

VILLAGE OF BELLVILLE

RICHLAND COUNTY

Regular Audit

For the Years Ended December 31, 2021 and 2020





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Village Council
Village of Bellville
142 Park Place
Bellville, Ohio 44813

We have reviewed the *Independent Auditor's Report* of the Village of Bellville, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2020 through December 31, 2021. 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 Bellville is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

August 23, 2022

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Village of Bellville
Richland County
 For the Years Ended December 31, 2021 and 2020

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Village of Bellville
Richland County
For the Years Ended December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Village of Bellville
Richland County
142 Park Place
Bellville, OH 44813

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Bellville, Richland County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and fiduciary fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2021, or the changes in financial position or cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinions regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

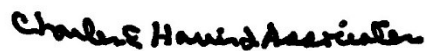
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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.



Charles E. Harris & Associates, Inc.
June 25, 2022

Village of Bellville, Ohio
Richland County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Debt Service	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 320,013	\$ 402,168	\$ -	\$ -	\$ 722,181
Municipal Income Tax	504,517	141,991	-	-	646,508
Intergovernmental	42,024	297,262	-	-	339,286
Charges for Services	5,596	53,105	-	-	58,701
Fines, Licenses and Permits	16,057	67,126	-	-	83,183
Earnings on Investments	293	257	-	-	550
Miscellaneous	88,058	54,826	-	-	142,884
<i>Total Cash Receipts</i>	<u>976,558</u>	<u>1,016,735</u>	<u>-</u>	<u>-</u>	<u>1,993,293</u>
Cash Disbursements					
Current:					
Security of Persons and Property	61,770	656,523	-	-	718,293
Public Health Services	-	166,526	-	-	166,526
Leisure Time Activities	113,986	495	-	-	114,481
Community Environment	8,549	52,314	-	-	60,863
Transportation	-	394,907	-	-	394,907
General Government	310,222	9,827	-	-	320,049
Debt Service:					
Principal Retirement	-	64,267	70,601	-	134,868
Interest and Fiscal Charges	-	9,112	2,018	-	11,130
<i>Total Cash Disbursements</i>	<u>494,527</u>	<u>1,353,971</u>	<u>72,619</u>	<u>-</u>	<u>1,921,117</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>482,031</u>	<u>(337,236)</u>	<u>(72,619)</u>	<u>-</u>	<u>72,176</u>
Other Financing Receipts (Disbursements)					
Loans Issued	-	44,610	-	-	44,610
Transfers In	-	230,000	74,793	-	304,793
Transfers Out	(266,791)	(38,002)	-	-	(304,793)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(266,791)</u>	<u>236,608</u>	<u>74,793</u>	<u>-</u>	<u>44,610</u>
<i>Net Change in Fund Cash Balances</i>	215,240	(100,628)	2,174	-	116,786
<i>Fund Cash Balances, January 1</i>	<u>300,748</u>	<u>934,326</u>	<u>2,622</u>	<u>42,188</u>	<u>1,279,884</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 515,988</u>	<u>\$ 833,698</u>	<u>\$ 4,796</u>	<u>\$ 42,188</u>	<u>\$ 1,396,670</u>

See accompanying notes to the financial statements

Village of Belleville, Ohio
Richland County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2021

	<u>Proprietary Fund Types</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$ 744,685
<i>Total Operating Cash Receipts</i>	<u>744,685</u>
Operating Cash Disbursements	
Personal Services	157,243
Employee Fringe Benefits	58,269
Contractual Services	398,332
Supplies and Materials	45,730
<i>Total Operating Cash Disbursements</i>	<u>659,574</u>
<i>Operating Income (Loss)</i>	85,111
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	38,768
Capital Outlay	(34,801)
Principal Retirement	(122,825)
Interest and Other Fiscal Charges	(31,681)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(150,539)</u>
<i>Net Change in Fund Cash Balances</i>	(65,428)
<i>Fund Cash Balances, January 1</i>	<u>578,066</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 512,638</u>

See accompanying notes to the financial statements

Village of Bellville , Ohio
Richland County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2021

