



Dave Yost • Auditor of State



VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Marble Cliff, Franklin County, Ohio, (the Village) as of and for the years ended December 31, 2017 and 2016.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2017 and 2016, and the respective changes in financial position or cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Marble Cliff, Franklin County, Ohio as of December 31, 2017 and 2016, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2018, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

August 6, 2018

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$21,269	\$4,010	\$0	\$0	\$25,279
Municipal Income Tax	1,785,545	0	0	0	1,785,545
Intergovernmental	21,415	34,057	0	150,000	205,472
Fines, Licenses and Permits	41,500	0	0	0	41,500
Earnings on Investments	44,139	3,600	0	0	47,739
Miscellaneous	29,830	250,001	0	0	279,831
<i>Total Cash Receipts</i>	<u>1,943,698</u>	<u>291,668</u>	<u>0</u>	<u>150,000</u>	<u>2,385,366</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	506,211	0	0	0	506,211
Public Health Services	12,306	0	0	0	12,306
Leisure Time Activities	50,249	29,355	0	0	79,604
Community Environment	2,710	0	0	0	2,710
Basic Utility Services	90,026	0	0	0	90,026
Transportation	2,244	61,583	0	0	63,827
General Government	320,877	0	0	0	320,877
Capital Outlay	422,653	0	0	321,820	744,473
Debt Service:					
Principal Retirement	0	0	119,736	0	119,736
Interest and Fiscal Charges	0	0	18,030	0	18,030
<i>Total Cash Disbursements</i>	<u>1,407,276</u>	<u>90,938</u>	<u>137,766</u>	<u>321,820</u>	<u>1,957,800</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>536,422</u>	<u>200,730</u>	<u>(137,766)</u>	<u>(171,820)</u>	<u>427,566</u>
<b>Other Financing Receipts (Disbursements)</b>					
Loans Issued	0	0	0	19,779	19,779
Transfers In	0	0	137,766	68,463	206,229
Transfers Out	(206,229)	0	0	0	(206,229)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(206,229)</u>	<u>0</u>	<u>137,766</u>	<u>88,242</u>	<u>19,779</u>
<i>Net Change in Fund Cash Balances</i>	330,193	200,730	0	(83,578)	447,345
<i>Fund Cash Balances, January 1</i>	<u>3,742,098</u>	<u>150,464</u>	<u>0</u>	<u>83,578</u>	<u>3,976,140</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	0	351,194	0	0	351,194
Assigned	261,814	0	0	0	261,814
Unassigned	3,810,477	0	0	0	3,810,477
<i>Fund Cash Balances, December 31</i>	<u><u>\$4,072,291</u></u>	<u><u>\$351,194</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$4,423,485</u></u>

See accompanying notes to the financial statements

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Proprietary Fund Type	Fiduciary Fund Types		Totals
	Enterprise	Agency	Private Purpose Trust	(Memorandum Only)
<b>Operating Cash Receipts</b>				
Charges for Services	\$34,037	\$0	\$0	\$34,037
Fines, Licenses and Permits	0	33,958	0	33,958
Earnings on Investments (trust funds only)	0	0	2,944	2,944
<i>Total Operating Cash Receipts</i>	<u>34,037</u>	<u>33,958</u>	<u>2,944</u>	<u>70,939</u>
<b>Operating Cash Disbursements</b>				
Contractual Services	6,963	0	0	6,963
Other	0	33,958	0	33,958
<i>Total Operating Cash Disbursements</i>	<u>6,963</u>	<u>33,958</u>	<u>0</u>	<u>40,921</u>
<i>Operating Income</i>	<u>27,074</u>	<u>0</u>	<u>2,944</u>	<u>30,018</u>
<b>Non-Operating Receipts (Disbursements)</b>				
Earnings on Investments (proprietary funds only)	1,106	0	0	1,106
Other Financing Uses	0	(15)	(1,500)	(1,515)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>1,106</u>	<u>(15)</u>	<u>(1,500)</u>	<u>(409)</u>
<i>Net Change in Fund Cash Balances</i>	28,180	(15)	1,444	29,609
<i>Fund Cash Balances, January 1</i>	<u>90,091</u>	<u>15</u>	<u>205,746</u>	<u>295,852</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$118,271</u></u>	<u><u>\$0</u></u>	<u><u>\$207,190</u></u>	<u><u>\$325,461</u></u>

