



**VILLAGE OF MARIEMONT  
HAMILTON COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019**

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Marietta, OH 45750  
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Vienna, WV 26105  
304 422 2203

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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, 2019 through December 31, 2020. 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

December 02, 2021

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VILLAGE OF MARIEMONT  
HAMILTON COUNTY

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## INDEPENDENT AUDITOR'S REPORT

September 17, 2021

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 for each governmental and fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Mariemont, Hamilton County, Ohio (the Village).

### **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.

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***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, 2020 and 2019, and the respective 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 for each governmental and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village, 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.

***Emphasis of Matters***

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. In addition, as discussed in Note 14, during 2020, the Village adopted a change in accounting principle and removed the fund balance classification from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types. We did not modify our opinions regarding these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2021 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 & 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, 2020**

	<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	\$ 669,965	\$ 263,254	\$ 360,714	\$ 1,293,933
Municipal Income Tax	2,321,844	-	-	2,321,844
Intergovernmental	117,213	574,165	41,746	733,124
Charges for Services	323,830	63,875	-	387,705
Fines, Licenses and Permits	165,109	21,287	-	186,396
Earnings on Investments	4,205	-	-	4,205
Miscellaneous	426,903	-	168,509	595,412
<i>Total Cash Receipts</i>	<u>4,029,069</u>	<u>922,581</u>	<u>570,969</u>	<u>5,522,619</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	1,963,007	509,610	41,556	2,514,173
Public Health Services	11,135	-	6,943	18,078
Leisure Time Activities	748,916	38,735	-	787,651
Community Environment	85,753	65,955	-	151,708
Basic Utility Service	344,205	34,658	-	378,863
Transportation	12,701	22,400	44,422	79,523
General Government	673,973	50,372	4,446	728,791
Capital Outlay	-	-	11,815	11,815
Debt Service:				
Principal Retirement	-	988	128,287	129,275
Interest and Other Fiscal Charges	-	-	23,350	23,350
<i>Total Cash Disbursements</i>	<u>3,839,690</u>	<u>722,718</u>	<u>260,819</u>	<u>4,823,227</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>189,379</u>	<u>199,863</u>	<u>310,150</u>	<u>699,392</u>
<b>Other Financing Receipts</b>				
Sale of Capital Assets	50,000	-	-	50,000
<i>Total Other Financing Receipts</i>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
<i>Net Change in Fund Cash Balances</i>	239,379	199,863	310,150	749,392
<i>Fund Cash Balances, January 1</i>	<u>1,011,326</u>	<u>69,872</u>	<u>62,434</u>	<u>1,143,632</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,250,705</u>	<u>\$ 269,735</u>	<u>\$ 372,584</u>	<u>\$ 1,893,024</u>

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

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Fiduciary Fund Type</b>
	<b>Custodial</b>
<b>Additions</b>	
Charges for Services	\$ 8,807
Fines, Licences and Permits for Distribution	104,930
	113,737
<i>Total Additions</i>	113,737
<b>Deductions</b>	
Distributions to Other Governments	118,397
Distributions on Behalf of Employees	587
	118,984
<i>Total Deductions</i>	118,984
<i>Net Change in Fund Balances</i>	(5,247)
<i>Fund Cash Balances, January 1</i>	23,534
<i>Fund Cash Balances, December 31</i>	\$ 18,287

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, 2020*

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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 additions, deductions and changes in fund balances (regulatory cash basis) all 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.

***CARES Act Coronavirus Relief Fund*** – The CARES Act Fund accounts for and reports money from the state and county to cover costs associated with the COVID-19 pandemic.

***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:

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
*(Continued)*

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

***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, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial 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 custodial 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 2020 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.

**VILLAGE OF MARIEMONT**  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)

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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.

***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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

***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. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**VILLAGE OF MARIEMONT**  
**HAMILTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(Continued)

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Court Computer, FEMA, and Permanent Improvement Funds for the year ended December 31, 2020.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,902,813	\$ 4,079,069	\$ 176,256
Special Revenue	1,001,006	922,581	(78,425)
Capital Projects	502,460	570,969	68,509
Total	\$ 5,406,279	\$ 5,572,619	\$ 166,340

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,382,553	\$ 4,016,473	\$ 366,080
Special Revenue	987,591	781,304	206,287
Capital Projects	751,874	1,074,957	(323,083)
Total	\$ 6,122,018	\$ 5,872,734	\$ 249,284

**Note 5 – Deposits and Investments**

The Village maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2020 was as follows:

	2020
Demand Deposits	\$ 1,401,657
Total Deposits	1,401,657
Money Market Mutual Funds	509,654
Total Investments	509,654
Total Deposits and Investments	\$ 1,911,311

**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.

At December 31, 2020, \$298,067 of deposits were not insured or collateralized, due to reduced collateral through OPCS. The Village's depository institution was approved for a reduced collateral rate of 50% through the OPCS.