	<u>Fiduciary Fund Types</u>
	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	\$ 81,399
Miscellaneous	49,202
	<u>130,601</u>
Deductions	
Distributions to Other Governments:	
Distributions to Other Funds (Primary Gov't)	81,057
Distributions of Deposits	47,116
Other Distributions	16,985
	<u>145,158</u>
<i>Total Additions</i>	<u>130,601</u>
<i>Total Deductions</i>	<u>145,158</u>
<i>Net Change in Fund Balances</i>	(14,557)
<i>Fund Cash Balances, January 1</i>	<u>46,863</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 32,306</u></u>

See accompanying notes to the financial statements

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Bellville (the Village), Richland 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 six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with the Washington Township and Jefferson Township to receive fire protection services. The Village appropriates general fund money to support a volunteer fire department.

Public Entity Risk Pool

The Village participates in the Ohio Plan Risk Management (OPRM), a public entity risk pool. Note 6 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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 revenue 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 This fund receives gasoline tax, permissive sales tax, and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Cemetery Fund This fund receives money from property tax monies, sales of grave lots, and opening & closing of graves. The money is used for any maintenance needed in the cemetery and to purchase equipment.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Street Levy Fund The street levy special revenue fund accounts for and reports property tax monies restricted for constructing, repairing, and maintaining Village Streets.

Police Levy Fund The police levy fund accounts for and reports property tax monies restricted for supplying safety for the residents and safety equipment.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

General Obligation Bond Retirement The general obligation bond retirement fund receives transfers from other governmental funds and bond proceeds for repayment of related principal and interest.

Note Retirement Fund The note retirement fund receives transfers from other governmental funds and bond proceeds for repayment of related principal and interest.

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 Project Fund:

Other Capital Projects Fund The capital improvements fund receives intergovernmental grant receipts used to account for governmental capital improvements of the Village.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant Permanent Fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Village's cemetery.

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 The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Storm Sewer Fund The storm sewer fund accounts for charges for services from residents to cover storm sewer service costs.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Fiduciary Funds Fiduciary funds include custodial funds. 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 fines and forfeitures collected by the Mayors Court to be distributed to the Village and State of Ohio, contractor deposits, and HRA funds.

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 (C). 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 disbursements 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 (C) permit.

Budgetary Process

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

Appropriations Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. 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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 nonspendable 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 (ordinance or resolution). The Village must adhere to these commitments unless Council amends the ordinance or 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*. 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 12.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 824,120	\$ 976,558	\$ 152,438
Special Revenue	1,385,055	1,291,345	(93,710)
Debt Service	74,941	74,793	(148)
Enterprise	634,200	783,453	149,253

2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 987,397	\$ 761,318	\$ 226,079
Special Revenue	1,846,558	1,391,973	454,585
Debt Service	74,941	72,619	2,322
Enterprise	1,034,300	848,881	185,419

Note 4 – Deposits and Investments

The Village maintains a deposits 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 was as follows:

	2021
Demand deposits	\$ 1,899,426
Total deposits	1,899,426
STAR Ohio	42,188
Total investments	42,188
Total deposits and investments	\$ 1,941,614

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. The Village did not have any unremitted employee payroll withholdings at year end.

Deposits

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

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (continued)

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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 one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 6 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. 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.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Risk Management (continued)

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. 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: (Latest information available)

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.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most 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 health care 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, 2021.

Ohio Police and Fire Retirement System

The Village's certified full-time Police Officers belong to the Ohio 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F 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. The Village has paid all contributions required through December 31, 2021.

