

VILLAGE OF BENTLEYVILLE

CUYAHOGA COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2010 and 2009

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Dave Yost • Auditor of State

Members of Council
Village of Bentleyville
6253 Chagrin River Road
Bentleyville, Ohio 44022

We have reviewed the *Report of Independent Accountants* of the Village of Bentleyville, Cuyahoga County, prepared by Charles. E. Harris & Associates, Inc., for the audit period January 1, 2009 through December 31, 2010. 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 Bentleyville is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

September 22, 2011

This Page is Intentionally Left Blank.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2010 and 2009

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
Management's Discussion and Analysis	3
Statement of Net Assets – Cash Basis – December 31, 2010	9
Statement of Activities – Cash Basis - For the Year Ended December 31, 2010	10
Statement of Cash Basis Assets and Fund Balances – Governmental Funds - For the Year Ended December 31, 2010	11
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Balances – Governmental Funds - For the Year Ended December 31, 2010	12
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – General Fund - For the Year Ended December 31, 2010	13
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – SCMR Fund - For the Year Ended December 31, 2010	14
Statement of Fiduciary Net Assets – Cash Basis – Fiduciary Funds - December 31, 2010	15
Statement of Net Assets – Cash Basis – December 31, 2009	16
Statement of Activities – Cash Basis - For the Year Ended December 31, 2009	17
Statement of Cash Basis Assets and Fund Balances – Governmental Funds - For the Year Ended December 31, 2009	18
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Balances – Governmental Funds - For the Year Ended December 31, 2009	19
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – General Fund - For the Year Ended December 31, 2009	20
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis – SCMR Fund - For the Year Ended December 31, 2009	21
Statement of Fiduciary Net Assets – Cash Basis – Fiduciary Funds - December 31, 2009	22
Notes to the Financial Statements	23
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	38
Schedule of Findings	40
Schedule of Prior Audit Findings	41

This Page is Intentionally Left Blank.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Bentleyville
Cuyahoga County
6253 Chagrin River Road
Bentleyville, Ohio 44022

To the Village Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Village of Bentleyville, Cuyahoga County, Ohio, (the Village), as of and for the years ending December 31, 2010 and 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Village of Bentleyville, Cuyahoga County, Ohio, as of December 31, 2010 and 2009, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund and the Street, Construction Maintenance and Repair Fund thereof for the years then ended in conformity with accounting basis Note 2 describes.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2011, on our consideration of the District'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.

June 29, 2011

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2010 and 2009
Unaudited

This discussion and analysis of the Village of Bentleyville financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2010 and 2009, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2010 and 2009 are as follows:

Net assets of governmental activities increased \$22,862, or less than two percent during 2010 and decreased by \$414,195 or 24 percent during 2009. In 2010 cash and cash equivalents increased in the General Fund by \$39,921 while the Other Governmental Funds balance decreased by \$17,058 due to various capital projects

During 2009 the Village advanced \$383,805 for the Liberty Road Project, which was reimbursable by the State of Ohio. This reimbursement was received during 2010. The decrease in cash and cash equivalents at December 31, 2009 is entirely due to the timing of the advance repayment. Disregarding this advance, the Village began and ended 2009 with virtually an identical amount of cash.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2010 and 2009
Unaudited
(Continued)

Reporting the Village as a Whole

The statement of net assets and the statement of activities reflect how the Village did financially during 2010 and 2009, within the limitations of the cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position are one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, we express the Village's activities as the following:

Governmental activities. The Village's basic services are reported here, including police, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental funds are the General, Street Construction Maintenance and Repair, Capital Expenditures and Major Repair and Capital Project Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Village's programs.

VILLAGE OF BENTLEYVILLE
 CUYAHOGA COUNTY
 Management's Discussion and Analysis
 For the Year Ended December 31, 2010 and 2009
 Unaudited
 (Continued)

The Government as a Whole

Table 1 provides a summary of the Village's net assets for 2010 and 2009 and compared to 2008 on a cash basis:

(Table 1)
 Governmental Net Assets

	2010	Governmental Activities 2009	2008
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 1,336,313	\$ 1,313,451	\$ 1,727,646
<i>Total Assets</i>	<u>1,336,313</u>	<u>1,313,451</u>	<u>1,727,646</u>
Net Assets:			
Restricted			
Capital Projects	177,433	143,594	189,349
Debt Service	81,857	81,335	91,722
Other Purposes	201,488	252,907	277,893
Unrestricted	875,535	835,615	1,168,682
<i>Total Net Assets</i>	<u>\$ 1,336,313</u>	<u>\$ 1,313,451</u>	<u>\$ 1,727,646</u>

There are several factors which affect the Village's cash balance at December 31, 2010.

- The State of Ohio reimbursed the Village \$453,532 for the Liberty Road Project.
- 2010 income tax revenues collected were approximately \$275,000 less than 2010 budget.
- Careful monitoring of expenses resulted in operating expenses about \$57,000 less than budgeted amounts.
- There were several projects started in 2010 such as the Asphalt Maintenance Program, Concrete Maintenance Program and the Solon Road Culverts which used about \$235,238 in Village cash during 2010.

The primary reason for the decrease in cash balances during 2009 was the cash advance to the Liberty Road Project. The Village was anticipating a \$416,000 cash reimbursement from the State of Ohio at December 31, 2009. If this advance had been received in the year that the funds were appropriated, the Village's net assets would have increased by \$1,800.

Table 2 reflects components of the changes in net assets in 2010, 2009 and 2008.

