



**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2007-2006**



**Mary Taylor, CPA**  
Auditor of State



VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter .....	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2007 .....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fiduciary Fund Types - For the Year Ended December 31, 2007 .....	6
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2006 .....	7
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fiduciary Fund Types - For the Year Ended December 31, 2006 .....	8
Notes to the Financial Statements .....	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	17

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Mary Taylor, CPA  
Auditor of State

Village of Marble Cliff  
Franklin County  
1600 Fernwood Avenue  
Columbus, Ohio 43212

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Village 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

August 5, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Marble Cliff  
Franklin County  
1600 Fernwood Avenue  
Columbus, Ohio 43212

To the Village Council:

We have audited the accompanying financial statements of Village of Marble Cliff, Franklin County, Ohio (the Village) as of and for the years ended December 31, 2007 and 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. 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, 2007 and 2006 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, 2007 and 2006 or its 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 Village of Marble Cliff, Franklin County, Ohio, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 August 5, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Mary Taylor, CPA**  
Auditor of State

August 5, 2008

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 13,638	\$ 1,504	\$ -	\$ 15,142
Municipal Income Tax	679,879	-	-	679,879
Intergovernmental	40,001	26,250	-	66,252
Fines, Licenses and Permits	47,091	-	-	47,091
Earnings on Investments	133,108	4,668	-	137,775
Miscellaneous	8,751	-	-	8,751
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	922,468	32,422	-	954,890
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	337,343	-	-	337,343
Public Health Services	7,254	-	-	7,254
Leisure Time Activities	60,678	-	-	60,678
Community Environment	240	-	-	240
Basic Utility Service	74,895	-	-	74,895
Transportation	815	6,372	-	7,187
General Government	232,586	-	-	232,586
Debt Service:				
Principle Payments	-	-	100,000	100,000
Interest and Fiscal Charges	-	-	76,000	76,000
Capital Outlay	16,300	-	-	16,300
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	730,110	6,372	176,000	912,483
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	192,358	26,050	(176,000)	42,407
<b>Other Financing Receipts / (Disbursements):</b>				
Transfers-In	-	-	176,000	176,000
Transfers-Out	(176,000)	-	-	(176,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts / (Disbursements)	(176,000)	-	176,000	-
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	16,358	26,050	-	42,407
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	2,578,935	87,648	-	2,666,582
<b>Fund Cash Balances, December 31</b>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>\$ 2,595,292</b>	<b>\$ 113,697</b>	<b>\$ -</b>	<b>\$ 2,708,990</b>
Reserve for Encumbrances, December 31	<hr/>	<hr/>	<hr/>	<hr/>
	<b>\$ 20,743</b>	<b>\$ 2,057</b>	<b>\$ -</b>	<b>\$ 22,800</b>

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

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Fiduciary Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>Private Purpose Trust</b>	<b>Agency</b>	
<b>Operating Cash Receipts:</b>			
Earnings on Investments	\$ 10,209	\$ -	\$ 10,209
Total Operating Cash Receipts	<u>10,209</u>	<u>-</u>	<u>10,209</u>
<b>Operating Cash Disbursements:</b>			
Other	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Total Operating Cash Disbursements	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Operating Income	<u>5,709</u>	<u>-</u>	<u>5,709</u>
<b>Non-Operating Cash Receipts:</b>			
Fines, Licenses and Permits	<u>-</u>	<u>32,662</u>	<u>32,662</u>
Total Non-Operating Cash Receipts	<u>-</u>	<u>32,662</u>	<u>32,662</u>
<b>Non-Operating Cash Disbursements:</b>			
Other Non-Operating Cash Disbursements	<u>-</u>	<u>32,912</u>	<u>32,912</u>
Total Non-Operating Cash Disbursements	<u>-</u>	<u>32,912</u>	<u>32,912</u>
Excess of Receipts Over/(Under) Disbursements	5,709	(250)	5,459
Fund Cash Balances, January 1	<u>210,999</u>	<u>520</u>	<u>211,519</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 216,708</u></b>	<b><u>\$ 270</u></b>	<b><u>\$ 216,978</u></b>