Note 8 – 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% during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4% during calendar year 2021. OP&F contributed 0.5% to fund these benefits in 2021.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Police Cruiser Bond, Series 2018	\$ 6,812	3.29%
Police Cruiser Bond, Series 2019	20,720	2.47%
Cemetery Improvement Bond Anticipation Notes, Series 2018	133,268	4.00%
OWDA Loan #6832	734,182	3.18%
OWDA Loan #4470	108,990	4.49%
OWDA Loan #6694	255,748	0.00%
OWDA Loan #6900	253,191	0.00%
OWDA Loan #7156	108,637	1.68%
OPWC Loan #CP30G	18,353	0.00%
OPWC Loan #CP32P	42,806	0.00%
OPWC Loan #CP04R	204,167	0.00%
OPWC Loan #CT55S	75,145	0.00%
OPWC Loan #CP07R	105,413	0.00%
OPWC Loan #CP50O	6,607	0.00%
OPWC Loan #CP37W	142,163	0.00%
2018 Kenworth Lease	18,273	3.00%
US Bank	71,360	3.10%
First Knox National Bank	44,610	2.81%
Total	<u>\$ 2,350,445</u>	

The Various Purpose Bonds, Series 2011 are paid out of the General Obligation debt service fund and the Water Operating enterprise fund. The OWDA notes are paid out of the Water and Sewer Enterprise funds. The OPWC loans are paid out of the Water and Sewer Enterprise funds and the State Highway fund depending on the purpose of the project. The Police Cruiser Bonds are paid out of the Police Levy fund. US Bank loan is paid out of Street fund. Then First Knox National Bank Bank loan will be paid out of Police Levy fund. The beginning debt balance was understated by \$2,082.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt (continued)

Amortization

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

Year ending December 31:	Police Cruiser Bond,		Police Cruiser Bond,		Cemetery Improvement BANs, 2018	OWDA Loans	OPWC Loans	Leases
	2018	US Bank	2019					
2022	\$ 7,705	\$ 19,020	\$ 7,251	\$ 10,391	113,292	\$ 38,837	18,327	
2023	7,705	19,020	7,251	10,391	113,390	38,837	-	
2024	-	19,020	7,251	10,391	112,493	37,516	-	
2025	-	19,000	-	10,391	113,601	33,573	-	
2026	-	-	-	10,391	113,601	30,951	-	
2027-2031	-	-	-	97,561	470,601	154,755	-	
2032-2036	-	-	-	-	436,638	151,698	-	
2037-2041	-	-	-	-	248,646	70,987	-	
2042-2046	-	-	-	-	73,967	37,500	-	
2047-2049	-	-	-	-	-	-	-	
Total	\$15,410	\$ 76,060	\$ 21,753	\$ 149,516	\$1,796,229	\$ 594,654	\$ 18,327	

Note 10 – Contingent Liabilities

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village's financial condition.

Note 11 – Covid 19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – 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 nonexpendable corpus of the permanent funds. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:		
Corpus	\$ 42,188	\$ 42,188
<i>Total</i>	<u>\$ 42,188</u>	<u>\$ 42,188</u>

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

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

Village of Bellville
Richland County
142 Park Place
Bellville, OH 44813

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and fiduciary fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements of the Village of Bellville, Richland County, (the Village) and have issued our report thereon dated June 25, 2022, wherein we noted that the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Village's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the finding identified in our audit and described in the accompanying corrective action plan. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 25, 2022

INDEPENDENT AUDITOR'S REPORT

Village of Bellville
Richland County
142 Park Place
Bellville, OH 44813

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 proprietary fund type and fiduciary fund type as of and for the year ended December 31, 2020, and related notes of the Village of Bellville Village, Richland County, (the Village).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), 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 determined, 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(C) 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 the changes in financial position or cash flows for the year then ended.

Opinion on Regulatory Basis of Accounting

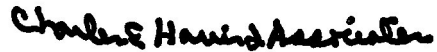
In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental and proprietary fund type and fiduciary fund type as of and for the year ended December 31, 2020, and the related notes of the Village, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. As discussed in Note 13 to the financial statements, the Village made changes to its cash basis reporting model. 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 June 25, 2022, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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.