VILLAGE OF BENTLEYVILLE
 CUYAHOGA COUNTY
 Management's Discussion and Analysis
 For the Year Ended December 31, 2010 and 2009
 Unaudited
 (Continued)

(Table 2)
Changes in Governmental Net Assets

	Governmental Activities		
	2010	2009	2008
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 33,917	\$ 27,033	\$ 54,153
Operating Grants and Contributions	453,632	2,183	56,986
Capital Grants and Assessments	125,125	116,020	123,576
General Receipts:			
Property Taxes	438,878	424,624	430,028
Municipal Income Taxes	640,168	950,921	1,113,442
Intergovernmental	122,290	122,210	162,352
Sale of Land	-	2,600	-
Earnings on Investments	19,524	24,246	64,192
Miscellaneous	27,811	32,403	67,871
Total Receipts	1,861,345	1,702,240	2,072,600
Disbursements:			
Current:			
Security of Persons and Property	670,909	629,554	613,367
Leisure Time Activities	2,706	3,391	5,153
Basic Utility Services	69,218	62,970	65,711
Transportation	347,537	289,848	235,117
General Government	416,620	457,446	581,470
Capital Outlay	191,887	531,347	143,294
Debt Service:			
Principal	80,595	79,003	147,495
Interest	59,011	62,876	69,692
Total Disbursements	1,838,483	2,116,435	1,861,299
Changes in Net Assets	\$ 22,862	\$ (414,195)	\$ 211,301

Program receipts represent 26 percent in 2010 and 2 percent in 2009 of total receipts and are primarily comprised of building permits and inspection fees and special assessments in 2009 and also reimbursement for capital projects in 2010.

General receipts of government's activities represent 74 percent in 2010 and 98 percent in 2009 of the Village's total receipts, and of these amounts, 88 percent and 89 percent are property taxes and income taxes, for 2010 and 2009, respectively. Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council and the finance department, which includes internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

Security of Persons and Property are the costs of police and fire protection; Leisure Time Activities are the costs of maintaining the parks and playing fields; and Transportation is the cost of maintaining roads.

VILLAGE OF BENTLEYVILLE
 CUYAHOGA COUNTY
 Management's Discussion and Analysis
 For the Year Ended December 31, 2010 and 2009
 Unaudited
 (Continued)

Governmental Activities

If you look at the Statement of Activities on pages 11 and 18, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major disbursements for governmental activities are for security of persons and property and general government, which account for 36 and 61 percent of all governmental disbursements, respectively. The next 3 columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net (Disbursements) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Governmental Activities

	Governmental Activities		Governmental Activities	
	2010		2009	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Security of Persons and Property	\$ 670,909	\$ (663,732)	629,554	(617,938)
Leisure Time Activities	2,706	(2,606)	3,391	(2,991)
Basic Utility Services	69,218	(67,218)	62,970	(62,970)
Transportation	347,537	(347,537)	289,848	(289,848)
General Government	416,620	(391,880)	457,446	(442,029)
Capital Outlay	191,887	261,645	531,347	(529,564)
Debt Service:				
Principal	80,595	44,530	79,003	37,017
Interest	59,011	(59,011)	62,876	(62,876)
Total Disbursements	\$ 1,838,483	\$ (1,225,809)	\$ 2,116,435	\$ (1,971,199)

	Governmental Activities	
	2008	
	Total Cost of Service	Net Cost of Service
Security of Persons and Property	\$ 613,367	\$ (576,891)
Leisure Time Activities	5,153	(5,153)
Basic Utility Services	65,711	(64,211)
Transportation	235,117	(235,117)
General Government	581,470	(564,693)
Capital Outlay	143,294	(86,908)
Debt Service:		
Principal	147,495	(23,919)
Interest	69,692	(69,692)
Total Disbursements	\$ 1,861,299	\$ (1,626,584)

The dependence upon property and income tax receipts is apparent as over 73 percent in 2010 and 99 percent in 2009 of governmental activities were supported through these general receipts.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2010 and 2009
Unaudited
(Continued)

The Government's Funds

In 2009 the governmental funds had receipts of \$1,702,240 and disbursements of \$2,116,435 resulting in a decrease of \$414,195. The greatest change occurred in the General Fund which advanced \$383,805 to the Capital Project Fund for the Liberty Road Construction Project. This fund balance was reimbursed \$409,679, by the State of Ohio April 1, 2011.

In 2010 the governmental funds had receipts of \$1,861,345 disbursement of \$1,838,483 resulting in a increase of \$22,862. The greatest change within government funds occurred in the Streets and Safety Fund and the Capital Projects Funds due to various projects undertaken in 2011 for resident safety.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2010 and 2009, the Village amended its General Fund budget to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was not significant.

During 2010, final General fund disbursements were budgeted at \$1,591,703 while actual disbursements were \$1,536,058. During 2009, final General fund disbursements were budgeted at \$1,901,305 while actual disbursements were \$1,826,647. The Village kept spending fairly close to budgeted amounts as demonstrated by the minor reported variances.

Capital Assets and Debt Administration

Capital Assets

The Village maintains a listing of its capital assets and infrastructure. These records are not required to be presented in the financial statements.

Debt

At December 31, 2010, and December 31, 2009, the Village's outstanding debt was \$1,041,253 and \$1,121,848 respectively, consisting of special assessment bonds, Ohio Water Development Authority loans, and Ohio Public Works Commission loans. For further information regarding the Village's debt, refer to Note 9 to the basic financial statements.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Leonard Spremulli, Mayor, Village of Bentleyville, 6253 Chagrin River Road, Bentleyville, Ohio 44022.

