



**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
Regular Audit  
For the Years Ended December 31, 2018 and 2017**

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Marietta, OH 45750  
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1907 Grand Central Ave.  
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St. Clairsville, OH 43950  
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OHIO AUDITOR OF STATE  
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the Village of Mariemont, Hamilton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 18, 2019

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VILLAGE OF MARIEMONT  
HAMILTON COUNTY

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## INDEPENDENT AUDITOR'S REPORT

June 26, 2019

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

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 Mariemont**, Hamilton County, Ohio (the Village) as of and for the years ended December 31, 2018 and 2017.

### ***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.

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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 permitted 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, 2018 and 2017, or changes in financial position 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 Mariemont, Hamilton County as of December 31, 2018 and 2017, and 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 June 26, 2019, 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.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 663,324	\$ 259,212	\$ 356,116	\$ 1,278,652
Municipal Income Tax	2,333,814	-	-	2,333,814
Intergovernmental	123,485	159,882	436,875	720,242
Charges for Services	329,206	75,748	-	404,954
Fines, Licenses and Permits	168,261	26,622	-	194,883
Earnings on Investments	3,466	-	4,607	8,073
Miscellaneous	107,731	-	833	108,564
<i>Total Cash Receipts</i>	<u>3,729,287</u>	<u>521,464</u>	<u>798,431</u>	<u>5,049,182</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	1,883,559	336,804	-	2,220,363
Public Health Services	11,195	-	-	11,195
Leisure Time Activities	813,365	-	-	813,365
Community Environment	99,415	67,545	-	166,960
Basic Utility Service	299,541	35,090	-	334,631
Transportation	19,289	74,432	-	93,721
General Government	697,006	3,438	2,597	703,041
Capital Outlay	-	26,599	1,163,114	1,189,713
Debt Service:				
Principal Retirement	-	-	222,852	222,852
Interest and Other Fiscal Charges	-	-	22,100	22,100
<i>Total Cash Disbursements</i>	<u>3,823,370</u>	<u>543,908</u>	<u>1,410,663</u>	<u>5,777,941</u>
<i>Net Change in Fund Cash Balances</i>	(94,083)	(22,444)	(612,232)	(728,759)
<i>Fund Cash Balances, January 1</i>	<u>1,135,908</u>	<u>116,787</u>	<u>934,786</u>	<u>2,187,481</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	94,343	322,554	416,897
Assigned	228,071	-	-	228,071
Unassigned	813,754	-	-	813,754
<i>Fund Cash Balances, December 31</i>	<u><b>\$ 1,041,825</b></u>	<u><b>\$ 94,343</b></u>	<u><b>\$ 322,554</b></u>	<u><b>\$ 1,458,722</b></u>

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

VILLAGE OF MARIEMONT  
HAMILTON COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Total Agency</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 1,064
<i>Total Operating Cash Receipts</i>	<u>1,064</u>
<b>Operating Cash Disbursements</b>	
Employee Fringe Benefits	537
Contractual Services	589
<i>Total Operating Cash Disbursements</i>	<u>1,126</u>
<i>Operating (Loss)</i>	<u>(62)</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Other Financing Sources	112,360
Other Financing Uses	(111,219)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>1,141</u>
<i>Net Change in Fund Cash Balances</i>	1,079
<i>Fund Cash Balances, January 1</i>	<u>11,448</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 12,527</u></u>

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

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED DECEMBER 31, 2018*

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**Note 1 – Reporting Entity**

The Village of Mariemont (the Village), Hamilton 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 Mayor and six-member Council direct the Village. The Village provides general governmental services, including park operations and other leisure time activities, waste pick-up and police and fire services.

***Public Entity Risk Pools***

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. 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 (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory 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 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 Fund*** – The Street Construction, Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license tax registration fees restricted for construction, maintenance and repair of streets within the Village.

***Paramedics Fund*** – The Paramedics Fund accounts for and reports money from a levy to cover the costs of providing paramedic services to the Village residents.

***MariElders Fund*** – The MariElders Fund accounts for and reports money from a levy to cover the costs of providing services for the Village's senior citizens.

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
*(Continued)*

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

**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 Projects Fund:

**Permanent Improvement Fund** – The Permanent Improvement Fund accounts for and receives money from a levy for street repairs; installation and repair of curbs, sidewalks and storm sewers; tree maintenance; upgrading of parks; upgrading of street lights; reducing erosion; and the purchase of equipment and facilities for police, fire and administrative departments.

**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.

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 Mayor’s Court activity.

**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, and object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 4.

**VILLAGE OF MARIEMONT**  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)

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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.