Charles E. Harris & Associates, Inc.
June 25, 2022

Village of Bellville, Ohio
Richland 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

	General	Special Revenue	Debt Service	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 263,323	\$ 409,143	\$ -	\$ -	\$ 672,466
Municipal Income Tax	488,002	164,017	-	-	652,019
Intergovernmental	20,407	313,142	-	-	333,549
Charges for Services	82,528	54,950	-	-	137,478
Fines, Licenses and Permits	15,759	60,400	-	-	76,159
Earnings on Investments	469	629	-	-	1,098
Miscellaneous	6,554	54,080	-	-	60,634
<i>Total Cash Receipts</i>	<u>877,042</u>	<u>1,056,361</u>	<u>-</u>	<u>-</u>	<u>1,933,403</u>
Cash Disbursements					
Current:					
Security of Persons and Property	49,018	591,935	-	-	640,953
Public Health Services	-	146,074	-	-	146,074
Leisure Time Activities	124,057	12,388	-	-	136,445
Community Environment	7,525	95,608	-	-	103,133
Basic Utility Services	14,531	-	-	-	14,531
Transportation	-	245,873	-	-	245,873
General Government	269,885	11,017	-	-	280,902
Debt Service:					
Principal Retirement	-	53,962	67,979	-	121,941
Interest and Fiscal Charges	-	8,971	4,341	-	13,312
<i>Total Cash Disbursements</i>	<u>465,016</u>	<u>1,165,828</u>	<u>72,320</u>	<u>-</u>	<u>1,703,164</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>412,026</u>	<u>(109,467)</u>	<u>(72,320)</u>	<u>-</u>	<u>230,239</u>
Other Financing Receipts (Disbursements)					
Loans Issued	-	88,125	-	-	88,125
Transfers In	-	425,500	74,942	-	500,442
Transfers Out	(462,441)	(38,001)	-	-	(500,442)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(462,441)</u>	<u>475,624</u>	<u>74,942</u>	<u>-</u>	<u>88,125</u>
<i>Net Change in Fund Cash Balances</i>	(50,415)	366,157	2,622	-	318,364
<i>Fund Cash Balances, January 1</i>	<u>351,163</u>	<u>568,169</u>	<u>-</u>	<u>42,188</u>	<u>961,520</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 300,748</u>	<u>\$ 934,326</u>	<u>\$ 2,622</u>	<u>\$ 42,188</u>	<u>\$ 1,279,884</u>

See accompanying notes to the financial statements

Village of Belleville, Ohio
Richland County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2020

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 700,245
<i>Total Operating Cash Receipts</i>	<i>700,245</i>
Operating Cash Disbursements	
Personal Services	137,602
Employee Fringe Benefits	54,974
Contractual Services	265,032
Supplies and Materials	55,131
<i>Total Operating Cash Disbursements</i>	<i>512,739</i>
<i>Operating Income (Loss)</i>	<i>187,506</i>
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	34,072
Intergovernmental Disbursements	(2,948)
Principal Retirement	(120,376)
Interest and Other Fiscal Charges	(34,067)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(123,319)</i>
<i>Net Change in Fund Cash Balances</i>	<i>64,187</i>
<i>Fund Cash Balances, January 1</i>	<i>513,879</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 578,066</i>

See accompanying notes to the financial statements

Village of Bellville , Ohio
Richland County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2020

	<u>Fiduciary Fund Types</u>
	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 68,599
Other Amounts Collected for Distribution	30
	68,629
<i>Total Additions</i>	<i>68,629</i>
Deductions	
Distributions to Other Governments:	
Distributions to Other Funds (Primary Gov't)	72,721
Distributions of Deposits	47,643
Other Distributions	11,326
	131,690
<i>Total Deductions</i>	<i>131,690</i>
<i>Net Change in Fund Balances</i>	<i>(63,061)</i>
<i>Fund Cash Balances, January 1</i>	<i>109,924</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 46,863</i>

See accompanying notes to the financial statements

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The Village of Bellville (the Village), Richland 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 six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with the Washington Township and Jefferson Township to receive fire protection services. The Village appropriates general fund money to support a volunteer fire department.

Public Entity Risk Pool

The Village participates in the Ohio Plan Risk Management (OPRM), a public entity risk pool. Note 6 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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 revenue 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 This fund receives gasoline tax, permissive sales tax, and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Cemetery Fund This fund receives money from property tax monies, sales of grave lots, and opening & closing of graves. The money is used for any maintenance needed in the cemetery and to purchase equipment.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Street Levy Fund The street levy special revenue fund accounts for and reports property tax monies restricted for constructing, repairing, and maintaining Village Streets.

