

**VILLAGE OF MARIEMONT
HAMILTON COUNTY, OHIO**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2004 AND 2003**



**Auditor of State
Betty Montgomery**

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, 2003 through December 31, 2004. 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's Office (AOS). 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 AOS 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 AOS 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.

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BETTY MONTGOMERY
Auditor of State

August 30, 2005

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**VILLAGE OF MARIEMONT
HAMILTON COUNTY, OHIO**

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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, 2004 and 2003. 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 year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity-wide statements and also to present its larger (i.e. major) funds separately for 2004. 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 year ended December 31, 2004 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, 2004, or their changes in financial position for the year 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, 2004 and 2003, 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 year ended December 31, 2004. 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 June 15, 2005 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
June 15, 2005

**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, 2004**

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<i>Cash Receipts:</i>					
Property and other Local Taxes	\$ 278,072	\$246,280	\$ -	\$364,437	\$ 888,789
Municipal Income Taxes	1,508,287	-	-	-	1,508,287
Intergovernmental Revenues	332,417	134,248	-	38,559	505,224
Charges for Services	298,445	-	-	-	298,445
Fines, Licenses and Permits	178,091	6,161	-	-	184,252
Earnings on Investments	19,144	670	-	1,997	21,811
Miscellaneous	<u>58,043</u>	<u>258,996</u>	<u>-</u>	<u>7,492</u>	<u>324,531</u>
Total Cash Receipts	<u>2,672,499</u>	<u>646,355</u>	<u>-</u>	<u>412,485</u>	<u>3,731,339</u>
<i>Cash Disbursements:</i>					
Current:					
Security of Persons and Property	1,471,468	277,835	-	-	1,749,303
Public Health Services	5,917	-	-	-	5,917
Leisure Time Activities	617,815	65,303	-	-	683,118
Community Environment	80,917	-	-	-	80,917
Basic Utility Services	312,273	-	-	-	312,273
Transportation	38,643	71,147	-	-	109,790
General Government	633,533	15,855	-	-	649,388
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,925</u>	<u>264,925</u>
Total Cash Disbursements	<u>3,160,566</u>	<u>430,140</u>	<u>-</u>	<u>264,925</u>	<u>3,855,631</u>
Receipts Over (Under) Disbursements	(488,067)	216,215	-	147,560	(124,292)
Fund Cash Balance, January 1, 2004	<u>1,632,500</u>	<u>67,920</u>	<u>47</u>	<u>113,678</u>	<u>1,814,145</u>
Fund Cash Balance, December 31, 2004	<u>\$1,144,433</u>	<u>\$284,135</u>	<u>\$ 47</u>	<u>\$261,238</u>	<u>\$1,689,853</u>
Reserves for Encumbrances, December 31, 2004	<u>\$ 82,871</u>	<u>\$ 8,488</u>	<u>\$ -</u>	<u>\$ 9,653</u>	<u>\$ 101,012</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, 2004**

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
<i>Non-Operating Cash Receipts:</i>	
Other Non-Operating Cash Receipts	<u>\$128,732</u>
Total Non-Operating Cash Receipts	<u>128,732</u>
<i>Non-Operating Cash Disbursements:</i>	
Other Non-Operating Cash Disbursements	<u>121,829</u>
Total Non-Operating Cash Disbursements	<u>121,829</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	6,903
Fund Cash Balance, January 1, 2004	<u>421</u>
Fund Cash Balance, December 31, 2004	<u>\$ 7,324</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, 2003**