See accompanying notes to the financial statements



**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 1 - Reporting Entity**

The Village of MARBLE CLIFF (the Village), FRANKLIN County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. 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 as well as trash, recycling and yard waste collection. Under the service contract between the Village and the City of Grandview Heights, the Village utilizes the City of Grandview Heights municipal building to convene the Marble Cliff Mayor's Court.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Village participates in jointly governed organizations and is associated with a related organization: Ohio Government Risk Management Plan, and the Ohio Municipal League Equity Pooling Workers' Compensation Group Rating Plan. Notes 7 and 11 to the financial statements provides additional information for these entities

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

***Street Construction Maintenance and Repair*** - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Park Fund*** - The park fund accounts for and reports donations that are restricted to fund maintenance of Village parks and green spaces.

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

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

**Bond Retirement Fund** - This fund is used to pay principal and interest payments for bonds issued by the Village for the purpose of purchasing park land.

**OPWC Loan Repayment Fund** - This fund is used to pay principal payments (0% interest) for the Ohio Public Works Commission Loan issued in 2010 for the 2009 Stormwater and Sanitary Sewer Improvements.

**Franklin County Infrastructure Bank Loan Fund** - This fund is used to pay principal and interest payments for the Franklin County Infrastructure Bank Loan issued in 2016 for the Dublin Road & Cardigan Ave. Waterline Improvements.

**OPWC Loan Repayment Fund 2017** - This fund is used to pay principal payments (0% interest) for the Ohio Public Works Commission Loan issued in 2016 for the Dublin Road & Cardigan Ave. Waterline Improvements.

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

**Dublin Road and Cardigan Ave. Waterline Improvements Fund** - The Dublin Road and Cardigan Ave. Waterline Improvements Fund accounts for and reports proceeds from an OPWC Grant, an OPWC Loan and a Franklin County Infrastructure Loan Fund loan and transfers from the General Fund. The proceeds are restricted for construction of the Dublin Road and Cardigan Ave. Waterline.

**West Fifth Avenue Path and Roadway Improvements Fund** - The West Fifth Avenue Path and Roadway Improvements Fund accounts for and reports proceeds from the Franklin County Permissive Tax Grant and from the Village's Permissive Tax Funds held by the Franklin county Engineer for use on West Fifth Ave. in the Village of Marble Cliff. The proceeds are restricted for construction of the West Fifth Ave. multipurpose trail and the reconstruction of West Fifth Ave.

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

**Water Fund** - This fund receives charges for services from property owners to cover water service costs.

**Sewer Fund** - This fund receives charges for services from property owners to cover sewer service costs.

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***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 funds account for the activities of the Mayor's Court and Unclaimed Monies.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level, 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.

**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 approve estimated resources.

**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 2017 budgetary activity appears in Note 4

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds and negotiable CD's are recorded at share values. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provided an NAV per share that approximates fair value. Money market mutual funds held by Fifth Third Bank are recorded at share values the mutual funds report.

***Capital Assets***

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Village classifies assets as ***nonspendable*** when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is ***restricted*** when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Council can ***commit*** amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as ***restricted*** or ***committed***. Governmental funds other than the general fund report all fund balances as ***assigned*** unless they are restricted or committed. In the general fund, ***assigned*** amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 - Compliance**

During the year ending December 31, 2017 the Village had no material budgetary violation.

On May 4, 2017, \$15,615.80 and on July 7, 2017, \$42,007.71 of deposits were not insured or collateralized, contrary to Ohio law. Both amounts were fully collateralized the following day.

On September 25, 2017 to September 28, 2017 between \$16,999.62 and \$27,512.31 of deposits were not insured or collateralized, contrary to Ohio law. The account was fully insured on September 29, 2017.

On October 5, 2017 to October 19, 2017, between \$6,169.25 and \$157,910.65 of deposits were not insured or collateralized, contrary to Ohio law. The account was fully insured on October 20, 2017.