***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.

***Accumulated Leave***

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

***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.

**VILLAGE OF MARIEMONT**  
**HAMILTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(Continued)

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Permanent Improvement Fund by \$318,363 for the year ended December 31, 2018.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,640,000	\$ 3,729,287	\$ 89,287
Special Revenue	510,700	521,464	10,764
Capital Projects	777,000	798,431	21,431
Total	\$ 4,927,700	\$ 5,049,182	\$ 121,482

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,107,090	\$ 4,051,441	\$ 55,649
Special Revenue	686,740	665,372	21,368
Capital Projects	1,478,931	1,797,294	(318,363)
Total	\$ 6,272,761	\$ 6,514,107	\$ (241,346)

**Note 5 - Deposits**

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

	2018
Demand deposits	\$ 971,249
Certificate of deposit	500,000
Total deposits	\$ 1,471,249

**Deposits**

Deposits are insured by the Federal Depository Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
*(Continued)*

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**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.

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

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 1.25% 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 tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 7 – Risk Management**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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. 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. Effective November 1, 2017, the OPRM retained 47% 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 764 members as of December 31, 2017.

*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.

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(Continued)

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**Note 7 – Risk Management (Continued)**

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, 2017 (latest information available):

Assets	\$14,853,620
Liabilities	<u>(9,561,108)</u>
Members' Equity	<u>\$ 5,292,512</u>

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

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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, 2018.

***Ohio Police and Fire Retirement System***

The Village's law enforcement officers and firefighters belong to the Police and Fire Pension Fund (OP&F). OP&F 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. OP&F full-time police and firefighter participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages and an amount equal to 24% of full-time firefighter members' wages. The Village has paid all contributions required through December 31, 2018.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer 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. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018.



**VILLAGE OF MARIEMONT**  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)

**Note 9 – Postemployment Benefits (Continued)**

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

**Note 10 – Debt**

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest
Bond	\$ 627,148	2.60%
	\$ 627,148	

In December 2017, the Village obtained a Building Improvement Bond Anticipation Note in the amount of \$850,000 at a rate of 2.6%. The proceeds will be used to pay for the construction of an addition to the municipal building. The bond will be converted once the construction is completed. The Village renewed the Building Improvement Bond Anticipation Note in the amount of \$627,000 in December 2018. It is anticipated that in 2019, the Village will repay \$177,000 to the bank and issue a bond in the amount of \$450,000.

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

Year ending December 31:	Bond Anticipation Note
2019	\$ 643,454
Total	\$ 643,454

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 314,055	\$ 246,380	\$ 336,200	\$ 896,635
Municipal Income Tax	2,416,611	-	-	2,416,611
Intergovernmental	111,978	164,539	40,880	317,397
Charges for Services	317,922	68,445	-	386,367
Fines, Licenses and Permits	202,795	17,778	-	220,573
Miscellaneous	98,295	1,404	28,630	128,329
<i>Total Cash Receipts</i>	<u>3,461,656</u>	<u>498,546</u>	<u>405,710</u>	<u>4,365,912</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	1,701,148	338,565	-	2,039,713
Public Health Services	9,427	-	-	9,427
Leisure Time Activities	742,510	-	-	742,510
Community Environment	87,614	65,500	-	153,114
Basic Utility Services	319,815	35,326	-	355,141
Transportation	15,828	94,522	-	110,350
General Government	674,310	3,215	4,365	681,890
Capital Outlay	-	-	467,087	467,087
<i>Total Cash Disbursements</i>	<u>3,550,652</u>	<u>537,128</u>	<u>471,452</u>	<u>4,559,232</u>
<i>Excess of Receipts (Under) Disbursements</i>	<u>(88,996)</u>	<u>(38,582)</u>	<u>(65,742)</u>	<u>(193,320)</u>
<b>Other Financing Receipts</b>				
Sale of Bonds	-	-	850,000	850,000
<i>Total Other Financing Receipts</i>	<u>-</u>	<u>-</u>	<u>850,000</u>	<u>850,000</u>
<i>Net Change in Fund Cash Balances</i>	(88,996)	(38,582)	784,258	656,680
<i>Fund Cash Balances, January 1</i>	<u>1,224,904</u>	<u>155,369</u>	<u>150,528</u>	<u>1,530,801</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	116,787	934,786	1,051,573
Assigned	176,340	-	-	176,340
Unassigned	959,568	-	-	959,568
<i>Fund Cash Balances, December 31</i>	<u><b>\$ 1,135,908</b></u>	<u><b>\$ 116,787</b></u>	<u><b>\$ 934,786</b></u>	<u><b>\$ 2,187,481</b></u>

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

VILLAGE OF MARIEMONT  
HAMILTON COUNTY

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

	<u>Total Agency</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 637
<i>Total Operating Cash Receipts</i>	<u>637</u>
<b>Operating Cash Disbursements</b>	
Employee Fringe Benefits	<u>577</u>
<i>Total Operating Cash Disbursements</i>	<u>577</u>
<i>Operating Income</i>	<u>60</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Other Financing Sources	128,761
Other Financing Uses	<u>(126,183)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>2,578</u>
<i>Net Change in Fund Cash Balances</i>	2,638
<i>Fund Cash Balances, January 1</i>	<u>8,810</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 11,448</u></u>

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

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED DECEMBER 31, 2017*

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**Note 1 – Reporting Entity**

The Village of Mariemont (the Village), Hamilton 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 Mayor and six-member Council direct the Village. The Village provides general governmental services, including park operations and other leisure time activities, waste pick-up and police and fire services.

