



**Auditor of State  
Betty Montgomery**



VILLAGE OF MARIEMONT  
HAMILTON COUNTY

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## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT**

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Mariemont, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated April 10, 2003, 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 grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, Village Council, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

April 10, 2003

VILLAGE OF MARIEMONT  
HAMILTON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property Taxes and Other Local Taxes	\$250,401	\$57,685	\$0	\$352,612	\$660,698
Municipal Income Taxes	1,797,966	0	0	0	1,797,966
Intergovernmental Receipts	415,464	85,148	0	38,299	538,911
Charges for Services	279,894	0	0	0	279,894
Fines, Licenses, and Permits	150,668	5,434	0	0	156,102
Interest	33,197	1,432	0	4,997	39,626
Miscellaneous	202,803	16,223	0	7,492	226,518
<b>Total Cash Receipts</b>	<u>3,130,393</u>	<u>165,922</u>	<u>0</u>	<u>403,400</u>	<u>3,699,715</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	1,366,469	19,412	0	0	1,385,881
Public Health Services	5,695	0	0	0	5,695
Leisure Time Activities	601,401	90,976	0	0	692,377
Community Environment	67,516	0	0	0	67,516
Basic Utility Services	296,479	0	0	0	296,479
Transportation	35,494	15,335	0	0	50,829
General Government	481,918	18,329	0	0	500,247
Capital Outlay	0	0	0	213,000	213,000
<b>Total Cash Disbursements</b>	<u>2,854,972</u>	<u>144,052</u>	<u>0</u>	<u>213,000</u>	<u>3,212,024</u>
<b>Total Receipts Over Disbursements</b>	<u>275,421</u>	<u>21,870</u>	<u>0</u>	<u>190,400</u>	<u>487,691</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Advances-In	0	0	0	150,000	150,000
Advances-Out	(150,000)	0	0	0	(150,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(150,000)</u>	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<u>125,421</u>	<u>21,870</u>	<u>0</u>	<u>340,400</u>	<u>487,691</u>
<b>Fund Cash Balances - January 1, 2002</b>	<u>1,606,902</u>	<u>105,564</u>	<u>47</u>	<u>198,996</u>	<u>1,911,509</u>
<b>Fund Cash Balances - December 31, 2002</b>	<u><b>\$1,732,323</b></u>	<u><b>\$127,434</b></u>	<u><b>\$47</b></u>	<u><b>\$539,396</b></u>	<u><b>\$2,399,200</b></u>
<b>Reserves for Encumbrances - December 31, 2002</b>	<u><b>\$80,680</b></u>	<u><b>\$80,118</b></u>	<u><b>\$0</b></u>	<u><b>\$528,036</b></u>	<u><b>\$688,834</b></u>

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

VILLAGE OF MARIEMONT  
HAMILTON COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE - AGENCY FUND -  
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Agency Fund</u>
<b>Operating Cash Receipts:</b>	
Fines and Forfeitures	<u>\$115,438</u>
Total Operating Cash Receipts	115,438
<b>Operating Cash Disbursements:</b>	
Miscellaneous	<u>115,968</u>
Total Operating Cash Disbursements	115,968
Operating Loss	<u>(530)</u>
Net Receipts Under Disbursements	(530)
Fund Cash Balance - January 1, 2002	<u>530</u>
<b>Fund Cash Balance - December 31, 2002</b>	<u><u>\$0</u></u>