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<i>Cash Receipts:</i>					
Property and other Local Taxes	\$ 277,167	\$ 59,427	\$ -	\$363,101	\$ 699,695
Municipal Income Taxes	1,485,064	-	-	-	1,485,064
Intergovernmental Revenues	556,209	103,863	-	38,398	698,470
Charges for Services	278,605	-	-	-	278,605
Fines, Licenses and Permits	148,777	5,812	-	-	154,589
Earnings on Investments	19,816	324	-	4,222	24,362
Miscellaneous	<u>89,448</u>	<u>10,608</u>	<u>-</u>	<u>30,551</u>	<u>130,607</u>
Total Cash Receipts	<u>2,855,086</u>	<u>180,034</u>	<u>-</u>	<u>436,272</u>	<u>3,471,392</u>
<i>Cash Disbursements:</i>					
Current:					
Security of Persons and Property	1,483,105	20,797	-	-	1,503,902
Public Health Services	5,789	-	-	-	5,789
Leisure Time Activities	564,287	68,320	-	-	632,607
Community Environment	81,295	-	-	-	81,295
Basic Utility Services	265,844	-	-	-	265,844
Transportation	48,155	140,125	-	-	188,280
General Government	506,434	10,306	-	-	516,740
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>861,990</u>	<u>861,990</u>
Total Cash Disbursements	<u>2,954,909</u>	<u>239,548</u>	<u>-</u>	<u>861,990</u>	<u>4,056,447</u>
Receipts Over (Under) Disbursements	(99,823)	(59,514)	-	(425,718)	(585,055)
Fund Cash Balance, January 1, 2003	<u>1,732,323</u>	<u>127,434</u>	<u>47</u>	<u>539,396</u>	<u>2,399,200</u>
Fund Cash Balance, December 31, 2003	<u>\$1,632,500</u>	<u>\$ 67,920</u>	<u>\$ 47</u>	<u>\$113,678</u>	<u>\$1,814,145</u>
Reserves for Encumbrances, December 31, 2003	<u>\$ 131,966</u>	<u>\$ 7,388</u>	<u>\$ -</u>	<u>\$ 21,465</u>	<u>\$ 160,819</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, 2003**

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
<i>Non-Operating Cash Receipts:</i>	
Other Non-Operating Cash Receipts	<u>\$110,021</u>
Total Non-Operating Cash Receipts	<u>110,021</u>
<i>Non-Operating Cash Disbursements:</i>	
Other Non-Operating Cash Disbursements	<u>109,600</u>
Total Non-Operating Cash Disbursements	<u>109,600</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	421
Fund Cash Balance, January 1, 2003	<u>-</u>
Fund Cash Balance, December 31, 2003	<u>\$ 421</u>

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

**VILLAGE OF MARIEMONT
HAMILTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Mariemont, Hamilton County, (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, 2003 through December 31, 2004, 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, 2004 AND 2003
(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, 2004 AND 2003
(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 2004 and 2003 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, 2004 AND 2003
(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:

	2004	2003
Deposits:		
Demand deposits	\$928,660	\$1,055,756
Petty Cash	225	225
Total deposits	928,885	1,055,981
Investments:		
Star Ohio	768,292	758,585
Total investments	768,292	758,585
Total deposits and investments	\$1,697,177	\$1,814,566

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, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,794,137	\$2,672,499	(\$121,638)
Special Revenue	622,917	646,355	23,438
Capital Projects	391,599	412,485	20,886
Total	\$3,808,653	\$3,731,339	(\$77,314)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,527,066	\$3,243,437	\$283,629
Special Revenue	496,196	438,628	57,568
Capital Projects	458,465	274,578	183,887
Total	\$4,481,727	\$3,956,643	\$525,084

**VILLAGE OF MARIEMONT
HAMILTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,915,414	\$2,855,086	(\$60,328)
Special Revenue	174,431	180,034	\$5,603
Capital Projects	433,984	436,272	\$2,288
Total	\$3,523,829	\$3,471,392	(\$52,437)

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,406,180	\$3,086,875	\$319,305
Special Revenue	263,967	246,936	\$17,031
Capital Projects	942,436	883,455	\$58,981
Total	\$4,612,583	\$4,217,266	\$395,317

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, 2004 AND 2003
(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 2004 and 2003, 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. OPERS' members contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries for 2004. The Village has paid all contributions required through December 31, 2004.

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 450 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's exposure is reduced by the practice of reinsuring no less than 95 percent of coverage provided, with certain exceptions. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and member's equity at December 31, 2004 and 2003 (the latest information available):

	<u>2004</u>	<u>2003</u>
Assets	\$6,685,522	\$5,402,167
Liabilities	<u>(2,227,808)</u>	<u>(1,871,123)</u>
Member's equity	<u>\$4,457,714</u>	<u>\$3,531,044</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.

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, 2004 and 2003, and have issued our report thereon dated June 15, 2005 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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*.

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.

Bastin & Company, L L C

Cincinnati, Ohio
June 15, 2005

**VILLAGE OF MARIEMONT
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
REPORTED FOR THE YEARS ENDED DECEMBER 31, 2002 AND 1991**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2002-30431-001	The Village did not properly certify the availability of funds.	Yes	Corrected – items tested during the 2004 and 2003 audit were properly certified for the availability of funds.



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

**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
SEPTEMBER 13, 2005**