Village of Bentleyville, Cuyahoga County

Statement of Net Assets - Cash Basis

December 31, 2010

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 1,336,313</u>
<i>Total Assets</i>	<u><u>\$ 1,336,313</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$ 177,433
Other Purposes	201,488
Debt Service	81,857
Unrestricted	<u>875,535</u>
<i>Total Net Assets</i>	<u><u>\$ 1,336,313</u></u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2010*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Assessments	Governmental Activities
Governmental Activities					
General Government	\$ 416,620	\$ 24,740	-	-	\$ (391,880)
Security of Persons and Property	670,909	7,177	-	-	(663,732)
Leisure Time Activities	2,706	-	\$ 100	-	(2,606)
Basic Utility Services	69,218	2,000	-	-	(67,218)
Transportation	347,537	-	-	-	(347,537)
Capital Outlay	191,887	-	-	\$ 453,532	261,645
Debt Service:					
Principal	80,595	-	-	125,125	44,530
Interest and fees	59,011	-	-	-	(59,011)
Total	<u>\$ 1,838,483</u>	<u>\$ 33,917</u>	<u>\$ 100</u>	<u>\$ 578,657</u>	<u>(1,225,809)</u>
General Receipts					
Property Taxes Levied for:					
General Purposes					\$ 438,878
Municipal Income Taxes					640,168
Intergovernmental					122,290
Interest					19,524
Miscellaneous					27,811
<i>Total General Receipts</i>					<u>1,248,671</u>
Change in Net Assets					22,862
<i>Net Assets Beginning of Year</i>					<u>1,313,451</u>
<i>Net Assets End of Year</i>					<u>\$ 1,336,313</u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	General	Street Construction, Maintenance and Repair Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 875,535	\$ 92,929	\$ 58,488	\$ 309,361	\$ 1,336,313
<i>Total Assets</i>	<u>\$ 875,535</u>	<u>\$ 92,929</u>	<u>\$ 58,488</u>	<u>\$ 309,361</u>	<u>\$ 1,336,313</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	\$ 1,653	\$ 18,911	\$ 11,295	-	\$ 31,859
Unreserved:					
Undesignated, Reported in:					
General Fund	873,882	-	-	-	873,882
Special Revenue Funds	-	74,018	-	\$ 108,559	182,577
Capital Projects Funds	-	-	47,193	118,945	166,138
Debt Service Fund	-	-	-	81,857	81,857
<i>Total Fund Balances</i>	<u>\$ 875,535</u>	<u>\$ 92,929</u>	<u>\$ 58,488</u>	<u>\$ 309,361</u>	<u>\$ 1,336,313</u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Street Construction, Maintenance and Repair Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Municipal Income Taxes	\$ 640,168	-	-	-	\$ 640,168
Property and Other Local Taxes	389,955	\$ 48,923	-	-	438,878
Special Assessments	-	-	-	\$ 125,125	125,125
Charges for Services	12,822	-	-	2,000	14,822
Fines, Licenses and Permits	19,095	-	-	-	19,095
Intergovernmental	84,133	38,157	\$ 453,532	-	575,822
Interest	16,536	2,988	-	-	19,524
Miscellaneous	27,811	-	-	100	27,911
<i>Total Receipts</i>	<u>1,190,520</u>	<u>90,068</u>	<u>453,532</u>	<u>127,225</u>	<u>1,861,345</u>
Disbursements					
Current:					
General Government	416,620	-	-	-	416,620
Security of Persons and Property	670,909	-	-	-	670,909
Leisure Time Activities	-	-	-	2,706	2,706
Basic Utility Services	69,218	-	-	-	69,218
Transportation	201,658	145,879	-	-	347,537
Capital Outlay	-	-	169,663	22,224	191,887
Debt Service:					
Principal Retirement	-	-	-	80,595	80,595
Interest and Fees	-	-	-	59,011	59,011
<i>Total Disbursements</i>	<u>1,358,405</u>	<u>145,879</u>	<u>169,663</u>	<u>164,536</u>	<u>1,838,483</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(167,885)	(55,811)	283,869	(37,311)	22,862
Other Financing Sources (Uses)					
Transfers In	-	-	56,000	20,000	76,000
Transfers Out	(76,000)	-	-	-	(76,000)
Advances In	383,805	-	100,000	-	483,805
Advances Out	(100,000)	-	(383,805)	-	(483,805)
<i>Total Other Financing Sources (Uses)</i>	<u>207,805</u>	<u>-</u>	<u>(227,805)</u>	<u>20,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	39,920	(55,811)	56,064	(17,311)	22,862
<i>Fund Balances Beginning of Year</i>	<u>835,615</u>	<u>148,740</u>	<u>2,424</u>	<u>326,672</u>	<u>1,313,451</u>
<i>Fund Balances End of Year</i>	<u>\$ 875,535</u>	<u>\$ 92,929</u>	<u>\$ 58,488</u>	<u>\$ 309,361</u>	<u>\$ 1,336,313</u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 860,000	\$ 376,234	\$ 389,955	\$ 13,721
Municipal Income Taxes	423,360	640,168	640,168	-
Charges for Services	2,600	12,771	12,822	51
Fines, Licenses and Permits	25,000	19,095	19,095	-
Intergovernmental	76,899	84,133	84,133	-
Interest	40,000	16,093	16,536	443
Miscellaneous	29,703	27,811	27,811	-
<i>Total receipts</i>	<u>1,457,562</u>	<u>1,176,305</u>	<u>1,190,520</u>	<u>14,215</u>
Disbursements				
Current:				
General Government	457,266	452,266	418,273	33,993
Security of Persons and Property	683,426	683,426	670,909	12,517
Transportation	205,011	210,011	201,658	8,353
Basic Utility Services	70,000	70,000	69,218	782
<i>Total Disbursements</i>	<u>1,415,703</u>	<u>1,415,703</u>	<u>1,360,058</u>	<u>55,645</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	41,859	(239,398)	(169,538)	69,860
Other Financing Sources (Uses)				
Transfers Out	(20,000)	(76,000)	(76,000)	-
Advances In	-	383,805	383,805	-
Advances Out	-	(100,000)	(100,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(20,000)</u>	<u>207,805</u>	<u>207,805</u>	<u>207,805</u>
<i>Net Change in Fund Balance</i>	21,859	(31,593)	38,267	277,665
<i>Fund Balance Beginning of Year</i>	<u>835,615</u>	<u>835,615</u>	<u>835,615</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 857,474</u>	<u>\$ 804,022</u>	<u>\$ 873,882</u>	<u>\$ 277,665</u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Street Construction, Maintenance and Repair Fund
 For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 53,180	\$ 48,000	\$ 48,923	\$ 923
Intergovernmental	35,150	37,342	38,157	815
Interest	3,000	2,988	2,988	-
<i>Total receipts</i>	<u>91,330</u>	<u>88,330</u>	<u>90,068</u>	<u>1,738</u>
Disbursements				
Current:				
Transportation	189,800	189,800	164,790	25,010
<i>Total Disbursements</i>	<u>189,800</u>	<u>189,800</u>	<u>164,790</u>	<u>25,010</u>
<i>Net Change in Fund Balance</i>	(98,470)	(101,470)	(74,722)	(23,272)
<i>Fund Balance Beginning of Year</i>	107,524	107,524	107,524	-
Prior Year Encumbrances Appropriated	41,216	41,216	41,216	-
<i>Fund Balance End of Year</i>	<u>\$ 50,270</u>	<u>\$ 47,270</u>	<u>\$ 74,018</u>	<u>\$ (23,272)</u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County

