



Dave Yost • Auditor of State

VILLAGE OF BELLAIRE
BELMONT COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2010.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2010.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21
Schedule of Findings.....	23
Schedule of Prior Audit Finding	28

This page intentionally left blank.



Dave Yost • Auditor of State

Village of Bellaire
Belmont County
3197 Belmont Street
Bellaire, Ohio 43906

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 15, 2011

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Bellaire
Belmont County
3197 Belmont Street
Bellaire, Ohio 43906

To the Village Council:

We have audited the accompanying financial statements of the Village of Bellaire, Belmont County, Ohio (the Village), as of and for the year ended December 31, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity-wide statements and also presenting the Village's larger (i.e., major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2010, or its changes in financial position or cash flows, where applicable for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Bellaire, Belmont County, as of December 31, 2010, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2011, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

July 15, 2011

VILLAGE OF BELLAIRE
BELMONT COUNTY, OHIO

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Income Taxes	\$ 671,808	\$ 0	\$ 0	\$ 671,808
Property and Other Taxes	78,053	43,445	0	121,498
Charges for Services	78,728	24,288	0	103,016
Fines, Licenses and Permits	85,622	684	0	86,306
Intergovernmental	391,039	218,277	0	609,316
Earnings on Investments	25,330	1,211	0	26,541
Rental Income	0	0	26,130	26,130
Miscellaneous	26,206	2,555	1,620	30,381
	<u>1,356,786</u>	<u>290,460</u>	<u>27,750</u>	<u>1,674,996</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	409,627	0	0	409,627
Security of Persons and Property	830,487	2,902	0	833,389
Transportation	0	340,201	0	340,201
Community Environment	6,140	74,611	0	80,751
Debt Service:				
Principal Retirement	13,855	49,186	0	63,041
Interest and Fiscal Charges	773	35,574	0	36,347
	<u>1,260,882</u>	<u>502,474</u>	<u>0</u>	<u>1,763,356</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>95,904</u>	<u>(212,014)</u>	<u>27,750</u>	<u>(88,360)</u>
Other Financing Receipts/Disbursements				
Transfers - In	60,000	0	0	60,000
Proceeds of Loans	0	126,394	0	126,394
Other Financing Receipts	18,140	0	0	18,140
Transfers - Out	0	0	(60,000)	(60,000)
	<u>78,140</u>	<u>126,394</u>	<u>(60,000)</u>	<u>144,534</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>174,044</u>	<u>(85,620)</u>	<u>(32,250)</u>	<u>56,174</u>
Fund Cash Balances, January 1	<u>300,645</u>	<u>446,708</u>	<u>36,011</u>	<u>783,364</u>
Fund Cash Balances, December 31	<u>\$ 474,689</u>	<u>\$ 361,088</u>	<u>\$ 3,761</u>	<u>\$ 839,538</u>

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

VILLAGE OF BELLAIRE
BELMONT COUNTY, OHIO

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES -
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Proprietary Fund Type		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Agency	
Operating Cash Receipts:				
Charges for Services	\$ 1,758,721	\$ 421,860	\$ 0	\$ 2,180,581
Miscellaneous	2,959	0	0	2,959
Total Operating Cash Receipts	<u>1,761,680</u>	<u>421,860</u>	<u>0</u>	<u>2,183,540</u>
Operating Cash Disbursements:				
Personal Services	864,100	0	0	864,100
Contractual Services	305,988	0	0	305,988
Materials and Supplies	222,673	0	0	222,673
Claims	0	185,064	0	185,064
Purchased Services	0	113,582	0	113,582
Capital Outlay	975,197	0	0	975,197
Total Operating Cash Disbursements	<u>2,367,958</u>	<u>298,646</u>	<u>0</u>	<u>2,666,604</u>
Operating Income/(Loss)	<u>(606,278)</u>	<u>123,214</u>	<u>0</u>	<u>(483,064)</u>
Non-Operating Cash Receipts:				
Other Non-Operating Receipts	2,719	81	23,111	25,911
Proceeds from OWDA Loans	841,928	0	0	841,928
Intergovernmental	644,000	0	0	644,000
Interest Earnings	256	1,541	0	1,797
Total Non-Operating Cash Receipts	<u>1,488,903</u>	<u>1,622</u>	<u>23,111</u>	<u>1,513,636</u>
Non-Operating Cash Disbursements:				
Other Non-Operating Disbursements	0	0	23,110	23,110
Principal Retirement	789,538	0	0	789,538
Interest and Fiscal Charges	22,589	0	0	22,589
Total Non-Operating Cash Disbursements	<u>812,127</u>	<u>0</u>	<u>23,110</u>	<u>835,237</u>
Net Receipts Over Disbursements	70,498	124,836	1	195,335
Fund Cash Balances, January 1	<u>721,967</u>	<u>0</u>	<u>84</u>	<u>722,051</u>
Fund Cash Balance, December 31	<u><u>\$ 792,465</u></u>	<u><u>\$ 124,836</u></u>	<u><u>\$ 85</u></u>	<u><u>\$ 917,386</u></u>