On November 6, 2017 to November 22, 2017, between \$29,460.10 and \$35,132.63 of deposits were not insured or collateralized, contrary to Ohio law. The account was fully insured on November 23, 2017.

On December 6, 2017 to December 18, 2017, between \$1,173.54 and \$4,834.46 of deposits were not insured or collateralized, contrary to Ohio law. The account was fully insured on December 19, 2017.

NOTE: The bank serving the Village of Marble Cliff (Arlington Bank) was sold to First Merchants Bank in July 2017. It was the Village's understanding that the deposits were being collateralized in any amount in excess of the standard FDIC insurance.

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 4 - Budgetary Activity**

Budgetary activity for the year ending 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,856,306	\$1,943,698	\$87,392
Special Revenue	290,715	291,668	953
Debt Service	138,066	137,766	(300)
Capital Projects	256,633	238,242	(18,391)
Enterprise	30,305	35,143	4,838
Agency	37,000	33,958	(3,042)
Trust	2,200	2,944	744
Total	\$2,611,225	\$2,683,419	\$72,194

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,193,038	\$1,671,063	\$521,975
Special Revenue	119,603	95,939	23,664
Debt Service	138,066	137,767	299
Capital Projects	340,211	321,820	18,391
Enterprise	40,000	8,113	31,887
Agency	37,015	37,015	0
Trust	3,000	1,500	1,500
Total	\$2,870,933	\$2,273,217	\$597,716

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 5 – Deposits and Investments**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	<u>2017</u>
Demand deposits	\$78,117
STAR Plus	1,221,500
Total deposits	<u>1,299,617</u>
STAR Ohio	1,673,905
Certificates of deposit	1,761,000
Money Market Mutual Funds	14,424
Total investments	<u>3,449,329</u>
Total deposits and investments	<u><u>\$4,748,946</u></u>

***Deposits*** are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 6 – Taxes**

***Property Taxes***

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.

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

***Income Taxes***

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

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

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 7 - Risk Management**

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Until November 1, 2016, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 762 members as of December 31, 2016.

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 equity at December 31, 2016 and 2015 (the latest information available).

	<u>2016</u>	<u>2015</u>
Assets	\$14,765,712	\$14,643,667
Liabilities	<u>(9,531,506)</u>	<u>(9112030)</u>
Members' Equity	<u>\$5,234,206</u>	<u>\$5,531637</u>

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



**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants’ gross salaries. The Village has paid all contributions required through December 31, 2017.

**Note 9 - Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 1 percent of the employer contribution to fund these benefits.

**Note 10 – Debt**

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$300,000	4%
OPWC Loans (1) - Storm Water & Sewer Improvements	\$42,565	0%
OPWC Loans (2) - Waterline Improvements	\$138,373	0%
Franklin County Infrastructure Bank Loan	111,969	1.70%
Total	\$592,907	

The General Obligation Bonds relate to purchase of the Tarpay Woods passive park in 2000. \$100,000 in principal is repaid every year along with the interest due. The entire bond will be repaid by 2021.

The first OPWC Loan is a 30 year / 0% loan from the Ohio Public Works Commission which was made by the OPWC for the purpose of funding the 2009 Stormwater and Sanitary Sewer Improvements. The loan will be repaid by 2039.

The second OPWC is a 30 year / 0% loan from the Ohio Public Works Commission which was made by the OPWC for the purpose of funding the 2016 Dublin Road and Cardigan Avenue Waterlines Improvement. The loan will be repaid by 2048.

The Franklin County Infrastructure Bank Loan is a 10 Year / 1.7% loan from Franklin County Economic Development for the purpose of funding the 2016 Dublin Road and Cardigan Avenue Waterlines Improvement. The loan will be repaid by 2025.

The General Fund is responsible for funding the debt retirement funds annually until the debt is retired.