Statement of Fiduciary Net Assets - Cash Basis

Fiduciary Funds

December 31, 2010

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$104,858</u>
Net Assets	
Unrestricted	<u>\$104,858</u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County

Statement of Net Assets - Cash Basis

December 31, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 1,313,451</u>
<i>Total Assets</i>	<u><u>\$ 1,313,451</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$ 143,594
Debt Service	81,335
Other Purposes	252,907
Unrestricted	<u>835,615</u>
<i>Total Net Assets</i>	<u><u>\$ 1,313,451</u></u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County

Statement of Activities - Cash Basis

For the Year Ended December 31, 2009

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Assessments	Governmental Activities
Governmental Activities					
General Government	\$ 457,446	\$ 15,417	-	-	\$ (442,029)
Security of Persons and Property	629,554	11,616	-	-	(617,938)
Leisure Time Activities	3,391	-	\$ 400	-	(2,991)
Basic Utility Services	62,970	-	-	-	(62,970)
Transportation	289,848	-	-	-	(289,848)
Capital Outlay	531,347	-	1,783	-	(529,564)
Debt Service:					
Principal	79,003	-	-	\$ 116,020	37,017
Interest	62,876	-	-	-	(62,876)
<i>Total Governmental Activities</i>	<u>\$ 2,116,435</u>	<u>\$ 27,033</u>	<u>\$ 2,183</u>	<u>\$ 116,020</u>	<u>(1,971,199)</u>
General Receipts					
Property Taxes Levied for:					
General Purposes				\$	424,624
Municipal Income Taxes					950,921
Intergovernmental					122,210
Interest					24,246
Miscellaneous					32,403
<i>Total General Receipts</i>					<u>1,554,404</u>
Special Item - Proceeds from Sale of Land					<u>2,600</u>
Total General Receipts and Special Item					<u>1,557,004</u>
Change in Net Assets					(414,195)
<i>Net Assets Beginning of Year</i>					<u>1,727,646</u>
<i>Net Assets End of Year</i>					<u>\$ 1,313,451</u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General	Street Construction, Maintenance and Repair Fund	Capital Expenditures and Major Repair Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 835,615	\$ 148,740	\$ 141,170	\$ 2,424	\$ 185,502	\$ 1,313,451
<i>Total Assets</i>	<u>\$ 835,615</u>	<u>\$ 148,740</u>	<u>\$ 141,170</u>	<u>\$ 2,424</u>	<u>\$ 185,502</u>	<u>\$ 1,313,451</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	-	\$ 41,216	-	\$ 75,107	-	\$ 116,323
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$ 835,615	-	-	-	-	835,615
Special Revenue Funds	-	107,524	-	-	\$ 104,167	211,691
Debt Service Fund	-	-	-	-	81,335	81,335
Capital Projects Funds	-	-	\$ 141,170	(72,683)	-	68,487
<i>Total Fund Balances</i>	<u>\$ 835,615</u>	<u>\$ 148,740</u>	<u>\$ 141,170</u>	<u>\$ 2,424</u>	<u>\$ 185,502</u>	<u>\$ 1,313,451</u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Street Construction, Maintenance and Repair Fund	Capital Expenditures and Major Repairs Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Municipal Income Taxes	\$ 950,921	-	-	-	-	\$ 950,921
Property and Other Local Taxes	376,234	\$ 48,390	-	-	-	424,624
Special Assessments	-	-	-	-	\$ 116,020	116,020
Charges for Services	4,227	-	-	-	-	4,227
Fines, Licenses and Permits	22,806	-	-	-	-	22,806
Intergovernmental	83,868	38,342	-	\$ 1,783	-	123,993
Interest	20,521	3,725	-	-	-	24,246
Miscellaneous	32,403	-	-	-	400	32,803
<i>Total Receipts</i>	<u>1,490,980</u>	<u>90,457</u>	<u>-</u>	<u>1,783</u>	<u>116,420</u>	<u>1,699,640</u>
Disbursements						
Current:						
General Government	457,446	-	-	-	-	457,446
Security of Persons and Property	629,554	-	-	-	-	629,554
Leisure Time Activities	-	-	-	-	3,391	3,391
Basic Utility Services	62,970	-	-	-	-	62,970
Transportation	172,402	117,446	-	-	-	289,848
Capital Outlay	-	-	\$ 108,830	422,517	-	531,347
Debt Service:						
Principal Retirement	-	-	-	-	79,003	79,003
Interest and Fiscal Charges	-	-	-	-	62,876	62,876
<i>Total Disbursements</i>	<u>1,322,372</u>	<u>117,446</u>	<u>108,830</u>	<u>422,517</u>	<u>145,270</u>	<u>2,116,435</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	168,608	(26,989)	(108,830)	(420,734)	(28,850)	(416,795)