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

**VILLAGE OF BELLAIRE
BELMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Bellaire (the Village), is a body politic, incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the laws of the State of Ohio. The Village is located in Belmont County, in Southeastern Ohio, on the Ohio River. Bellaire was incorporated as a village in 1860. The Village was established as a statutory municipal corporation in 1873. Bellaire has a land area of 1.9 square miles and a 2001 census population of 4,892. A publicly-elected six-member Council governs the Village. The Village provides water, sewer and sanitation utilities, maintenance of Village streets, recreation, fire and emergency medical services, and police services. The Village contracts with the Neff's Volunteer Fire Department to provide fire protection and emergency medical services. The Village is involved with the Eastern Ohio Regional Transit Authority, Ohio Mid-Eastern Governments Association (OMEGA), Jefferson-Belmont Joint Solid Waste Authority, Bel-O-Mar Regional Council, and the Eastern Ohio Regional Wastewater Authority (EORWA), which are defined as jointly governed organizations. The Village also participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Notes 6 and 12 to the financial statements provides additional information for these entities.

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

B. Basis of Accounting

These financial statements follow the accounting basis the Auditor of State prescribes or permits. 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 Auditor of State prescribes or permits.

C. Cash and Investments

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

VILLAGE OF BELLAIRE
BELMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

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

3. Capital Projects Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project fund:

Commerce Park Fund – This fund accounts for property rental fees charged to businesses located on Village owned property.

4. Enterprise Funds

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

Water Fund – This fund accounts for the provision of water service to the residents and commercial users within the Village.

Sanitation Fund – This fund accounts for the provision of sanitation services to the residents and commercial users located within the Village

5. Internal Service Fund

This fund accounts for services provided by one department to other departments of the governmental unit. The Village had the following Internal Service Fund:

Self-funded Insurance Medical Fund – This fund receives insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

6. Agency Funds

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for the financial activity of the 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 object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 individual commitments are made. The Village did not use the encumbrance method of accounting.

A summary of 2010 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. 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.

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)**

NOTE 2 – EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2010 was as follows:

Demand deposits	\$1,567,295
-----------------	--------------------

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

Cash on Hand: At year end, the Village had \$225 in undeposited cash on hand which is included as part of the Village’s fund balances.

Investments Held by a Third Party Trustee: As a result of bond indenture covenants, the Village has reported the market value of shares in a U.S. Treasury Money Market Mutual Fund, held by a third party trustee (The Bank of New York Trust Company), in the amount of \$64,568 and included in the fund balance of the Enterprise Funds. These restricted assets reflect the amount of accumulated resources for principal and interest payments for water system improvements.

Cash with Fiscal Agent: The Village has \$124,836 representing internal service fund cash with fiscal agent. All benefit deposits are made to the Consortium’s depository account. Collateral is held by a qualified third-party trustee in the name of the Consortium.

NOTE 3 – BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2010, follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,356,160	\$1,434,926	\$78,766
Special Revenue	377,193	416,854	39,661
Capital Projects	24,000	27,750	3,750
Enterprise	2,921,512	3,250,583	329,071
Internal Service	0	423,482	423,482
Total	\$4,678,865	\$5,553,595	\$874,730

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,451,670	\$1,260,882	\$190,788
Special Revenue	497,348	502,474	(5,126)
Capital Projects	60,000	60,000	0
Enterprise	2,646,305	3,180,085	(533,780)
Internal Service	0	298,646	(298,646)
Total	\$4,655,323	\$5,302,087	(\$646,764)

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)**

NOTE 3 – BUDGETARY ACTIVITY (Continued)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the State Highway, State Highway Rte. 149 Project, Brooksrn Water Project, and Self-funded Insurance Medical Funds' by \$1,100, \$1,199, \$566,968, and \$298,646, respectively.

