000
Advances-Out	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>
Total Other Financing Receipts/(Disbursements)	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Receipts and Other Financing Receipts Over/Under Disbursements and Other Financing Disbursements	700,595	(98,729)	-	15,229	617,095
Fund Cash Balance, January 1, 2005	<u>1,144,433</u>	<u>284,135</u>	<u>47</u>	<u>261,238</u>	<u>1,689,853</u>
Fund Cash Balance, December 31, 2005	<u>\$1,845,028</u>	<u>\$ 185,406</u>	<u>\$ 47</u>	<u>\$276,467</u>	<u>\$2,306,948</u>
Reserves for Encumbrances, December 31, 2005	<u>\$ 70,142</u>	<u>\$ 5,482</u>	<u>\$ -</u>	<u>\$111,318</u>	<u>\$ 186,942</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES – AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
<i>Non-Operating Cash Receipts:</i>	
Other Non-Operating Cash Receipts	\$111,933
Total Non-Operating Cash Receipts	<u>111,933</u>
 <i>Non-Operating Cash Disbursements:</i>	
Other Non-Operating Cash Disbursements	<u>107,058</u>
Total Non-Operating Cash Disbursements	<u>107,058</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	4,875
Fund Cash Balance, January 1, 2005	<u>7,324</u>
Fund Cash Balance, December 31, 2005	<u>\$ 12,199</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**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, Mayor and six-member Council. The Village provides general governmental services, park operations and other leisure time activities, waste pick-up, 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**

Investments, if owned by the Village, 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.

During the period January 1, 2005 through December 31, 2006, the Village had investments with STAR Ohio. 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.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**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 monies for constructing, maintaining and repairing Village streets.

*Paramedics Fund* - This fund receives property taxes levied for providing paramedic services to Village residences.

**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:

*Note Retirement Fund* - This fund was established for the retirement of a note that took place in 2001. The fund has not been closed and maintains a cash balance of \$47.

**4. Capital Project Fund**

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 funds:

*Permanent Improvement Fund* - This fund receives 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 the purchase of equipment and facilities for police, 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 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:

*Mayors Court Agency Fund* – This fund is used to account for the collection and distribution of Mayor’s Court fines, fees and bonds.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(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 2006 and 2005 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

**H. Total Columns on Financial Statements**

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund type eliminations have not been made in the aggregation of this data

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**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:

	2006	2005
<b>Deposits:</b>		
Demand deposits	\$ 1,464,405	\$ 1,526,719
Petty Cash	225	225
Total deposits	1,464,630	1,526,944
<b>Investments:</b>		
Star Ohio	831,736	792,203
Total investments	831,736	792,203
Total deposits and investments	\$ 2,296,366	\$ 2,319,147

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation, or 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, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,087,330	\$ 3,199,006	\$ 111,676
Special Revenue	526,599	542,844	16,245
Capital Projects	408,105	440,678	32,573
Total	\$ 4,022,034	\$ 4,182,528	\$ 160,494

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,522,692	\$ 3,284,068	\$ 238,624
Special Revenue	607,372	562,874	44,498
Capital Projects	417,318	307,983	109,335
Total	\$ 4,547,382	\$ 4,154,925	\$ 392,457



**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,893,588	\$ 3,873,776	\$ 980,188
Special Revenue	381,860	417,911	36,051
Capital Projects	608,580	631,928	23,348
Total	\$ 3,884,028	\$ 4,923,615	\$ 1,039,587

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,444,571	\$ 3,243,323	\$ 201,248
Special Revenue	577,185	522,121	55,064
Capital Projects	844,653	728,017	116,636
Total	\$ 4,866,409	\$ 4,493,461	\$ 372,948

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts 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 State pays the Village amounts equaling these deductions. The Village includes these with 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.

Public utilities are also taxed on personal and real property located within the Village.

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

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

**5. LOCAL EARNINGS TAX**

The Village levies an earnings tax of 1.25 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.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**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 Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost sharing, multiple-employer plans. The Ohio Revised Code prescribes the plans' retirement benefits including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OP&F participants contributed 10 percent of their wages. The Village contributed an amount equal to 19.5 percent of police participant and 24 percent of fire participant wages. For 2006 and 2005, OPERS' members contributed 9 and 8.5 percent, respectively, of their gross wages. The Village contributed an amount equal to 13.70 and 13.55 percent, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2006.

**7. RISK MANAGEMENT**

The Village belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association providing a formalized, jointly administered, self-insured risk management program and other administrative services to approximately 460 Ohio Governments (Members).

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is 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 overages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan pays the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004 (the latest information available):

	<b>2005</b>	<b>2004</b>
Assets	\$ 8,219,430	\$ 6,685,522
Liabilities	<u>(2,748,639)</u>	<u>(2,227,808)</u>
Member's equity	<u>\$ 5,470,791</u>	<u>\$ 4,457,714</u>

The complete audited financial statements for the Ohio Government Risk Management plan can be read at the Plan's website at [www.ohioplan.org](http://www.ohioplan.org).

# Bastin & Company, LLC

*Certified Public Accountants*

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Members of Village Council  
Village of Mariemont  
6907 Wooster Pike  
Cincinnati, Ohio 45227

We have audited the financial statements of the Village of Mariemont, Hamilton County, Ohio (the Village) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated May 15, 2007 wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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.

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

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village's Water and Sewer System financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

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 or other matters that are required to be reported under *Government Auditing Standards*.

In addition, we noted other matters involving the internal control and its operations and compliance and other matters that we have reported to management of the Village in a separate letter date May 15, 2007.

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

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a white background.

Cincinnati, Ohio  
May 15, 2007



**Mary Taylor, CPA**  
Auditor of State

**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  
JULY 17, 2007**