Other Financing Sources (Uses)						
Sale of Capital Assets	2,600	-	-	-	-	2,600
Transfers In	-	-	100,000	-	20,470	120,470
Transfers Out	(120,470)	-	-	-	-	(120,470)
Advances In	-	-	-	383,805	-	383,805
Advances Out	(383,805)	-	-	-	-	(383,805)
<i>Total Other Financing Sources (Uses)</i>	<u>(501,675)</u>	<u>-</u>	<u>100,000</u>	<u>383,805</u>	<u>20,470</u>	<u>2,600</u>
<i>Net Change in Fund Balances</i>	(333,067)	(26,989)	(8,830)	(36,929)	(8,380)	(414,195)
<i>Fund Balances Beginning of Year</i>	<u>1,168,682</u>	<u>175,729</u>	<u>150,000</u>	<u>39,353</u>	<u>193,882</u>	<u>1,727,646</u>
<i>Fund Balances End of Year</i>	<u>\$ 835,615</u>	<u>\$ 148,740</u>	<u>\$ 141,170</u>	<u>\$ 2,424</u>	<u>\$ 185,502</u>	<u>\$ 1,313,451</u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Municipal Income Taxes	\$ 860,000	\$ 883,000	\$ 950,921	\$ 67,921
Property and Other Local Taxes	423,360	376,234	376,234	-
Charges for Services	2,600	2,600	4,227	1,627
Fines, Licenses and Permits	25,000	22,000	22,806	806
Intergovernmental	76,899	79,530	83,868	4,338
Interest	40,000	20,000	20,521	521
Miscellaneous	29,703	29,703	32,403	2,700
<i>Total receipts</i>	<u>1,457,562</u>	<u>1,413,067</u>	<u>1,490,980</u>	<u>77,913</u>
Disbursements				
Current:				
General Government	467,910	492,910	457,446	35,464
Security of Persons and Property	644,620	644,620	629,554	15,066
Basic Utility Services	68,000	68,000	62,970	5,030
Transportation	191,500	191,500	172,402	19,098
<i>Total Disbursements</i>	<u>1,372,030</u>	<u>1,397,030</u>	<u>1,322,372</u>	<u>74,658</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	85,532	16,037	168,608	152,571
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	2,600	2,600
Transfers Out	(20,000)	(120,470)	(120,470)	-
Advances Out	-	(383,805)	(383,805)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(20,000)</u>	<u>(504,275)</u>	<u>(501,675)</u>	<u>2,600</u>
<i>Net Change in Fund Balance</i>	65,532	(488,238)	(333,067)	155,171
<i>Fund Balance Beginning of Year</i>	<u>1,168,682</u>	<u>1,168,682</u>	<u>1,168,682</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,234,214</u>	<u>\$ 680,444</u>	<u>\$ 835,615</u>	<u>\$ 155,171</u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Street Construction, Maintenance and Repair Fund
 For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 55,000	\$ 48,390	\$ 48,390	-
Intergovernmental	117,500	32,500	38,342	\$ 5,842
Interest	2,000	2,000	3,725	1,725
<i>Total receipts</i>	<u>174,500</u>	<u>82,890</u>	<u>90,457</u>	<u>7,567</u>
Disbursements				
Current:				
Transportation	339,250	158,667	158,662	5
<i>Total Disbursements</i>	<u>339,250</u>	<u>158,667</u>	<u>158,662</u>	<u>5</u>
<i>Net Change in Fund Balance</i>	(164,750)	(75,777)	(68,205)	7,572
<i>Fund Balance Beginning of Year</i>	<u>175,729</u>	<u>175,729</u>	<u>175,729</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 10,979</u>	<u>\$ 99,952</u>	<u>\$ 107,524</u>	<u>\$ 7,572</u>

See accompanying notes to the basic financial statements

Village of Bentleyville, Cuyahoga County
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds
December 31, 2009

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$98,956</u>
Net Assets	
Unrestricted	<u>\$98,956</u>

See accompanying notes to the basic financial statements

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 1 – Reporting Entity

The Village of Bentleyville, Cuyahoga County, Ohio, (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general government services, including maintenance of roads, sanitary sewer/storm sewer facilities, building, zoning, safety services, and police protection. The Village contracts with the Village of Chagrin Falls to provide fire protection and police dispatch services.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, including maintenance of roads, sanitary sewer/storm sewer facilities, building, zoning, safety services, and police protection. The Village appropriates general fund money to support a volunteer fire department.