NOTE 4 – PROPERTY TAX

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.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2009 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single village taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

NOTE 5 - INCOME TAX

The Village levies a municipal income tax of 1% on substantially all income earned within the Village. In addition, the residents of the Village are required to pay income tax on income earned outside the Village; however, the Village allows a credit for income taxes paid to another municipality up to 100% of the Village's current tax rate.

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

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, maintenance of equipment, new equipment, extension and enlargement of municipal services and facilities, and capital improvements as determined by Village Council. Income tax collections for 2010 were \$671,808 and proceeds were allocated to the Village's General Fund.

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)**

NOTE 6 - RISK MANAGEMENT

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2009, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with accounting principles generally accepted in the United States of America, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008 (the latest information available):

	<u>2009</u>	<u>2008</u>
Casualty Coverage and Property Coverage		
Assets	\$ 36,374,898	\$ 35,769,535
Liabilities	<u>(15,256,862)</u>	<u>(15,310,206)</u>
Net Assets	<u>\$ 21,118,036</u>	<u>\$ 20,459,329</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$14.1 million and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Village's share of these unpaid claims collectible in future years is approximately \$53,000.

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)**

NOTE 6 - RISK MANAGEMENT (Continued)

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
<u>2010</u>	<u>2009</u>
\$55,673	\$60,789

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Settlements have not exceeded coverage in any of the last three fiscal years. There has not been a significant reduction in coverage from the prior year.

The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs to provide coverage to employees for job related injuries.

Self Insurance

The Village is also self insured for employee health insurance. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on an actuarially determined cost per employee. A comparison of Self Insurance Fund cash and investments to the actuarially-measured liability as of December 31 follows:

	<u>2010</u>
Cash and investments	\$124,836
Actuarial liabilities	\$19,226

NOTE 7 – RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police and Fire Pension Fund (OP&F). Other full-time employees and most Village officials belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes the plans' retirement benefits, including postretirement healthcare and survivor and disability benefits.

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)**

NOTE 7 – RETIREMENT SYSTEMS (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2010, OP&F participants contributed 10 percent of their wages. The Village contributed an amount equal to 19.5 percent of police participant wages. OPERS members contributed 10 percent of their wages. The Village contributed an amount equal to 14.0 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2010.

Three officials contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2010, employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal for 6.2 percent of participant's gross salaries.

NOTE 8 – DEBT

Debt outstanding at December 31, 2010, was as follows:

	Principal	Interest Rate
<u>Enterprise Fund Obligations</u>		
<i>General Obligation Bonds:</i>		
Sanitary Sewer Bond	\$ 269,600	5.00%
OWDA Loan	197,928	0.00%
<i>Total Enterprise Fund Obligations</i>	467,528	
<u>Governmental Fund Obligations</u>		
Boat Launch Installment Note	18,606	4.90%
Line of Credit	126,394	5.00%
Police & Fire Pension	322,418	4.25%
<i>Capital Leases:</i>		
Fire Truck Lease	298,316	5.89%
<i>Total Governmental Fund Obligations</i>	765,734	
Grand Total	\$ 1,233,262	

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)**

NOTE 8 – DEBT (Continued)

The Enterprise Fund obligations (general obligation bonds and OWDA loan) will be paid from revenues derived from charges for services in the enterprise funds. The Governmental Fund obligations will be paid as follows: The installment note will be paid with revenues from the General Fund. The line of credit will be paid from the State Route 149 Special Revenue Fund. The police and fire pension liability will be paid from property tax revenues from the Police Pension and Fire Pension Funds.

The capital lease obligation for the fire truck will be paid from the Fire Levy Special Revenue Fund.

The installment note is backed by the full faith and credit of the Village of Bellaire.

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

<u>Governmental Funds</u>			
<u>Year</u>	<u>Installment Note</u>	<u>Police and Fire Pension</u>	<u>Total</u>
2011	\$ 11,671	\$ 21,330	\$ 33,001
2012	7,835	21,330	29,165
2013	0	21,330	21,330
2014	0	21,330	21,330
2015	0	21,330	21,330
2016-2020	0	106,648	106,648
2021-2025	0	106,648	106,648
2026-2030	0	106,649	106,649
2031-2035	0	95,022	95,022
	<u>\$ 19,506</u>	<u>\$ 521,617</u>	<u>\$ 541,123</u>

<u>Enterprise Funds</u>	
<u>Year</u>	<u>General Obligation Bonds</u>
2011	\$ 23,080
2012	23,000
2013	23,000
2014	23,075
2015	23,020
2016-2020	115,285
2021-2025	115,420
2026-2028	69,400
	<u>\$ 415,280</u>