Police Levy Fund The police levy fund accounts for and reports property tax monies restricted for supplying safety for the residents and safety equipment.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

General Obligation Bond Retirement The general obligation bond retirement fund receives transfers from other governmental funds and bond proceeds for repayment of related principal and interest.

Note Retirement Fund The note retirement fund receives transfers from other governmental funds and bond proceeds for repayment of related principal and interest.

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 Project Fund:

Other Capital Projects Fund The capital improvements fund receives intergovernmental grant receipts used to account for governmental capital improvements of the Village.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant Permanent Fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Village's cemetery.

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 The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Storm Sewer Fund The storm sewer fund accounts for charges for services from residents to cover storm sewer service costs.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Fiduciary Funds Fiduciary funds include custodial funds. 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 fines and forfeitures collected by the Mayors Court to be distributed to the Village and State of Ohio, contractor deposits, and HRA funds.

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 (C). 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 disbursements 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 (C) permit.

Budgetary Process

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

Appropriations Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. 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 individual 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 3.

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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 (ordinance or resolution). The Village must adhere to these commitments unless Council amends the ordinance or 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*. 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 Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Budgetary Activity

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 849,700	\$ 877,042	\$ 27,342
Special Revenue	1,626,909	1,569,986	(56,923)
Debt Service	74,941	74,942	1
Enterprise	644,900	734,317	89,417

2020 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,115,434	\$ 927,457	\$ 187,977
Special Revenue	1,600,887	1,203,829	397,058
Debt Service	74,941	72,320	2,621
Enterprise	822,084	670,130	151,954

Note 4 – Deposits and Investments

The Village maintains a deposits 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 was as follows:

	2020
Demand deposits	\$ 1,862,625
Total deposits	1,862,625
STAR Ohio	42,188
Total investments	42,188
Total deposits and investments	\$ 1,904,813

Deposits

Deposits are insured by the Federal Deposit 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.

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the village is holding no unremitted employee payroll withholdings.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments (continued)

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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 one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 6 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. 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.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 6 – Risk Management (continued)

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. 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.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most 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 health care 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 certified full-time Police Officers belong to the Ohio 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F 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. The Village has paid all contributions required through December 31, 2020.

Note 8 – 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% during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4% during calendar year 2020. OP&F contributed 0.5% to fund these benefits in 2020.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 9 – Debt

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Various Purpose Bonds, Series 2011	\$ 84,433	3.60%
Police Cruiser Bond, Series 2018	13,972	3.29%
Police Cruiser Bond, Series 2019	27,297	2.47%
Cemetery Improvement Bond Anticipation Notes, Series 2018	139,036	4.00%
OWDA Loan #6832	754,930	3.18%
OWDA Loan #4470	128,032	4.49%
OWDA Loan #6694	274,692	0.00%
OWDA Loan #6900	270,653	0.00%
OWDA Loan #7156	114,956	1.68%
OPWC Loan #CP30G	23,596	0.00%
OPWC Loan #CP32P	45,864	0.00%
OPWC Loan #CP04R	212,500	0.00%
OPWC Loan #CT55S	79,994	0.00%
OPWC Loan #CP07R	112,440	0.00%
OPWC Loan #CP50O	9,249	0.00%
OPWC Loan #CP37W	149,848	0.00%
US Bank	88,125	2.81%
2018 Kenworth Lease	35,993	3.00%
Total	<u>\$ 2,565,610</u>	

The Various Purpose Bonds, Series 2011 are paid out of the General Obligation debt service fund and the Water Operating enterprise fund. The OWDA notes are paid out of the Water and Sewer Enterprise funds. The OPWC loans are paid out of the Water and Sewer Enterprise funds and the State Highway fund depending on the purpose of the project. The Police Cruiser Bonds are paid out of the Police Levy fund. US Bank loan will be paid out of Street fund.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 9 – Debt (continued)