B. Component Units

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations that are fiscally dependent on the Village in that the Village approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village.

C. Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

The Village participates in a jointly governed organization and a public entity risk pool. Note 12 to the financial statements provide additional information for these entities. These organizations are:

Jointly Governed Organizations:
Northeast Ohio Public Energy Council
Valley Enforcement Regional Council of Governments

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

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Village has no business-type activities.

The statement of net assets presents the cash balances of the governmental activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Village's general receipts.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Village uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories, governmental and fiduciary.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 2 – Summary of Significant Accounting Policies

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non exchange transactions as governmental funds. The following are the Village's major governmental funds:

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

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

Capital Expenditures and Major Repair Fund – This fund is used to account for capital expenditures not related to projects. It is used for the purchase and maintenance/repair of machinery and other equipment.

Capital Projects Fund – Records major capital projects. In 2009 the Liberty Road Construction Project was paid for from this fund.

Other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village has no trust funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village maintains two agency funds, the Contractors' Bond and the Fines and Cost funds. The Contractors' Bond fund is used to account for the deposits received from contractors to ensure performance. The Fines and Cost fund is used to account for the fines and fees collected from waivable offenses.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriation ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriation ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

E. Cash and Investments

Village records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2010 and 2009, the Village invested in savings accounts, overnight sweep account, certificates of deposit, and STAR Ohio. All investments are reported at cost.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010 and 2009.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2010 and 2009 were \$16,536 and \$20,521 respectively.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 2 – Summary of Significant Account Policies (Continued)

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Village has no restricted assets.

G. Inventory and Prepaid Items

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as liability under the Village's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Village recognized the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditures is reported at inception. Lease payments are reported when paid.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Village's policy is to apply restricted resource when an obligation is incurred for purposed for which both restricted and unrestricted net assets are available.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 2 – Summary of Significant Accounting Policies (continued)

M. Fund Balance Reserves

Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future period.

N. Interfund Transactions

Interfund transfers and advances are reported as other financing sources/uses in governmental funds.

Note 3 – Deposits and Investments

Monies held by the Village are classified by State statute in to three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained as cash in the Village treasury, in commercial accounts, payable or available for withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 3– Deposits and Investments (Continued)

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be market to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates or deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market account funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specific dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end 2010 and 2009, the Village had book balances of \$50,050 and \$71,156, respectively. The entire Village's 2010 bank balance of \$98,459 and 2009 bank balance of \$74,643 were insured by the FDIC.

VILLAGE OF BENTLEYVILLE
 CUYAHOGA COUNTY
 Notes to the Financial Statements
 For the Years Ended December 31, 2010 and 2009

Note 3- Deposits and Investments (Continued)

With respect to custodial risk, the Village follows State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2010, the Village had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Investment Maturity</u>
StarOhio	\$ 11,837	58 days
Money Market	994,229	35 days
CDARS	385,055	
Total	<u>\$ 1,391,121</u>	

As of December 31, 2009, the Village had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Investment Maturity</u>
StarOhio	\$ 100,705	61 days
Money Market	100,091	35 days
CDARS	1,140,455	
Total	<u>\$ 1,341,251</u>	

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates as a Charter Village, the Village's investment policy limits Treasury investments to maturities of no more than 10 years and Agency investments that its investment manager reasonably believes will have an average life of no more than ten years.

Credit Risk: STAR Ohio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Village's Money Market was rated Aaa by Standard & Poor's.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment of collateral securities that are in the possession of an outside party.

Concentration of Risk: The Village places no limit on the amount that may be invested in any one issuer. The Village investment in StarOhio was 1% and 7.5% in 2010 and 2009, respectively. Its investment in the Money Market account was 72% and 7.5% in 2010 and 2009, respectively. The CDARS represented 27% and 85% in 2010 and 2009, respectively. The CDARS are spread among nine banks and all certificates fully insured by the FDIC.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General and Street Construction, Maintenance and Repair Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (Budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end 2010 (budgetary basis) amounted at \$1,653 and \$18,911 for the General fund and the Street Construction, Maintenance and Repair Fund, respectively. The encumbrances outstanding at year end 2009 (budgetary basis) amounted to \$41,216 for the Street Construction, Maintenance and Repair Fund.

Note 5 – Income Taxes

The Village levies a 1 percent income tax whose proceeds are placed in the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village with residents working outside the Village receiving .25 credits on income earned outside the Village. Employers within the Village are required to withhold income tax on employee earnings and remit to the Regional Income Tax Agency (RITA) on behalf of the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a return annually.

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2009 (2010) represent the collection of 2008 (2009) taxes. Real property taxes received in 2009 (2010) were levied after October 2, 2008 (2009), on the assessed values as of January 2, 2008 (2009), the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due on the third Wednesday in January. If paid semiannually the first payment is due on the third Wednesday in January with the remainder payable in July.

Public utility property tax receipts in 2008 (2009) represent the collection of 2009 (2010) taxes. Public utility real and tangible personal property taxes received in 2008 (2009) became a lien on December 31, 2008 (2009) were levied after October 1, 2008 (2009) and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Taxes collected from tangible personal property (other than public utility) received during calendar year 2009 (2010) represent the collection of 2009 (2010) taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes on business inventory, manufacturing and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2009 (2010) were levied April 1, 2008 (2009) on the values listed as of December 31, 2008 (2009). Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Cuyahoga County Treasurer collects property taxes on behalf of the Village. The Cuyahoga County Auditor remits the collected taxes to the Village. Tax settlements are made each March and August for real property taxes and each June and October for personal property.