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
*(Continued)*

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**Note 5 – Deposits and Investments (Continued)**

***Investments***

Money market mutual funds are recorded at share values the mutual funds report.

**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**

***Risk Pool Membership***

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, 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.

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
*(Continued)*

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

***Risk Pool Membership (Continued)***

The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM's property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

Assets	\$ 18,826,974
Liabilities	<u>( 13,530,267)</u>
Members' Equity	<u>\$ 5,296,707</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 Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this 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, 2020.

***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, 2020.



**VILLAGE OF MARIEMONT**  
**HAMILTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
*(Continued)*

**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 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**Note 10 – Debt**

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ambulance Loan	\$ 186,683	3.99%
2019 Bonds	323,000	3.60%
OPWC CT07U	35,561	0.00%
OPWC CT11V	39,343	0.00%
	<u>\$ 584,587</u>	

In March 2019, the Village entered into a 5-year government obligation contract in the amount \$228,970. The proceeds were used to purchase a new ambulance. The contract matures on March 24, 2024 and bears interest at a rate of 3.99%.

In May 2019, the Village obtained a Building Improvement Bond Anticipation Note in the amount of \$450,000 at a rate of 3.6%. The proceeds were used to pay for the construction of an addition to the municipal building.

The Ohio Public Works Commission (OPWC) loan CT07U relates to the Settle Road improvement project. The loan is zero percent interest and matures in 2038 with semi-annual payments of \$988.

The Ohio Public Works Commission (OPWC) loan CT11V relates to the Madisonville Road rehabilitation project. The loan is zero percent interest and matures in 2040 with semi-annual payments of \$984.

**VILLAGE OF MARIEMONT**  
**HAMILTON COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(Continued)

**Note 10 – Debt (Continued)**

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

Year Ending December 31	2019 Bond	Ambulance Loan	OPWC Loans
2021	\$ 98,854	\$ 51,412	\$ 3,943
2022	98,650	51,412	3,943
2023	99,338	51,412	3,943
2024	49,882	51,412	3,943
2025	-	-	3,943
2026-2030	-	-	19,714
2031-2035	-	-	19,714
2036-2040	-	-	15,761
Total	<u>\$ 346,724</u>	<u>\$ 205,648</u>	<u>\$ 74,904</u>

**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 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**Note 13 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 176,783	\$ 58,586	\$ 814,138	\$ 1,049,507
<i>Total</i>	<u>\$ 176,783</u>	<u>\$ 58,586</u>	<u>\$ 814,138</u>	<u>\$ 1,049,507</u>

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
*(Continued)*

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**Note 13 – Fund Balances (Continued)**

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 14 – Change in Accounting Principles**

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) -- All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

**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, 2019**

	<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	\$ 653,101	\$ 255,869	\$ 349,270	\$ 1,258,240
Municipal Income Tax	2,419,562	-	-	2,419,562
Intergovernmental	131,727	234,985	37,372	404,084
Charges for Services	415,020	71,988	-	487,008
Fines, Licenses and Permits	150,876	20,492	-	171,368
Earnings on Investments	7,280	-	6,950	14,230
Miscellaneous	106,059	-	21,701	127,760
<i>Total Cash Receipts</i>	<u>3,883,625</u>	<u>583,334</u>	<u>415,293</u>	<u>4,882,252</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	1,953,265	310,632	59,112	2,323,009
Public Health Services	10,742	-	-	10,742
Leisure Time Activities	833,770	-	29,418	863,188
Community Environment	67,664	64,312	-	131,976
Basic Utility Services	283,325	36,171	-	319,496
Transportation	14,797	122,984	289,046	426,827
General Government	750,561	3,218	14,592	768,371
Capital Outlay	-	108,843	276,692	385,535
Debt Service:				
Principal Retirement	-	988	668,148	669,136
Interest and Fiscal Charges	-	-	17,375	17,375
<i>Total Cash Disbursements</i>	<u>3,914,124</u>	<u>647,148</u>	<u>1,354,383</u>	<u>5,915,655</u>
<i>Excess of Receipts (Under) Disbursements</i>	<u>(30,499)</u>	<u>(63,814)</u>	<u>(939,090)</u>	<u>(1,033,403)</u>
<b>Other Financing Receipts</b>				
Sale of Bonds	-	-	450,000	450,000
Other Debt Proceeds	-	39,343	228,970	268,313
<i>Total Other Financing Receipts</i>	<u>-</u>	<u>39,343</u>	<u>678,970</u>	<u>718,313</u>
<i>Net Change in Fund Cash Balances</i>	<u>(30,499)</u>	<u>(24,471)</u>	<u>(260,120)</u>	<u>(315,090)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,041,825</u>	<u>94,343</u>	<u>322,554</u>	<u>1,458,722</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	69,872	62,434	132,306
Assigned	479,740	-	-	479,740
Unassigned	531,586	-	-	531,586
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,011,326</u>	<u>\$ 69,872</u>	<u>\$ 62,434</u>	<u>\$ 1,143,632</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, 2019**