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

VILLAGE OF MARIEMONT  
HAMILTON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property Taxes and Other Local Taxes	\$114,329	\$60,976	\$157,591	\$381,337	\$714,233
Municipal Inome Taxes	1,604,500	0	0	0	1,604,500
Intergovernmental Receipts	679,290	100,720	0	38,125	818,135
Charges for Services	242,125	0	0	0	242,125
Fines, Licenses, and Permits	162,685	6,166	0	0	168,851
Interest	58,141	8,132	0	10,651	76,924
Miscellaneous	124,425	13,563	0	580	138,568
<b>Total Cash Receipts</b>	<b>2,985,495</b>	<b>189,557</b>	<b>157,591</b>	<b>430,693</b>	<b>3,763,336</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	1,364,447	18,923	0	0	1,383,370
Public Health Services	5,583	0	0	0	5,583
Leisure Time Activities	608,281	81,816	0	0	690,097
Community Environment	74,977	0	0	0	74,977
Basic Utility Services	313,636	0	0	0	313,636
Transportation	14,020	50,342	0	0	64,362
General Government	493,208	15,416	0	0	508,624
Debt Service:	0	0	157,596	0	157,596
Capital Outlay	0	0	0	402,472	402,472
<b>Total Cash Disbursements</b>	<b>2,874,152</b>	<b>166,497</b>	<b>157,596</b>	<b>402,472</b>	<b>3,600,717</b>
<b>Total Receipts Over Disbursements</b>	<b>111,343</b>	<b>23,060</b>	<b>(5)</b>	<b>28,221</b>	<b>162,619</b>
<b>Other Financing Receipts and (Disbursements):</b>					
Transfers-In	0	0	0	86,095	86,095
Transfers-Out	(86,095)	0	0	0	(86,095)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(86,095)</b>	<b>0</b>	<b>0</b>	<b>86,095</b>	<b>0</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>25,248</b>	<b>23,060</b>	<b>(5)</b>	<b>114,316</b>	<b>162,619</b>
Fund Cash Balances - January 1, 2001	1,581,654	82,504	52	84,680	1,748,890
<b>Fund Cash Balances - December 31, 2001</b>	<b><u>\$1,606,902</u></b>	<b><u>\$105,564</u></b>	<b><u>\$47</u></b>	<b><u>\$198,996</u></b>	<b><u>\$1,911,509</u></b>
Reserves for Encumbrances - December 31, 2001	\$59,726	\$29,999	\$0	\$69,904	\$159,629

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

VILLAGE OF MARIEMONT  
HAMILTON COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE - AGENCY FUND -  
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Agency Fund</u>
<b>Operating Cash Receipts:</b>	
Fines and Forfeitures	<u>\$122,329</u>
Total Operating Cash Receipts	<u>122,329</u>
<b>Operating Cash Disbursements:</b>	
Miscellaneous	<u>121,899</u>
Total Operating Cash Disbursements	<u>121,899</u>
Operating Income	<u>430</u>
Net Receipts Over Disbursements	430
Fund Cash Balance - January 1, 2001	<u>100</u>
<b>Fund Cash Balance - December 31, 2001</b>	<b><u><u>\$530</u></u></b>

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

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Village**

The Village of Mariemont, Hamilton County, Ohio (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected Mayor and six-member Council. The Village provides general governmental services, park operations and other leisure time activities, waste pick-up, and police and fire services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

During the period January 1, 2001 through December 31, 2002, the Village had investments with STAR Ohio. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

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

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Street Construction, Maintenance, and Repair Fund

This fund receives gasoline tax and motor vehicle tax monies for constructing, maintaining, and repairing Village streets.

Parks and Recreation Fund

Prior to 2001, this fund received monies from the sale of unused park land and from a Nature Works grant. Disbursements are made for the maintenance of parks.

**3. Debt Service Fund**

Debt Service funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service fund for 2001:

Note Retirement Fund

This fund was maintained for servicing a judgment bond anticipation notes. The note was paid off in 2001.

**4. Capital Project Fund**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Permanent Improvement Fund

This fund receives levy monies for street repairs; installation and repair of curbs, sidewalks, and storm sewers; tree maintenance; upgrading of parks; upgrading of street lights; reducing erosion; and the purchase of equipment and facilities for police, fire, and administrative departments.

**5. Fiduciary Fund - Agency Fund**

This fund accounts for the activities of the Village's Mayor's Court.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the legal level of control, and appropriations may not exceed estimated resources. The Council must annually approve an appropriation measure and any subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave (excluding sick leave). Unpaid leave is not reflected as a liability under the cash basis of accounting.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2002	2001
Demand deposits	\$1,648,658	\$1,174,823
Petty Cash	300	300
Total deposits	1,648,958	1,175,123
 STAR Ohio	 750,242	 736,916
Total investments	750,242	736,916
Total deposits and investments	\$2,399,200	\$1,912,039