***Public Entity Risk Pools***

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. 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 (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory 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 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 Fund*** – The Street Construction, Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license tax registration fees restricted for construction, maintenance and repair of streets within the Village.

***Paramedics Fund*** – The Paramedics Fund accounts for and reports money from a levy to cover the costs of providing paramedic services to the Village residents.

***MariElders Fund*** – The MariElders Fund accounts for and reports money from a levy to cover the costs of providing services for the Village's senior citizens.

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(Continued)

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

**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 Projects Fund:

**Permanent Improvement Fund** – The Permanent Improvement Fund accounts for and receives money from a levy for street repairs; installation and repair of curbs, sidewalks and storm sewers; tree maintenance; upgrading of parks; upgrading of street lights; reducing erosion; and the purchase of equipment and facilities for police, fire and administrative departments.

**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.

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 Mayor's Court activity.

**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, and object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. 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 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 MARIEMONT**  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Continued)

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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.

***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.

***Accumulated Leave***

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

***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.

**VILLAGE OF MARIEMONT**  
**HAMILTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(Continued)

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Street Construction, Maintenance and Repair Fund by \$104,271 and in the Permanent Improvement Fund by \$44,637 for the year ended December 31, 2017.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,246,000	\$ 3,461,656	\$ 215,656
Special Revenue	484,000	498,546	14,546
Capital Projects	385,000	1,255,710	870,710
Total	\$ 4,115,000	\$ 5,215,912	\$ 1,100,912

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,921,119	\$ 3,728,235	\$ 192,884
Special Revenue	562,214	646,454	(84,240)
Capital Projects	510,646	555,283	(44,637)
Total	\$ 4,993,979	\$ 4,929,972	\$ 64,007

**Note 5 - Deposits**

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

	2017
Demand deposits	\$ 1,997,660
Certificate of deposit	201,269
Total deposits	\$ 2,198,929

**Deposits**

Deposits are insured by the Federal Depository Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(Continued)

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**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.

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

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 1.25% 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 tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 7 – Risk Management**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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. 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. Effective November 1, 2017, the OPRM retained 47% 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 764 members as of December 31, 2017.

*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.



**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(Continued)

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**Note 7 – Risk Management (Continued)**

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, 2017.

Assets	\$14,853,620
Liabilities	<u>(9,561,108)</u>
Members' Equity	<u>\$ 5,292,512</u>

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

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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.

The Village's law enforcement officers and firefighters belong to the Police and Fire Pension Fund (OP&F). OP&F 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. OP&F full-time police and firefighter participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages and an amount equal to 24% of full-time firefighter members' wages. The Village has paid all contributions required through December 31, 2017.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer 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. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017.

**VILLAGE OF MARIEMONT**  
**HAMILTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
*(Continued)*

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**Note 10 – Debt**

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest
Bond	\$ 850,000	2.60%
	\$ 850,000	

In December 2017, the Village obtained a Building Improvement Bond Anticipation Note in the amount of \$850,000 at a rate of 2.6%. The proceeds will be used to pay for the construction of an addition to the municipal building. The bond will be converted once the construction is completed.

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

Year ending December 31:	Bond Anticipation Note
2018	\$ 872,100
Total	\$ 872,100

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Construction and Contractual Commitments**

The Village was awarded a grant in the amount of \$400,000 from the State of Ohio to construct a community center to display Indian artifacts discovered within the Village. The grant calls for matching funds from the Village.



Certified Public Accountants, A.C.

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

June 26, 2019

Village of Mariemont  
Hamilton County  
6907 Wooster Pike  
Cincinnati, OH 45227

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 Mariemont**, Hamilton County (the Village) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated June 26, 2019, 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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### **Internal Control Over Financial Reporting (Continued)**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings, that we consider material weaknesses. We consider findings 2018-001 and 2018-002 to be material weaknesses.

### **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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2018-001 and 2018-003.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 26, 2019.

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

The Village's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not subject the Village'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.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**VILLAGE OF MARIEMONT**  
HAMILTON COUNTY  
*SCHEDULE OF AUDIT FINDINGS*  
*FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017*

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2018-001**

**Material Weakness and Noncompliance**

**Ohio Revised Code Section 5705.09** states that each subdivision must establish the following funds:

- General Fund;
- Sinking Fund whenever the subdivision has outstanding bonds other than serial bonds;
- Bond Retirement Fund, for the retirement of serial bonds, notes, or certificates of indebtedness;
- A special fund for each special levy;
- A special bond fund for each bond issue;
- A special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose;
- A special fund for each public utility operated by a subdivision;
- A trust fund for any amount received by a subdivision in trust.