	<b>Fiduciary Fund Type</b>
	<b>Agency</b>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 1,150
<i>Total Operating Cash Receipts</i>	1,150
<b>Operating Cash Disbursements</b>	
Employee Fringe Benefits	583
Contractual Services	637
<i>Total Operating Cash Disbursements</i>	1,220
<i>Operating Income</i>	(70)
<b>Non-Operating Receipts (Disbursements)</b>	
Other Financing Sources	107,437
Other Financing Uses	(96,360)
<i>Total Non-Operating Receipts (Disbursements)</i>	11,077
<i>Net Change in Fund Cash Balances</i>	11,007
<i>Fund Cash Balances, January 1</i>	12,527
<i>Fund Cash Balances, December 31</i>	\$ 23,534

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, 2019**

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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.

***Alcohol Education & Enforcement Fund*** – The Alcohol Education & Enforcement Fund accounts for and reports resources restricted for the use of police enforcement and awareness of alcohol.

***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:

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(Continued)

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

***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, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial 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 custodial 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 2020 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.

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(Continued)

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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.

***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.

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Street and Permanent Improvement Funds for the year ended December 31, 2019.



**VILLAGE OF MARIEMONT**  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,880,000	\$ 3,883,625	\$ 3,625
Special Revenue	548,000	622,677	74,677
Capital Projects	530,000	1,094,263	564,263
Total	\$ 4,958,000	\$ 5,600,565	\$ 642,565

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,345,171	\$ 4,132,807	\$ 212,364
Special Revenue	743,464	680,339	63,125
Capital Projects	1,198,631	1,701,897	(503,266)
Total	\$ 6,287,266	\$ 6,515,043	\$ (227,777)

**Note 5 – Deposits and Investments**

The Village maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2019 was as follows:

	2019
Demand Deposits	\$ 161,213
Total Deposits	161,213
Money Market Mutual Funds	1,005,953
Total Investments	1,005,953
Total Deposits and Investments	\$ 1,167,166

**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.

**Investments**

Money market mutual funds are recorded at share values the mutual funds report.

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
*(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**

***Risk Pool Membership***

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, 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. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(Continued)

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

***Risk Pool Membership (Continued)***

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>( 11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</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 Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this 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, 2019.

***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, 2019.

**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 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**VILLAGE OF MARIEMONT**  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)

**Note 10 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Ambulance Loan	\$ 228,970	3.99%
2019 Bonds	409,000	3.60%
OPWC CT07U	36,549	0.00%
OPWC CT11V	39,343	0.00%
	\$ 713,862	

In March 2019, the Village entered into a 5-year government obligation contract in the amount \$228,970. The proceeds were used to purchase a new ambulance. The contract matures on March 24, 2024 and bears interest at a rate of 3.99%.

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 were used to pay for the construction of an addition to the municipal building. This bond debt was paid off in 2019.

In May 2019, the Village obtained a Building Improvement Bond Anticipation Note in the amount of \$450,000 at a rate of 3.6%. The proceeds were used to pay for the construction of an addition to the municipal building.

The Ohio Public Works Commission (OPWC) loan CT07U relates to the Settle Road improvement project. The loan is zero percent interest and matures in 2038 with semi-annual payments of \$988. This OPWC loan was omitted from the prior audit. The correct amount outstanding as of December 31, 2018 was \$37,537.

The Ohio Public Works Commission (OPWC) loan CT11V relates to the Madisonville Road rehabilitation project. The loan is zero percent interest and matures in 2040 with semi-annual payments of \$984.