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

**VILLAGE OF MARBLE CLIFF  
FRANKLIN 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			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 13,933	\$ 1,586	\$ -	\$ 15,519
Municipal Income Tax	1,071,630	-	-	1,071,630
Intergovernmental	174,079	25,618	-	199,698
Fines, Licenses and Permits	63,129	-	-	63,129
Earnings on Investments	124,721	3,265	-	127,986
Miscellaneous	5,686	-	-	5,686
	<u>1,453,179</u>	<u>30,469</u>	<u>-</u>	<u>1,483,648</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	343,827	-	-	343,827
Public Health Services	7,091	-	-	7,091
Leisure Time Activities	63,318	-	-	63,318
Community Environment	1,460	-	-	1,460
Basic Utility Service	82,795	-	-	82,795
Transportation	1,400	11,009	-	12,409
General Government	423,968	-	-	423,968
Debt Service:				
Principal Payments	-	-	100,000	100,000
Interest and Fiscal Charges	-	-	81,000	81,000
Capital Outlay	13,881	-	-	13,881
	<u>937,741</u>	<u>11,009</u>	<u>181,000</u>	<u>1,129,750</u>
<b>Total Cash Disbursements</b>				
Total Receipts Over/(Under) Disbursements	<u>515,438</u>	<u>19,460</u>	<u>(181,000)</u>	<u>353,898</u>
<b>Other Financing Receipts / (Disbursements):</b>				
Transfers-In	-	-	181,000	181,000
Transfers-Out	(181,000)	-	-	(181,000)
	<u>(181,000)</u>	<u>-</u>	<u>181,000</u>	<u>-</u>
<b>Total Other Financing Receipts / (Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	334,438	19,460	-	353,898
Fund Cash Balances, January 1	<u>2,244,497</u>	<u>68,188</u>	<u>-</u>	<u>2,312,685</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 2,578,935</b></u>	<u><b>\$ 87,648</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 2,666,583</b></u>
Reserve for Encumbrances, December 31	<u>\$ 9,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,396</u>

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

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Fiduciary Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>Private Purpose Trust</b>	<b>Agency</b>	
<b>Operating Cash Receipts:</b>			
Earnings on Investments	\$ 10,326	\$ -	\$ 10,326
Total Operating Cash Receipts	<u>10,326</u>	<u>-</u>	<u>10,326</u>
<b>Operating Cash Disbursements:</b>			
Other	3,750	-	3,750
Total Operating Cash Disbursements	<u>3,750</u>	<u>-</u>	<u>3,750</u>
Operating Income	<u>6,576</u>	<u>-</u>	<u>6,576</u>
<b>Non-Operating Cash Receipts:</b>			
Fines, Licenses and Permits	-	32,814	32,814
Total Non-Operating Cash Receipts	<u>-</u>	<u>32,814</u>	<u>32,814</u>
<b>Non-Operating Cash Disbursements:</b>			
Other Non-Operating Cash Disbursements	-	33,064	33,064
Total Non-Operating Cash Disbursements	<u>-</u>	<u>33,064</u>	<u>33,064</u>
Excess of Receipts Over/(Under) Disbursements	6,576	(250)	6,326
Fund Cash Balances, January 1	<u>204,423</u>	<u>770</u>	<u>205,193</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 210,999</u></b>	<b><u>\$ 520</u></b>	<b><u>\$ 211,519</u></b>
Reserve for Encumbrances, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**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 Marble Cliff, Franklin County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village contracts with the City of Columbus to provide water, sewer and income tax collection services. The Village contracts with the City of Grandview Heights for police and fire protection services and the operation of the Village's Mayor's Court at the City of Grandview Heights municipal building.

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 the Auditor of State prescribes or permits. 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 Auditor of State prescribes or permits.