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)**

NOTE 8 – DEBT (Continued)

During 2009, the Ohio Water Development Authority (OWDA) approved a loan in the amount of \$973,291 to the Village for the Brooks Run Waterline Replacement project. Of this amount, \$644,000 in principal was forgiven through assistance from funding through the American Recovery and Reinvestment Act of 2009 (ARRA) which leaves \$329,291 to be the total amount financed by the Village. The Village will repay the 0% interest in semi-annual installments with the first payment due in 2011, with final payment due in 2041. As of December 31, 2010, \$197,928 is the total principal outstanding on this loan. Because the loan is not fully drawn down as of December 31, 2010, it is not included in the amortization schedules above. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The waterline replacement project was started during 2010.

During 2010, the Village received proceeds from a Line of Credit to fund work performed on the State Route 149 project. The amount advanced on the line of credit was \$126,394 and the maturity date is July 14, 2011. The line of credit carries an interest rate of 5 percent. The Ohio Department of Transportation will reimburse the Village for the cost of this project and the line of credit will be paid off when those funds are received.

NOTE 9 - CAPITAL LEASES

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2010:

Governmental	
Year	Fire Truck
2011	\$ 47,831
2012	47,831
2013	47,831
2014	47,831
2015	47,831
2016-2018	143,490
Total Minimum Lease Payments	382,645
Less: Amount representing interest	(84,329)
Present value of minimum lease payments	\$ 298,316

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)**

NOTE 10 – OTHER LIABILITIES

During 2008, the Village entered into a contract with the Ohio Department of Transportation (ODOT) to provide for payment in the amount of \$200,000 which is a portion of the cost of the relocation of State Route 149. The Village pledges its rights, title and interest in the Village's Motor Vehicle Gasoline Tax Revenues to ODOT. If the funds from Motor Vehicle Gasoline Tax Revenues are insufficient to make any required payment, the Village agrees to use its General Fund revenue. On September 24, 2007, the Village paid a \$1,500 deposit leaving the total amount pledged as \$198,500. This amount is to be paid over fifteen years. The total amount outstanding on this pledge at December 31, 2010 was \$168,500.

Amortization of the above pledge is scheduled as follows:

<u>Year</u>	<u>Pledge to ODOT</u>
2011	\$ 10,000
2012	10,000
2013	15,000
2014	15,000
2015	15,000
2016-2020	75,000
2021-2026	28,500
	<u>\$ 168,500</u>

NOTE 11 – TRANSFERS

During 2010, the Village obtained court approval allowing the Commerce Park Capital Projects Fund to transfer \$60,000 to the General Fund. The Commerce Park Fund had an excess of unused funds and the General Fund lacked insufficient monies to meet anticipated revenues through the end of fiscal year 2010.

NOTE 12 – JOINTLY GOVERNED ORGANIZATIONS

- A. Eastern Ohio Regional Transit Authority was established to provide transportation to the residents of the Ohio Valley and is statutorily created as a separate and distinct political subdivision of the State. The Authority is operated by a board of directors that is appointed by the nine Mayors of the municipalities served by the Authority. The Village did not contribute any amounts to the Authority during 2010. The continued existence of the Authority is not dependent on the Village's continued participation and no equity interest exists. The Authority has no outstanding debt for which the Village of Bellaire is responsible.

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)**

NOTE 12 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

- B. Ohio Mid-Eastern Governments Association (OMEGA) is a ten county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum, and Tuscarawas counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a sixteen member executive board comprised of members appointed from each participating county and cities within each county. Village membership is voluntary. The Mayor of the Village of Bellaire serves as the Village's representative on the board. The board has total control over budgeting, personnel, and financial matters. Each member currently pays a per capita membership fee based upon the most recent United States census. During 2010, OMEGA did not receive any fees from the Village of Bellaire. The continued existence of OMEGA is not dependent on the Village's continued participation and no equity interest exists. OMEGA has no outstanding debt.
- C. Jefferson-Belmont Joint Solid Waste Authority is established by State statutes and is operated to provide solid waste services to Jefferson and Belmont counties. The Authority is governed by a fourteen member board of directors of which the Mayor of the Village of Bellaire is a member. The Authority is not dependent on the Village of Bellaire for its continued existence, no debt exists, and the Village does not maintain an equity interest. The Village does not make any monetary contributions to the Authority.
- D. Bel-O-Mar Regional Council is operated as a non-profit organization formed to provide planning and administrative services to all local governments in a four county region comprised of Belmont County, Ohio and three counties in West Virginia (Ohio, Marshall, and Wetzell Counties). The governing board is comprised of 58 officials from the four county service area of which three members and one alternate member are appointed by Belmont County and one member is appointed by each local government within Belmont County. The Mayor of the Village of Bellaire serves as the Village's representative on the board. The Council is not dependent upon the Village of Bellaire for its continued existence, no debt exists, and the Village does not maintain an equity interest. During 2010, the Village did not pay any fees to Bel-O-Mar Regional Council.
- E. Eastern Ohio Regional Wastewater Authority (EORWA) is established by Ohio Revised Code Section 6119, serving the municipalities of Bellaire, Brookside, Bridgeport and Martins Ferry. The Authority is operated by a four-member Board of Trustees. One member is appointed by the Mayor of Bellaire. The Authority is not dependent on the Village of Bellaire for its continued existence and the Village does not maintain an equity interest. The Village does not make any monetary contributions to the Authority.