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 11 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$21,675	\$3,943	\$0	\$0	\$25,618
Municipal Income Tax	1,782,568	0	0	0	1,782,568
Intergovernmental	21,739	35,053	0	141,345	198,137
Fines, Licenses and Permits	36,120	0	0	0	36,120
Earnings on Investments	27,250	968	0	0	28,218
Miscellaneous	54,623	0	0	0	54,623
<i>Total Cash Receipts</i>	<u>1,943,975</u>	<u>39,964</u>	<u>0</u>	<u>141,345</u>	<u>2,125,284</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	478,257	0	0	0	478,257
Public Health Services	11,863	0	0	0	11,863
Leisure Time Activities	46,403	0	0	0	46,403
Community Environment	3,718	0	0	0	3,718
Basic Utility Services	84,319	0	0	0	84,319
Transportation	15,000	9,790	0	0	24,790
General Government	304,734	0	0	0	304,734
Capital Outlay	986,985	0	0	443,288	1,430,273
Debt Service:					
Principal Retirement	0	0	101,935	0	101,935
Interest and Fiscal Charges	0	0	19,950	0	19,950
<i>Total Cash Disbursements</i>	<u>1,931,279</u>	<u>9,790</u>	<u>121,885</u>	<u>443,288</u>	<u>2,506,242</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>12,696</u>	<u>30,174</u>	<u>(121,885)</u>	<u>(301,943)</u>	<u>(380,958)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Loans Issued	0	0	0	248,365	248,365
Sale of Capital Assets	175,000	0	0	0	175,000
Transfers In	0	0	121,885	133,000	254,885
Transfers Out	(254,885)	0	0	0	(254,885)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(79,885)</u>	<u>0</u>	<u>121,885</u>	<u>381,365</u>	<u>423,365</u>
<i>Net Change in Fund Cash Balances</i>	(67,189)	30,174	0	79,422	42,407
<i>Fund Cash Balances, January 1</i>	<u>3,809,287</u>	<u>120,290</u>	<u>0</u>	<u>4,156</u>	<u>3,933,733</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	0	150,464	0	83,578	234,042
Assigned	336,733	0	0	0	336,733
Unassigned	3,405,365	0	0	0	3,405,365
<i>Fund Cash Balances, December 31</i>	<u>\$3,742,098</u>	<u>\$150,464</u>	<u>\$0</u>	<u>\$83,578</u>	<u>\$3,976,140</u>

See accompanying notes to the financial statements

**VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Proprietary Fund Type	Fiduciary Fund Types		Totals
	Enterprise	Agency	Private Purpose Trust	(Memorandum Only)
<b>Operating Cash Receipts</b>				
Charges for Services	\$28,796	\$0	\$0	\$28,796
Fines, Licenses and Permits	0	35,999	0	35,999
Earnings on Investments (trust funds only)	0	0	2,416	2,416
<i>Total Operating Cash Receipts</i>	<u>28,796</u>	<u>35,999</u>	<u>2,416</u>	<u>67,211</u>
<b>Operating Cash Disbursements</b>				
Contractual Services	7,393	0	0	7,393
Other	0	36,824	0	36,824
<i>Total Operating Cash Disbursements</i>	<u>7,393</u>	<u>36,824</u>	<u>0</u>	<u>44,217</u>
<i>Operating Income (Loss)</i>	<u>21,403</u>	<u>(825)</u>	<u>2,416</u>	<u>22,994</u>
<b>Non-Operating Receipts (Disbursements)</b>				
Earnings on Investments (proprietary funds only)	559	0	0	559
Other Financing Uses	0	0	(850)	(850)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>559</u>	<u>0</u>	<u>(850)</u>	<u>(291)</u>
<i>Net Change in Fund Cash Balances</i>	21,962	(825)	1,566	22,703
<i>Fund Cash Balances, January 1</i>	<u>68,129</u>	<u>840</u>	<u>204,180</u>	<u>273,149</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$90,091</u></u>	<u><u>\$15</u></u>	<u><u>\$205,746</u></u>	<u><u>\$295,852</u></u>

See accompanying notes to the financial statements

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 1 - Reporting Entity**

The Village of MARBLE CLIFF (the Village), FRANKLIN County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. 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 as well as trash, recycling and yard waste collection. Under the service contract between the Village and the City of Grandview Heights, the Village utilizes the City of Grandview Heights municipal building to convene the Marble Cliff Mayor's Court.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Village participates in jointly governed organizations and is associated with a related organization: Ohio Government Risk Management Plan, and the Ohio Municipal League Equity Pooling Workers' Compensation Group Rating Plan. Notes 7 and 11 to the financial statements provides additional information for these entities

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

***Street Construction Maintenance and Repair*** - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Park Fund*** - The park fund accounts for and reports donations that are restricted to fund maintenance of Village parks.