**C. Cash 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 at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**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 reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

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

**3. Debt Service Fund**

This fund accounts for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Fund:

Bond Retirement Fund – This Fund is used to pay principle and interest payments for bonds issued by the Village for the purpose of purchasing park land.

**4. 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's private purpose trust fund is used for the purpose of a scholarship fund for the benefit of the children of parents who are residents of the Village.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for the activities of the Mayor's Court.

**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 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.

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Process (Continued)**

**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 2007 and 2006 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.

**2. Equity in Pooled Cash and Investments**

The Village maintains a cash and investments pool all funds use, except the Private Purpose Trust Fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2007	2006
Demand deposits	1,340,049	\$1,400,079
Certificates of deposit	846,446	804,550
Total deposits	2,186,495	2,204,629
STAR Ohio		
Total investments	739,473	673,473
Total deposits and investments	\$2,925,968	\$2,878,102

**Deposits:** Deposits are 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.

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$849,308	\$922,468	\$73,160
Special Revenue	28,135	32,422	4,287
Debt Service	176,000	176,000	0
Trust	8,500	10,209	1,709
Total	\$1,061,943	\$1,141,099	\$79,156

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,187,000	\$926,853	\$260,147
Special Revenue	22,000	8,429	13,571
Debt Service	176,000	176,000	0
Trust	7,500	4,500	3,000
Total	\$1,392,500	\$1,115,782	\$276,718

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,308,800	\$1,453,178	\$144,378
Special Revenue	23,865	30,469	6,604
Debt Service	181,000	181,000	0
Trust	7,800	10,326	2,526
Total	\$1,521,465	\$1,674,973	\$153,508

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,706,000	\$1,128,137	\$577,863
Special Revenue	21,800	11,009	10,791
Debt Service	181,000	181,000	0
Trust	6,000	3,750	2,250
Total	\$1,914,800	\$1,323,896	\$590,904

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**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. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

**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 City of Columbus either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**6. Debt**

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$1,300,000	4.7-5.7%

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

	General Obligation Bonds
Year ending December 31:	
2008	\$171,000
2009	166,000
2010	161,000
2011	156,000
2012	150,500
2013 – 2017	669,800
2018 – 2020	334,200
Total	\$1,808,500

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**6. Debt (Continued)**

The Bond proceeds of \$2,003,774 received in 2000 were used to purchase land for use as a Park. The general obligation bond for Acquisition and improvement were issued on December 15, 2000, and mature on December 1, 2020. The bonds are collateralized by the Village's taxing authority. Debt principle outstanding at December 31, 2007 was \$1,300,000

**7. Retirement System**

The Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5 and 9%, respectively, of their gross salaries and the Village contributed an amount equaling 13.85 and 13.7%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2007.

**8. Risk Pool Membership**

The Village belongs to Ohio Government Risk Management Plan (the Plan), on unincorporated non-profit association providing a formalized, jointly administered self-insurance 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 coverages, 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 the Plan retains 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.

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 financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)

8. Risk Pool Management (Continued)

	<b>2007</b>	<b>2006</b>
Assets	\$11,136,455	\$9,620,148
Liabilities	(4,273,553)	(3,329,620)
Members' Equity	\$6,862,902	\$6,290,528

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

9. Workers' Compensation

The Village participated in the Ohio Municipal League Equity Pooling Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the Village by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Marble Cliff  
Franklin County  
1600 Fernwood Avenue  
Columbus, Ohio 43212

To the Village Council:

We have audited the financial statements of the Village of Marble Cliff, Franklin County, Ohio (the Village) as of and for the year ended December 31, 2007 and 2006, and have issued our report thereon dated August 5, 2008, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### 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 audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined 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 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 its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

#### **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, providing an opinion 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*.

We did note a certain noncompliance or other matter that we reported to the Village's management in a separate letter dated August 5, 2008.

We intend this report solely for the information and use of the management and Village Council. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

August 5, 2008



**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF MARBLE CLIFF**

**FRANKLIN 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 2, 2008**