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

Year Ending December 31	2019 Bond	Ambulance Loan	OPWC Loans
2020	\$ 99,950	\$ 51,412	\$ 987
2021	98,854	51,412	3,943
2022	98,650	51,412	3,943
2023	99,338	51,412	3,943
2024	49,882	51,412	3,943
2025-2029	-	-	19,714
2030-2034	-	-	19,714
2035-2039	-	-	17,738
2040-2044	-	-	1,967
Total	\$ 446,674	\$ 257,060	\$ 75,892

**VILLAGE OF MARIEMONT**  
*HAMILTON COUNTY*  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2019*  
*(Continued)*

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**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 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

September 17, 2021

Village of Mariemont  
Hamilton County  
6907 Wooster Pike  
Cincinnati, Ohio 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 for each governmental and fiduciary fund type as of and for the year ended December 31, 2020 and for each governmental and fiduciary fund type combined total as of and for the year ended December 31, 2019, and related notes of the **Village of Mariemont**, Hamilton County, (the Village) and have issued our report thereon dated September 17, 2021, 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. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village. We also noted that the Village adopted a change in accounting principle and removed the fund balance classification from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

**Internal Control Over Financial Reporting**

As part of our financial statement audit, we considered the Village’s internal control over financial reporting (internal control) as a basis for designing 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 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.

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

### **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 internal control deficiencies 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 2020-001 and 2020-002 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 financial statements. 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 2020-002 and 2020-003.

### ***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 report 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, 2020 - 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2020-001**

**Material Weakness**

**Financial Reporting**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- A debt payment for the ambulance loan was misclassified as Security of Persons and Property instead of Principal Retirement and Interest and Fiscal Charges in 2020;
- OPWC debt payments were misclassified as Transportation instead of Principal Retirement in the State Highway Funds in 2020 and 2019;
- OPWC grant proceeds, debt proceeds and the corresponding Capital Outlay disbursements were not recorded in the Street Fund in 2019;
- Debt proceeds and the corresponding Capital Outlay disbursement for an ambulance loan were not recorded in 2019;
- A Sale of Bonds receipt for the 2019 Bonds and a corresponding Principal Retirement disbursement for the 2017 Bonds was not recorded in 2019;
- A portion of the debt payment for the retirement of the 2017 Bonds was misclassified as Transportation instead of Principal Retirement in 2019;
- Grant receipts were misclassified as Fines, Licenses and Permits instead of Intergovernmental in the Alcohol Education and Enforcement Fund in 2019;
- The sale of assets was misclassified as Miscellaneous instead of Sale of Capital Assets in the General Fund in 2020; and
- Transfers Out in the Permanent Improvement Fund and Transfers In in the Debt Service Funds were eliminated from financial statement presentation for 2020 and 2019 due to the Village not having established a corresponding Debt Service Fund.

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

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**Official's Response** – We agree with your findings and recommendations and have established the proper funds when we converted to the UAN accounting system in 2021.



VILLAGE OF MARIEMONT  
HAMILTON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019

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

FINDING NUMBER 2020-002

**Material Weakness/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 2019, the Village issued a general obligation bond for the purpose of permanently financing outstanding bond anticipation notes but did not establish a Debt Service Fund to separately account for the debt payment activity. Activity was incorrectly posted to the Permanent Improvement Fund.

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.

**Official's Response** – We agree with your findings and recommendations and have established the proper funds in 2021.

FINDING NUMBER 2020-003

**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 Court Computer, FEMA, and Permanent Improvement Funds for the year ended December 31, 2020. Actual disbursements exceeded appropriations in the Street Construction, Maintenance and Repair and Permanent Improvement Funds for the year ended December 31, 2019.

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.

**Official's Response** – We agree with your findings and recommendations and we believe the new UAN system will provide better controls regarding appropriations and spending.

**VILLAGE OF MARIEMONT  
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019**

Finding Number	Finding Summary	Status	Additional Information
2018-001	Ohio Revised Code Section 5705.09 – Establishment of Funds	Not Corrected	Repeated as Finding 2020-002
2018-002	Posting Receipts, Disbursements and Classification of Fund Balances	Not Corrected	Repeated as Finding 2020-001
2018-003	Ohio Revised Code Section 5705.41(B) – Disbursements Exceeding Appropriations	Not Corrected	Repeated as Finding 2020-003

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF MARIEMONT**

**HAMILTON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 12/14/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)