Amortization

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

Year ending December 31:	Various Purpose Bonds, 2011	Police Cruiser Bond, 2018	US Bank	Police Cruiser Bond, 2019	Cemetery Improvement BANs, 2018	OWDA Loans	OPWC Loans	Leases
2021	92,100	\$ 7,705	\$ 18,865	\$ 7,251	\$ 10,391	\$ 113,197	\$ 38,837	18,323
2022	-	7,705	19,020	7,251	10,391	113,292	38,837	18,327
2023	-	7,705	19,020	7,251	10,391	113,390	38,837	-
2024	-	-	19,020	7,251	10,391	113,493	37,516	-
2025	-	-	19,000	-	10,391	113,601	33,573	-
2026-2030	-	-	-	-	107,952	470,601	154,755	-
2031-2035	-	-	-	-	-	436,638	154,755	-
2036-2040	-	-	-	-	-	248,646	90,547	-
2041-2045	-	-	-	-	-	187,164	41,667	-
2046-2049	-	-	-	-	-	-	4,167	-
Total	\$92,100	\$23,115	\$ 94,925	\$ 29,004	\$ 159,907	\$1,910,022	\$ 633,491	\$ 36,650

Note 10 – Contingent Liabilities

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village's financial condition.

Note 11 – Covid 19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 12 – 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 nonexpendable corpus of the permanent funds. At year end, the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:		
Corpus	\$ 42,188	\$ 42,188
<i>Total</i>	<u>\$ 42,188</u>	<u>\$ 42,188</u>

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

Note 13 – Change in Accounting Principle

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.

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

Village of Bellville
Richland County
142 Park Place
Bellville, OH 44813

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the year ended December 31, 2020, and the related notes of the Village of Bellville, Richland County, (the Village) and have issued our report thereon dated June 25, 2022, wherein we noted that the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. In addition, we noted the change in the Village's reporting model.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

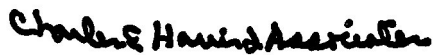
As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 or other matters that are required to be reported under *Government Auditing Standards*.

Village's Response to Finding

The Village's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not subject the Village's response to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 25, 2022

Village of Bellville
Richland County
Schedule of Findings
December 31, 2021 and 2020

Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS
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Finding Number: 2021-001 – Material Weakness

Audit Adjustments and Reclassifications

During 2021 and 2020, errors were noted in the Village’s financial statements that required audit adjustments and reclassifications, the most significant of which are as follows:

- Debt proceeds from issuance of loans were incorrectly posted as Other Financing Sources instead of loans issued..
- The activities of Health Reimbursement Arrangement (HRA) account was incorrectly combined with the General Fund instead of Other Custodial Fund.
- The contractors’ deposits held by the Village for construction opening or cash bonding purposes and payments made there from were combined with the General fund instead of Other Custodial Fund.
- The Sanitary Sewer Service charges based on a long-term agreement should be recorded as Contracted Services disbursements instead of Principal Retirement in the Proprietary Fund.
- The notes to the financial statements included outdated information and excluded required disclosures.

Other immaterial posting errors were also noted and brought to the attention of management. The accompanying financial statements and the Village’s records have been adjusted to properly reflect these transactions.

Sound financial reporting is the responsibility of the Village and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Village adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the Village Officer’s Handbook, the Uniform Accounting Network Manual, and other Auditor of State guidance to aid in properly identifying account classifications and preparing annual financial statements.

Management’s Response:

See Corrective Action Plan

VILLAGE OF BELLVILLE
RICHLAND COUNTY
For the Years Ended December 31, 2021 and 2020

SCHEDULE OF PRIOR AUDIT FINDINGS – Prepared by Management

FINDING NUMBER	FINDING SUMMARY	STATUS	ADDITIONAL INFORMATION
2019-001	Audit Reclassifications and Notes to the Financial Statements	Not Corrected	

VILLAGE OF BELLVILLE
RICHLAND COUNTY

CORRECTIVE ACTION PLAN – Prepared by Management
December 31, 2021 and 2020

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2021-001	The Fiscal Officer will closely review all transactions, including debt and custodial arrangements.	Immediately	Aimee Brown, Fiscal Officer

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BELLVILLE

RICHLAND 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 9/6/2022

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