VILLAGE OF BENTLEYVILLE
 CUYAHOGA COUNTY
 Notes to the Financial Statements
 For the Years Ended December 31, 2010 and 2009

Note 6 – Property Taxes (Continued)

The full tax rate for all Village operations for the year ended December 31, 2010 (2009), was \$8.90 (\$8.90) per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2010 (2009) property tax receipts were based are as follow:

2010	
Real Property	
Residential and Agricultural	\$ 64,818,341
Tangible Personal Property	
General	42,020
Public Utility	498,370
Total Assessed Value	\$ 65,358,731
2009	
Real Property	
Residential and Agricultural	\$ 64,805,090
Tangible Personal Property	
General	43,470
Public Utility	486,910
Total Assessed Value	\$ 65,335,470

Note 7 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefits recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 7 – Defined Benefit Pension Plans (Continued)

A. Ohio Public Employees Retirement System (Continued)

State statute sets a maximum contribution rate of the Village of 14 percent. The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009 and 2008 were \$62,556, \$55,281 and \$53,996 respectively. The full amount has been contributed for 2010, 2009 and 2008. The Village made no contributions to the member-directed plan for 2010 and 2009.

B. Ohio Police and Fire Pension Fund

The Village of Bentleyville contributes to the Ohio Police and Fire Pensions Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% for police officers. The Village of Bentleyville's contributions to OP&F for the years ending December 31, 2010, 2009 and 2008 were \$40,418, \$40,188 and \$39,874 respectively, 100% of the Village's required contribution.

Note 8 – Postemployment Benefits

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401 (h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care in 2009 for Traditional Plan was 7% from January 1 to march 31 and 5.5% from April 1 to December 31, 2009. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's actual contribution for 2010 and 2009 which were used to fund post-employment benefits were \$2,725 and \$3,247, respectively. OPERS Retirement Board implements its Health Care Preservation Plan.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased January 1, 2007. Member and employer contribution rates for state and local employers increased January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

VILLAGE OF BENTLEYVILLE
 CUYAHOGA COUNTY
 Notes to the Financial Statements
 For the Years Ended December 31, 2010 and 2009

Note 8 – Postemployment Benefits (Continued)

Ohio Police and Fire Pension Fund: The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple employer defined post-employment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for eligible person who receive a monthly service, disability, of survivor benefit check. If eligible, the plan subsidizes a spouse, survivor, child up to age 28, or incapacitated child for medical and prescription drugs. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB) as described in GASB Statement No 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer’s contribution rate. The total police employer contribution rate is 19.5% of covered payroll.

The Ohio Revised Code provides the statutory authority allowing OP&F’s Board of Trustees to offer health care coverage to all eligible individuals.

Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 6.75% of covered payroll in 2009 and 6.75% of covered payroll in 2010. In addition, since July 1, 1992, most retirees and survivors were required to contribute a portion of the cost of their healthcare coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2009, the date of the last actuarial valuation available, are 14,797 for Police and 10,915 for Firefighters. OP&F’s total health care expense for the year ending December 31, 2009, the date of the last available actuarial valuation available, was \$168,744,032, which was net of member contributions of \$59,148,831.

The portion of the Village’s contributions that was used to pay post-employment benefits for 2010, 2009 and 2008 was \$13,796, \$13,905, \$12,674 for police respectively.

Social Security: Two Council members have elected to contribute to Social Security. The contribution rate for 2010 was 6.2%.

Note 9- Debt

The Village’s long-term debt activity for the years ended December 31, 2010 and December 31, 2009 were as follows:

	Interest Rates	Balance at 1/1/2010	Increase	Decrease	Balance at 12/31/2010	Due in one year
O.P.W.C Loan	0%	\$ 79,778	\$ -	\$ 6,382	\$ 73,396	\$ 6,382
O.W.D.A Loan	5.77%	432,070	-	29,213	402,857	30,899
CVT Project	5.25%	610,000	-	45,000	565,000	45,000
Total		<u>\$ 1,121,848</u>	<u>\$ -</u>	<u>\$ 80,595</u>	<u>\$ 1,041,253</u>	<u>\$ 82,281</u>

VILLAGE OF BENTLEYVILLE
 CUYAHOGA COUNTY
 Notes to the Financial Statements
 For the Years Ended December 31, 2010 and 2009

Note 9- Debt (Continued)

	Interest Rates	Balance at 1/1/2009	Increase	Decrease	Balance at 12/31/2009	Due in one year
O.P.W.C Loan	0%	\$ 86,161	\$ -	\$ 6,383	\$ 79,778	\$ 6,382
O.W.D.A Loan	5.77%	459,690	-	27,620	432,070	29,213
CVT Project	5.25%	655,000	-	45,000	610,000	45,000
Total		<u>\$ 1,200,851</u>	<u>\$ -</u>	<u>\$ 79,003</u>	<u>\$ 1,121,848</u>	<u>\$ 80,595</u>

The Ohio Water Development Authority Loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The loans will be repaid in semiannual installments of \$27,073, including interest, over 25 years. The Ohio Public Works Interest Free Loan relates to the Chagrin River Slope Stabilization Project. This loan will be repaid in semiannual installments of \$3,191.

The Special Assessment Bond relates to the Chagrin Valley Trail (CVT) road improvement project. The bond issued in the amount of \$835,000 and will be repaid over 20 years in annual varying principal and interest payments.

