



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Marble Cliff, Franklin County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998. 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 generally accepted auditing standards 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, 1999 and December 31, 1998, 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 February 25, 2000 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.

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

JIM PETRO
Auditor of State

February 25, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$517,084	\$1,144	\$0	\$518,228
Intergovernmental Receipts	147,048	13,921	0	160,969
Fines, Licenses, and Permits	20,780	0	0	20,780
Earnings on Investments	42,679	2,608	0	45,287
Miscellaneous	4,536	0	100	4,636
Total Cash Receipts	732,127	17,673	100	749,900
Cash Disbursements:				
Current:				
Security of Persons and Property	251,452	0	0	251,452
Public Health Services	10,953	0	0	10,953
Leisure Time Activities	60,898	0	0	60,898
Community Environment	14,364	0	0	14,364
Basic Utility Services	158,127	313	0	158,440
Transportation	0	122,035	0	122,035
General Government	153,683	0	0	153,683
Total Disbursements	649,477	122,348	0	771,825
Total Receipts Over/(Under) Disbursements	82,650	(104,675)	100	(21,925)
Other Financing Receipts/(Disbursements):				
Transfers-In	0	100,000	0	100,000
Transfers-Out	(100,000)	0	0	(100,000)
Total Other Financing Receipts/(Disbursements)	(100,000)	100,000	0	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(17,350)	(4,675)	100	(21,925)
Fund Cash Balances, January 1	896,458	44,329	1,298	942,085
Fund Cash Balances, December 31	\$879,108	\$39,654	\$1,398	\$920,160
Reserves for Encumbrances, December 31	\$69,702	\$4,447	\$0	\$74,149

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
Operating Cash Receipts:			
Earnings on Investments	\$10,447	\$0	\$10,447
Total Operating Cash Receipts	10,447	0	10,447
Operating Cash Disbursements:			
Miscellaneous	0	24,097	24,097
Total Operating Cash Disbursements	0	24,097	24,097
Operating Income/(Loss)	10,447	(24,097)	(13,650)
Non-Operating Cash Receipts:			
Fines, Licenses, and Permits	0	24,112	24,112
Total Non-Operating Cash Receipts	0	24,112	24,112
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements	10,659	0	10,659
Total Non-Operating Cash Disbursements	10,659	0	10,659
Net Receipts Over/(Under) Disbursements	(212)	15	(197)
Fund Cash Balances, January 1	202,889	0	202,889
Fund Cash Balances, December 31	<u>\$202,677</u>	<u>\$15</u>	<u>\$202,692</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$566,157	\$1,384	\$0	\$567,541
Intergovernmental Receipts	74,324	25,874	0	100,198
Fines, Licenses, and Permits	21,387	0	0	21,387
Earnings on Investments	46,743	833	0	47,576
Miscellaneous	7,149	0	160	7,309
Total Cash Receipts	<u>715,760</u>	<u>28,091</u>	<u>160</u>	<u>744,011</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	244,647	0	0	244,647
Public Health Services	11,642	0	0	11,642
Leisure Time Activities	48,731	0	375	49,106
Community Environment	6,148	0	0	6,148
Basic Utility Services	95,033	0	0	95,033
Transportation	1,500	59,834	0	61,334
General Government	142,930	0	0	142,930
Capital Outlay	9,963	0	0	9,963
Total Disbursements	<u>560,594</u>	<u>59,834</u>	<u>375</u>	<u>620,803</u>
Total Receipts Over/(Under) Disbursements	<u>155,166</u>	<u>(31,743)</u>	<u>(215)</u>	<u>123,208</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	0	55,000	0	55,000
Transfers-Out	(55,000)	0	0	(55,000)
Contingencies	(6,720)	0	0	(6,720)
Total Other Financing Receipts/(Disbursements)	<u>(61,720)</u>	<u>55,000</u>	<u>0</u>	<u>(6,720)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>93,446</u>	<u>23,257</u>	<u>(215)</u>	<u>116,488</u>
Fund Cash Balances, January 1	<u>803,014</u>	<u>21,072</u>	<u>1,513</u>	<u>825,599</u>
Fund Cash Balances, December 31	<u><u>\$896,460</u></u>	<u><u>\$44,329</u></u>	<u><u>\$1,298</u></u>	<u><u>\$942,087</u></u>
Reserves for Encumbrances, December 31	<u><u>\$17,448</u></u>	<u><u>\$0</u></u>	<u><u>\$313</u></u>	<u><u>\$17,761</u></u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
Operating Cash Receipts:			
Earnings on Investments	\$8,257	\$0	\$8,257
Total Operating Cash Receipts	<u>8,257</u>	<u>0</u>	<u>8,257</u>
Operating Cash Disbursements:			
Miscellaneous	0	28,549	28,549
Total Operating Cash Disbursements	<u>0</u>	<u>28,549</u>	<u>28,549</u>
Operating Income/(Loss)	<u>8,257</u>	<u>(28,549)</u>	<u>(20,292)</u>
Non-Operating Cash Receipts:			
Fines, Licenses, and Permits	0	27,724	27,724
Total Non-Operating Cash Receipts	<u>0</u>	<u>27,724</u>	<u>27,724</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements	10,091	0	10,091
Total Non-Operating Cash Disbursements	<u>10,091</u>	<u>0</u>	<u>10,091</u>
Net Receipts Over/(Under) Disbursements	(1,834)	(825)	(2,659)
Fund Cash Balances, January 1	<u>204,723</u>	<u>825</u>	<u>205,548</u>
Fund Cash Balances, December 31	<u>\$202,889</u>	<u>\$0</u>	<u>\$202,889</u>
Reserve for Encumbrances, December 31	<u>\$909</u>	<u>\$0</u>	<u>\$909</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Marble Cliff, Franklin County, (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 six-member Council. The Village contracts with the City of Columbus to provide water and sewer service and income tax collection service. The Village contracts with the City of Grandview for police and fire protection and use of their Mayor's Court.