The Village receives Permissive Motor Vehicle License Tax funds; however, the Village has not established a Permissive Motor Vehicle License Tax Fund for tracking the receipts and disbursements of this special revenue source. Funds were posted to the Street Construction, Maintenance and Repair and State Highway Funds.

In 2017, the Village issued bond anticipation notes but did not establish a Debt Service Fund to separately account for the debt payment activity. Funds were incorrectly posted to the General and Permanent Capital Improvement Funds.

We recommend the Village establish a Permissive Motor Vehicle License Tax Fund and a Debt Service Fund in the Village's accounting system and begin tracking receipts and disbursements within those funds.

**Management's Response** – The Village will work with our audit firm to establish this required fund.

**FINDING NUMBER 2018-002**

**Material Weakness**

**Posting Receipts, Disbursement and Classification of Fund Balances**

The Village should have procedures and controls in place to help prevent and detect errors in financial reporting. Fund balances should be properly classified based on Governmental Accounting Standards Board Statement No. 54 – "Fund Balance Reporting and Governmental Fund Type Definitions."

Receipts, disbursements and fund balances were not always posted or classified correctly. The following posting errors were noted:

- Mayor's Court activity was not properly recorded in an agency fund in 2018 or 2017;
- Liquor permit funds were recorded as Licenses, Permits and Fees instead of Intergovernmental in the General Fund in 2018 and 2017;
- Property and Other Local Taxes receipts related to the bond issue were recorded to the General Fund rather than the required Debt Service Fund in 2018;
- Encumbrances outstanding at year end in the General Fund were classified as Unassigned instead of Assigned in 2018;
- Rollback receipts were recorded as Property and Other Local Taxes instead of Intergovernmental in the General, Paramedics, MarieElders, and Permanent Improvement Funds in 2018 and 2017;

**VILLAGE OF MARIEMONT**  
HAMILTON COUNTY  
*SCHEDULE OF AUDIT FINDINGS*  
*FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017*

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
--

**FINDING NUMBER 2016-002 (Continued)**

**Posting Receipts, Disbursement and Classification of Fund Balances (Continued)**

- Special Revenue Fund balances were classified as Assigned instead of Restricted in 2017;
- Capital Project Fund balances were classified as Assigned instead of Restricted in 2018 and 2017; and
- An Interest and Other Fiscal Charges disbursement was classified as Capital Outlay in 2018.

Not posting receipts, disbursements and fund balances accurately resulted in the financial statements requiring reclassifications. The financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all receipts, disbursements and fund balances are properly identified and classified on the financial statements. We recommend the Village ensure that the account codes used within its accounting system roll-up into the correct line item on the Village's financial statements. We also recommend the Village refer to the Ohio Village Handbook for guidance to determine the proper posting of receipts and refer to the Auditor of State Technical Bulletin 2011-004 to determine proper classification of fund types.

**Management's Response** – The Village will be more diligent in recording receipts in the proper account in the future.

**FINDING NUMBER 2018-003**

**Noncompliance**

**Ohio Revised Code Section 5705.41(B)** states that no subdivision or taxing unit shall make any expenditure of money unless the same has been properly appropriated.

Actual disbursements exceeded appropriations in the State Highway, Alcohol Education & Enforcement, Court Computer and Permanent Improvement Funds for the year ended December 31, 2018. Actual disbursements exceeded appropriations in the Street Construction, Maintenance and Repair and Permanent Improvement Funds in the year ended December 31, 2017.

We recommend the Village Fiscal Officer modify appropriations with the Village Council before incurring obligations that would cause expenditures to exceed appropriations. The Village Fiscal Officer should deny any payments until the legislative authority has passed the necessary changes to the appropriation measure.

**Management's Response** – Encumbrances were not calculated into the appropriations, but will be for the future.

**VILLAGE OF MARIEMONT**  
**HAMILTON COUNTY**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

Finding Number	Finding Summary	Status	Additional Information
2016-001	Ohio Revised Code Section 5705.09 – Establishment of Funds	Not Corrected	Repeated as Finding 2018-001
2016-002	Posting Receipts, Disbursements and Classification of Fund Balances	Not Corrected	Repeated as Finding 2018-002
2016-003	Ohio Revised Code Section 5705.41(B) – Disbursements Exceeding Appropriations	Not Corrected	Repeated as Finding 2018-003

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OHIO AUDITOR OF STATE  
**KEITH FABER**



**VILLAGE OF MARIEMONT**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 1, 2019**