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

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

**Bond Retirement Fund** - This fund is used to pay principal and interest payments for bonds issued by the Village for the purpose of purchasing park land.

**OPWC Loan Repayment Fund** - This fund is used to pay principal payments (0% interest) for the Ohio Public Works Commission Loan issued in 2010 for the 2009 Stormwater and Sanitary Sewer Improvements.

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

**Dublin Road and Cardigan Ave. Waterline Improvements Fund** - The Dublin Road and Cardigan Ave. Waterline Improvements Fund accounts for and reports proceeds from an OPWC Grant, an OPWC Loan and a Franklin County Infrastructure Loan Fund loan and transfers from the General Fund. The proceeds are restricted for construction of the Dublin Road and Cardigan Ave. Waterline.

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

**Water Fund** - This fund receives charges for services from property owners to cover water service costs.

**Sewer Fund** - This fund receives charges for services from property owners to cover sewer service costs.

**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 funds account for the activities of the Mayor's Court and Unclaimed Monies.

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level, 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.

**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 approve estimated resources.

**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 2016 budgetary activity appears in Note 4

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds and negotiable CD's are recorded at share values. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provided an NAV per share that approximates fair value. Money market mutual funds held by Fifth Third Bank are recorded at share values the mutual funds report.

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Capital Assets***

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Village classifies assets as ***nonspendable*** when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is ***restricted*** when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Council can ***commit*** amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as ***restricted*** or ***committed***. Governmental funds other than the general fund report all fund balances as ***assigned*** unless they are restricted or committed. In the general fund, ***assigned*** amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 - Compliance**

During the year ending December 31, 2016 the Village had no material budgetary violation.

On February 5, 2016, \$27,801.37 and on May 17, 2016, \$82.33 of deposits were not insured or collateralized, contrary to Ohio law. Both amounts were fully collateralized the following day.



**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

**Note 4 - Budgetary Activity**

Budgetary activity for the year ending 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,802,208	\$2,118,975	\$316,767
Special Revenue	36,267	39,964	3,697
Debt Service	136,885	121,885	(15,000)
Capital Projects	629,343	522,710	(106,633)
Enterprise	26,620	29,355	2,735
Agency	38,000	35,999	(2,001)
Trust	2,000	2,416	416
Total	\$2,671,323	\$2,871,304	\$199,981

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,791,044	\$2,285,641	\$505,403
Special Revenue	65,021	12,371	52,650
Debt Service	121,885	121,885	0
Capital Projects	633,498	633,498	0
Enterprise	35,000	7,393	27,607
Agency	38,015	36,824	1,191
Trust	2,000	850	1,150
Total	\$3,686,463	\$3,098,462	\$588,001

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 5 – Deposits and Investments**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2016
Demand deposits	\$53,028
STAR Plus	1,253,670
Total deposits	1,306,698
STAR Ohio	1,212,507
Money Market Mutual Funds	16,787
Negotiable Certificates of deposit	1,736,000
Total investments	2,965,294
Total deposits and investments	\$4,271,992

*Deposits* are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution’s public entity deposit pool.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 6 – Taxes**

***Property Taxes***

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.

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

***Income Taxes***

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

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

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 7 - Risk Management**

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Until November 1, 2016, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 762 members as of December 31, 2016.

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 equity at December 31, 2016.

	<b>2016</b>
Assets	\$14,765,712
Liabilities	<u>(9,531,506)</u>
Members' Equity	<u>\$5,234,206</u>

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

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

**Note 9 - Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

**Note 10 – Debt**

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$400,000	4.0%
OPWC Loan (1) - Storm Water & Sewer Improvements	\$44,499	0.0%
OPWC Loan (2) - Waterline Improvements	\$123,365	0.0%
Franklin County Infrastructure Bank Loan	125,000	1.7%
Total	\$692,864	

The General Obligation Bonds relate to purchase of the Tarpay Woods passive park in 2000. \$100,000 in principal is repaid every year along with the interest due. The entire bond will be repaid by 2021.