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation or by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and December 31, 2001 follows:

**2002 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,889,300	\$3,130,393	\$241,093
Special Revenue	166,712	165,922	(790)
Debt Service	0	0	0
Capital Projects	547,780	403,400	(144,380)
Total	\$3,603,792	\$3,699,715	\$95,923

**2002 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,260,526	\$2,935,652	\$324,874
Special Revenue	271,108	224,170	46,938
Debt Service	0	0	0
Capital Projects	745,604	741,036	4,568
Total	\$4,277,238	\$3,900,858	\$ 376,380

**2001 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,684,750	\$2,985,495	\$300,745
Special Revenue	176,954	189,557	12,603
Debt Service	157,591	157,591	0
Capital Projects	547,639	516,788	(30,851)
Total	\$3,566,934	\$3,849,431	\$282,497

**2001 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,367,375	\$3,019,973	\$347,402
Special Revenue	215,871	196,496	19,375
Debt Service	157,596	157,596	0
Capital Projects	556,095	472,376	83,719
Total	\$4,296,937	\$3,846,441	\$450,496

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**4. PROPERTY TAX**

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

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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

**5. LOCAL EARNINGS TAX**

The Village levies an earnings tax of 1.25 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold the 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.

**6. DEBT**

Under authority of the general laws of the State of Ohio and the Uniform Public Securities Law of the Ohio Revised Code, and by virtue of an ordinance duly adopted on October 23, 2000 by the Council of the Village, a Judgment Anticipation Note was issued in 2000 for the purpose of paying a final judgment. The judgment was evidenced by a settlement approved by the Hamilton County Court of Common Pleas, Civil Division, in a matter involving a wrongful death claim. The Note principal and interest in the amount of \$157,596 was paid off in 2001.

**7. RETIREMENT SYSTEMS**

Village law enforcement officers and firefighters belong to the Ohio Police and Fire Pension Funds (OPFPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OPFPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, OPFPF participants contributed an amount equal to 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages and 24% of fire participant wages. PERS members contributed an amount equal to 8.5% of their wages. The Village contributed an average amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Village has paid all required contributions through December 31, 2002.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**8. RISK MANAGEMENT**

The Village belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered, self-insured risk management program and other administrative services.

The Plan provides coverage for property, liability, errors and omissions, law enforcement, automobile, crime, surety and bond, and other coverages. The Plan pays settlements and other expenses (up to prescribed limits) which exceed the member's deductible.

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions, and public officials' liability.



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Mariemont, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 10, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards, which is describe in the accompanying schedule of findings as item 2002-30431-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated April 10, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated April 10, 2003.

Village of Mariemont  
Hamilton County  
Independent Accountants' Report on Compliance and on  
Internal Control Required by Government Auditing Standards  
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

April 10, 2003

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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**FINDING NUMBER 2002-30431-001**

**Noncompliance Citation**

Ohio Rev. Code, Section 5705.41(D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be null and void, and no warrant shall be issued in payment of any amount due thereon.

The law provides for the following exception:

Then and Now Certificates: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing the certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing unit can authorize the drawing of a warrant. The taxing unit then has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing unity. For political subdivisions (other than counties), amounts of less than \$1,000 may be paid by the fiscal officer without such affirmation of the taxing unit upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not however eliminate any otherwise applicable requirement for approval of expenditures by the taxing unit.

Contrary to the above requirements, we noted 5 of 30 transactions (16% of transactions tested) in which the Village did not properly certify the availability of funds. The Village does not utilize "Then and Now Certificates" and therefore the exception to the requirement did not apply.

To ensure that all expenditures are properly encumbered, the Village should certify the availability of funds in compliance with the requirements described above.

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**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2000-30431-001	The annual report for the years 1999 and 2000 did not agree to the Village's receipts ledger and did not accurately affect the transactions of the Village. The financial statements required material audit adjustments and/or reclassifications.	Yes	Finding no longer valid. Some adjustments to the receipts ledger that were made by the Village Clerk when the 2001 annual report was prepared were not completely documented. However, the financial statements did not require material audit adjustments and/or reclassifications.





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**VILLAGE OF MARIEMONT**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 8, 2003**