The following is a summary of the Village future annual debt service requirements:

Year Ending December 31:	O.W.D.A		O.P.W.C		CVT Project	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 30,899	\$ 23,248	\$ 6,382	\$ -	\$ 45,000	\$ 30,475
2012	32,681	21,465	6,382	-	40,000	28,000
2013	34,567	19,579	6,382	-	40,000	25,800
2014	36,561	17,585	6,382	-	40,000	23,600
2015	38,671	15,475	6,382	-	40,000	21,400
2016-2020.	229,478	41,204	31,911	-	200,000	74,000
2021-2024	-	-	9,575	-	160,000	20,500
Total	<u>\$ 402,857</u>	<u>\$ 138,556</u>	<u>\$ 73,396</u>	<u>\$ -</u>	<u>\$ 565,000</u>	<u>\$ 223,775</u>

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 21, 2010 we an overall debt margin of \$5,903,220 and an unvoted debt margin of \$3,594,730. The effects of the debt limitations at December 31, 2009, were an overall debt margin of \$5,819,713 and an unvoted debt margin of \$3,593,451.

Note 10 – Interfund Activity

In 2010, the Village transferred \$5,000, \$56,000, \$14,000 and \$1,000 from the General Fund to the Bentleyville Park, Capital Projects Fund, CVT Special Assessment Fund and Waterline Debt Service Fund for payments of debt and other service and were done in accordance with budgetary authorizations.

In 2009, the Village transferred \$5,000, \$100,000, \$15,000 and \$470 from the General Fund to the Bentleyville Park, Capital Expenditures and Major Repair Fund, CVT Special Assessment Fund and Waterline Debt Service Fund for payments of debt and other service and were done in accordance with budgetary authorizations.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 10 – Interfund Activity (Continued)

In 2009, an advance was made from the General Fund to the Capital Projects Fund for \$383,805. This advance was repaid in 2010. In 2010, another advance for \$100,000 from the General Fund was made to the Capital Projects Fund.

Note 11 – Contingent Liabilities

There were no lawsuits against the Village as of December 31, 2010.

Note 12 – Jointly Governed Organizations

Northeast Ohio Public Energy Council

The Village is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and gas. NOPEC is currently comprised over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity and gas at the lowest possible rates while at the same time insuring stability in priced by entering into long-term contracts with suppliers to provide electricity and gas to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The Village did not contribute to NOPEC during 2009-2010. Financial information can be obtained by contacting NOPEC at 583 East Aurora Road, Macedonia, Ohio 44056.

Valley Enforcement Regional Council of Governments

The Village is a member of Valley Enforcement Regional Council of Governments (“VERCOG”), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (“VEG”), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is currently comprised of fifteen communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four (4) of more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purpose. During 2010 and 2009, the Village paid \$7,000 to VERCOG each year.

Note 13 – Engineering Services

The Village contracted with Chagrin Valley Engineering to provide services in connection with the construction of public improvements. The Village Engineer is an employee of Chagrin Valley Engineering. The Village paid \$45,674 and \$36,878 during 2010 and 2009, respectively.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2010 and 2009

Note 14 – Risk Management

The Village is exposed to various risks of loss related to torts; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2010 and 2009, the Village contracted for various types of insurance coverage with a private carrier as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
U.S. Specialty Insurance	Commercial Property	\$1,409,507
U.S. Specialty Insurance	General Liability	3,000,000
U.S. Specialty Insurance	Commercial Umbrella	5,000,000
U.S. Specialty Insurance	Vehicle	1,000,000
U.S. Specialty Insurance	Employee Benefits	1,000,000
U.S. Specialty Insurance	Public Officials	1,000,000
U.S. Specialty Insurance	Police Professional	1,000,000

Settled claims have not exceeded this commercial coverage in any of the last three years. Public Officials and Police Professional liabilities were reduced from 2008.

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. The System administers and pays all claims.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland, OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Village of Bentleyville
Cuyahoga County
6253 Chagrin River Road
Bentleyville, Ohio 44022

To the Village Council:

We have audited the financial statements of the governmental-activities, each major fund, and the aggregate remaining fund information of the Village of Bentleyville, Cuyahoga County, Ohio (Village) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 29, 2011, wherein we noted the Village uses the cash basis of accounting 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls 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 opinions 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 internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Village's financial statements 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 was not designed to identify all deficiencies in internal control over financial reporting 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.

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 an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2010-001.

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

We also noted certain matters that we reported to management of the Village in a separate letter dated June 29, 2011.

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



Charles E. Harris & Associates, Inc.

June 29, 2011

**VILLAGE OF BENTLEYVILLE
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS
 DECEMBER 31, 2010 AND 2009**

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

Finding Number 2010-001

Appropriations Exceed Estimated Resources

Section 5705.39, Revised Code, states that appropriations from each fund shall not exceed the total estimated resources as certified for expenditure by the county budget commission. The following fund was found to have appropriations in excess of the amount available for expenditure at December 31, 2010:

Fund	Total Estimated Resources	Total Appropriations	Variance
<u>Capital Projects Fund</u>			
Capital Projects Fund	\$ 554,594	\$ 598,912	\$ (44,318)

Management Response:

Village personnel will submit the appropriations to the county on a timely basis.

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2010 and 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken or Finding No Longer Valid; Explain
2008 - 001	Material Weakness regarding financial reporting.	Yes	Finding No Longer Valid
2008 - 002	Citation regarding failure to certify purchase orders per ORC §5705.41(D)(1)	Yes	Finding No Longer Valid

This Page is Intentionally Left Blank.



Dave Yost • Auditor of State

VILLAGE OF BENTLEYVILLE

CUYAHOGA 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
OCTOBER 6, 2011