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)**

NOTE 13 – CONTINGENT LIABILITIES

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. 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 14 – SUBSEQUENT EVENT

On May 5, 2011, the line-of-credit that was used to fund the State Route 149 Project was paid in full.

This page intentionally left blank.



Dave Yost • Auditor of State

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

Village of Bellaire
Belmont County
3197 Belmont Street
Bellaire, Ohio 43906

To the Village Council:

We have audited the financial statements of the Village of Bellaire, Belmont County, Ohio (the Village), as of and for the year ended December 31, 2010, and have issued our report thereon dated July 15, 2011, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

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 deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2010-004 to be a significant deficiency. 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.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion 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 Findings as items 2010-001 through 2010-003.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated July 15, 2011.

The Village's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the audit committee, Village Council, and others within the Village. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

July 15, 2011

VILLAGE OF BELLAIRE
BELMONT COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2010

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

FINDING NUMBER 2010-001

Finding for Recovery

Village Administrator Rebecca George-Zwack's term expired on December 1, 2009. On November 5, 2009 the Village passed Ordinance No. 2009-18 which established the annual salary of the new Village Administrator at \$12,000.

After the expiration of her term as Village Administrator, Ms. George-Zwack served as interim Village Administrator from December 1, 2009 through April 15, 2010. The Village continued to pay Ms. George-Zwack at her previous contract salary of \$38,245.45 annually, rather than pursuant to the \$12,000 salary established under Ordinance No. 2009-18. As a result, from December 1, 2009 through April 15, 2010, Ms. George-Zwack was overpaid in the amount of \$10,252.

In accordance with the forgoing facts, and pursuant to 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Rebecca George-Zwack, and in favor of the Village of Bellaire's General, Street, Sanitation, and Water Funds' in the total amount of \$10,252. The table below reflects the allocation of this overpayment among the funds to which Ms. Zwack's salary was allocated:

Fund	Amount
General	\$2,563
Street	2,563
Sanitation	2,563
Water	2,563
Total	\$10,252

Clerk-Treasurer's Officials' Response: The Clerk-Treasurer's office, upon completion of Rebecca George-Zwack's employee contract, withheld any further payment until determination from the legal solicitor. Upon the solicitor's written opinion letter dated December 22, 2009, the Clerk-Treasurer's office proceeded to pay Mrs. Zwack according to his direction.

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010
(Continued)**

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

FINDING NUMBER 2010-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code:

Then and Now Certificate – If the fiscal officer can certify that both at the time the contract or order was made "then" and at the time that the fiscal officer is completing the certification "now", that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has 30 days from the receipt of the "then and now" certificate to approve payment by resolution or ordinance.

Amounts of less than \$3,000, may be paid by the fiscal officer without a resolution or ordinance of the Village upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

No obligations paid by the Village had a statement indicating the purchase was lawfully appropriated or in the process of collection to the credit of an appropriate fund, and free from any previous encumbrance, Purchase orders contained the certification language; however, they were not printed or signed by the Village Clerk/Treasurer.

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010
(Continued)**

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

**FINDING NUMBER 2010-002
(Continued)**

Noncompliance Citation - Ohio Rev. Code Section 5705.41(D)(1) (Continued)

Failure to properly certify the availability of funds can result in overspending of funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute, but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend the Village Clerk/Treasurer certify that funds are or will be available prior to obligations being incurred by the Village. When prior certification is not possible, "then and now" certificates should be used.