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

Certificates of deposit are valued at cost. 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.

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:

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

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

P. J. Falco Nonexpendable Trust Fund - This fund receives money contributed by Paul J. Falco for the purpose of establishing a scholarship fund for the children of parents who are residents of the Village.

P. J. Falco Expendable Trust Fund - This fund receives all interest generated in the P. J. Falco non-expendable trust fund for the purpose of supporting the scholarship fund.

Mayor's Court Agency Fund - This fund is used to account for the activities of the Mayor's Court.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

2. Estimated Resources

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

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 1999 and 1998 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.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

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:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 30,344	\$ 162,574
Certificates of deposit	<u>1,092,508</u>	<u>982,402</u>
Total deposits	<u>\$ 1,122,852</u>	<u>\$ 1,144,976</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: The Village did not have any investments during 1999 or 1998.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 719,470	\$ 732,127	\$ 12,657
Special Revenue	116,300	117,673	1,373
Fiduciary	<u>46,000</u>	<u>34,659</u>	<u>(11,341)</u>
Total	<u>\$ 881,770</u>	<u>\$ 884,459</u>	<u>\$ 2,689</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 939,998	\$ 819,179	\$ 120,819
Special Revenue	140,313	126,795	13,518
Fiduciary	<u>47,207</u>	<u>34,756</u>	<u>12,451</u>
Total	<u>\$ 1,127,518</u>	<u>\$ 980,730</u>	<u>\$ 146,788</u>

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 699,670	\$ 715,760	\$ 16,090
Special Revenue	81,300	83,091	1,791
Fiduciary	60,160	36,141	(24,019)
Total	\$ 841,130	\$ 834,992	\$ (6,138)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 777,901	\$ 639,762	\$ 138,139
Special Revenue	92,500	59,834	32,666
Fiduciary	66,688	40,237	26,451
Total	\$ 937,089	\$ 739,833	\$ 197,256

4. PROPERTY TAX

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 payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

5. RETIREMENT SYSTEMS

The Village's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan 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. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

6. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

7. SUBSEQUENT EVENT

On March 7, 2000, the Village passed a income tax levy that increased their current percentage from one to two percent. This increase becomes effective January 1, 2001, to be used for purchase of land and the general operation on the Village.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

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

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Marble Cliff, Franklin County, Ohio (the Village), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated February 25, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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.

Village of Marble Cliff
Franklin County
Report of Independent Accountants on Compliance and on Internal
Control Required by *Government Auditing Standards*

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

JIM PETRO
Auditor of State

February 25, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF MARBLE CLIFF

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 6, 2000**