The first OPWC Loan is a 30 year / 0% loan from the Ohio Public Works Commission which was made by the OPWC for the purpose of funding the 2009 Stormwater and Sanitary Sewer Improvements. The loan will be repaid by 2039.

The second OPWC Loan is a 30 year / 0% loan from the Ohio Public Works Commission which was made by the OPWC for the purpose of funding the Dublin Road and Cardigan Avenue Waterline Improvements. The loan will be repaid by 2048.

The Franklin County Infrastructure Bank Loan is a 10 year / 1.7% loan from Franklin County Economic Development for the purpose of funding the Dublin Road and Cardigan Avenue Waterline Improvements. The loan will be repaid by 2025.

The General Fund is responsible for funding the debt retirement funds annually until the debt is retired.

**Village of Marble Cliff, Ohio**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

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**Note 11 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

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# Dave Yost • Auditor of State

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

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

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Marble Cliff, Franklin County, Ohio, (the Village) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated August 6, 2018, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. We consider finding 2017-001 described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2017-002 described in the accompanying schedule of findings to be a significant deficiency.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Village's Response to Findings***

The Village of Marble Cliff's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not subject the Village of Marble Cliff's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

August 6, 2018



VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016

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

FINDING NUMBER 2017-001

**Financial Reporting – Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to the lack of internal controls in place to ensure receipts, expenditures, and fund balances are properly classified on the financial statements, the following adjustments were material to the Village's financial statements and were posted to the financial statements:

- Reclassification of \$336,733 in 2016 and \$261,814 in 2017 from Unassigned to Assigned Fund Balance in the General Fund.
- Reclassification of \$248,365 in 2016 and \$19,779 in 2017 from Intergovernmental Receipts to Other Financing Sources - Note Proceeds in the Capital Projects Fund.
- Reclassification of \$1,770 in 2017 from Principal Retirement to Interest and Fiscal Charges in the Capital Projects Fund.

Lack or failure of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the Village develop policies and procedures to enhance its controls over recording of financial transactions and financial reporting to help ensure the information accurately reflects the activity of the Village and thereby increasing the reliability of the financial data throughout the year.

**Officials' Response**

The Fiscal Officer has already completed additional training from both a representative of the Auditor of State's office and the UAN system to ensure that future reports will correctly reflect Assigned and Unassigned Fund Balances.

FINDING NUMBER 2017-002

**Payroll Controls – Significant Deficiency**

Internal controls relating to payroll transactions should include supervisor approval of any sick leave or vacation leave to be used by an employee. Additionally, the Village should have a formally adopted policy that documents how and when leave is accrued by employees as well as when it can be used.

VILLAGE OF MARBLE CLIFF  
FRANKLIN COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016  
(Continued)

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>
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FINDING NUMBER 2017-002 (Continued)

**Payroll Controls – Significant Deficiency (Continued)**

All employees are considered part time and are on a yearly salary contract with very general guidelines of work hours per week. The Village does not track any hours worked, nor any usage of leave times. In addition, the Village does not have formal policies or procedures in place for sick or vacation leave accrual or usage for its employees.

Failure to have policies and procedures in place to track actual work hours, including vacation and sick leave could result in misappropriation of assets by having employees not work within the general guidelines of the contracts. Without a formally approved policy over leave accrual and usage as well as documented approval from a supervisor, controls are ineffective to ensure employees are following contracts and job descriptions as approved by the Village.

We recommend the Village adopt policies and procedures to have a formal process in place over payroll hours worked, including any leave such as vacation or sick leave.

**Officials' Response:**

The Council of the Village of Marble Cliff identified the need for a written policy for both employee attendance and employee vacation. This need was identified prior to the audit of years 2016 and 2017. At its regular meeting of April 16, 2018 Village Council adopted an attendance policy and a vacation policy. Copies of those policies were provided to the state auditors during the audit process.

During the audit process the Fiscal Officer reviewed acceptable procedures for tracking work hours, vacation and sick leave to ensure that future reporting requirements will be satisfactory to the Auditor of State's office.



# Dave Yost • 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, 13 2018