We recommend the Village certify purchases to which Ohio Rev. Code Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language Section 5705.41(D) requires to authorize disbursements. The Village Clerk/Treasurer should sign the certification prior to the Village incurring a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Village Clerk/Treasurer should post approved purchase commitments to the proper appropriation code to reduce the available appropriation.

Officials' Response: Although we understand that there needs to be then and now certificates and purchase orders, the funds are checked and constant monitoring of available funds. We will make every effort to correct this issue.

FINDING NUMBER 2010-003

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated.

At December 31, 2010, the following funds had expenditures exceeding appropriations:

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Special Revenue:			
State Highway	\$22,050	\$23,150	(\$1,100)
State Highway Rte. 149 Project	126,580	127,779	(1,199)
Enterprise:			
Brooksrn Water Project	918,959	1,485,927	(566,968)
Internal Service:			
Self-funded Insurance Medical	0	298,646	(298,646)

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010
(Continued)**

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

**FINDING NUMBER 2010-003
(Continued)**

Noncompliance Citation - Ohio Rev. Code Section 5705.41(B) (Continued)

We recommend Village Council and the Village Clerk/Treasurer compare expenditures to appropriations at the legal level of control on a monthly basis. Ohio Admin. Code 117-2-02(C)(1) explains, in part: "The legal level of control is the level (e.g. fund, program or function, department, object) at which spending in excess of budgeted amounts would be a violation of law. This is established by the level at which the legislative body appropriates. For all local public offices subject to the provisions of Chapter 5705 of the Ohio Rev. Code, except school districts and public libraries, the minimum legal level of control is described in Section 5705.38 of the Ohio Rev. Code. Ohio Rev. Code 5705.38(C) requires the following minimum level of budgetary control for "subdivisions" other than schools: "Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services. The Village Clerk/Treasurer should deny request for payment when appropriations are not available. We also recommend Village Council and the Village Clerk/Treasurer monitor expenditures at the legal level of control to ensure expenditures remain within their respective budgetary amounts.

Officials' Response: Although this is monitored closely, unfortunately on occasion, the appropriations were exceeded even though the money was in place. We will make every effort to correct this issue.

FINDING NUMBER 2010-004

Significant Deficiency

The Village should have internal controls in place to reasonably assure that budgetary accounts are integrated into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

The Clerk/Treasurer did not always accurately post budgeted receipts, and any amendments made to them, to the accounting system. Variances existed between the certificate of estimated resources and the amounts posted to the accounting system.

The following table details these variances:

**VILLAGE OF BELLAIRE
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010
(Continued)**

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

**FINDING NUMBER 2010-004
(Continued)**

Significant Deficiency (Continued)

<u>Fund Type/Fund</u>	<u>Amount Posted to the Accounting System</u>	<u>Amount per Last Amended Certificate</u>	<u>Variance</u>
General	\$1,082,000	\$1,356,160	(\$274,160)
Special Revenue:			
Street Maintenance	140,000	172,199	(32,199)
State Highway Rte. 149 Project	0	125,194	(125,194)
Fire Levy	23,500	24,000	(500)
Police Pension	0	8,900	(8,900)
Fire Pension	0	8,900	(8,900)
Enterprise:			
Brooksrn Water Project	0	1,173,908	(1,173,908)
Guaranteed Deposits	0	1,000	(1,000)

We also noted that the Brooksrn Water Project Enterprise Fund had approved appropriations of \$918,959; however, the amount of appropriations reflected in the accounting system for this fund was \$0.

As a result, information available for Village officials to monitor year-to-date total comparisons of estimated resources versus actual receipts and appropriations versus actual disbursements was not up-to-date.

The budgetary activity in Note 3 to the accompanying financial statements was adjusted to properly reflect estimated receipts and appropriations.

We recommend amendments to estimated receipts be posted to the accounting system when received from the County Budget Commission. We also recommend appropriation amendments be posted to the accounting system after being approved by Village Council and filed with the County Budget Commission.

Officials' Response: The revenues were received and deposited into the Village funds. They were submitted to Belmont County, and inadvertently not entered into the computer system. Two of the three projects listed have been completed. We will enter the medical insurance adjustments into the computer system to correct issue.

VILLAGE OF BELLAIRE
BELMONT COUNTY

SCHEDULE OF PRIOR AUDIT FINDING
DECEMBER 31, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Ohio Rev. Code Section 5705.41(D)(1) regarding not certifying the availability of funds prior to incurring an obligation.	No	Not Corrected; Reissued as Finding No. 2010-002.



Dave Yost • Auditor of State

VILLAGE OF BELLAIRE

BELMONT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 22, 2011