

VILLAGE OF BELLVILLE

RICHLAND COUNTY

Regular Audit

For the Years Ended December 31, 2019 and 2018





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Members of Council
Village of Bellville
142 Park Place
Bellville, OH 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, 2018 through December 31, 2019. 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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 21, 2020

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Village of Bellville
Richland County
For the Years Ended December 31, 2019 and 2018

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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 Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Bellville, Richland County, Ohio (the Village) as of and for the years ended December 31, 2019 and 2018.

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(D) 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 of 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(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably 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(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019 and 2018, or changes in financial position or its cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Bellville, Richland County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 12 to the 2019 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2020, 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 Harris Associates

Charles E. Harris & Associates, Inc.
July 10, 2020

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Village of Bellville
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, 2019

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$297,902	\$422,087	\$0	\$0	\$0	\$719,989
Municipal Income Tax	550,048	23,874	0	0	0	573,922
Intergovernmental	21,268	127,876	0	500,000	0	649,144
Charges for Services	7,374	51,013	0	0	0	58,387
Fines, Licenses and Permits	14,285	78,546	0	0	0	92,831
Earnings on Investments	400	1,115	0	0	0	1,515
Miscellaneous	23,892	121,709	0	0	0	145,601
<i>Total Cash Receipts</i>	<u>915,169</u>	<u>826,220</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>2,241,389</u>
Cash Disbursements						
Current:						
Security of Persons and Property	65,135	529,208	0	0	0	594,343
Public Health Services	0	243,188	0	0	0	243,188
Leisure Time Activities	54,189	94,568	0	0	0	148,757
Community Environment	13,828	0	0	0	0	13,828
Basic Utility Services	14,294	0	0	0	0	14,294
Transportation	0	533,332	0	0	0	533,332
General Government	332,714	4,966	0	0	0	337,680
Capital Outlay	0	0	0	500,000	0	500,000
Debt Service:						
Principal Retirement	0	43,063	68,144	0	0	111,207
Interest and Fiscal Charges	0	9,240	6,649	0	0	15,889
<i>Total Cash Disbursements</i>	<u>480,160</u>	<u>1,457,565</u>	<u>74,793</u>	<u>500,000</u>	<u>0</u>	<u>2,512,518</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	435,009	(631,345)	(74,793)	0	0	(271,129)
Other Financing Receipts (Disbursements)						
Sale of Bonds	0	33,713	0	0	0	33,713
Other Debt Proceeds	0	153,690	0	0	0	153,690
Transfers In	0	490,377	74,793	0	0	565,170
Transfers Out	(527,168)	(38,002)	0	0	0	(565,170)
Other Financing Sources	0	3,000	0	0	0	3,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(527,168)</u>	<u>642,778</u>	<u>74,793</u>	<u>0</u>	<u>0</u>	<u>190,403</u>
<i>Net Change in Fund Cash Balances</i>	(92,159)	11,433	0	0	0	(80,726)
<i>Fund Cash Balances, January 1</i>	<u>443,322</u>	<u>556,736</u>	<u>0</u>	<u>0</u>	<u>42,188</u>	<u>1,042,246</u>
Fund Cash Balances, December 31						
Nonspendable	0	0	0	0	42,188	42,188
Restricted	0	560,291	0	0	0	560,291
Committed	0	7,878	0	0	0	7,878
Assigned	249,054	0	0	0	0	249,054
Unassigned	102,109	0	0	0	0	102,109
<i>Fund Cash Balances, December 31</i>	<u>\$351,163</u>	<u>\$568,169</u>	<u>\$0</u>	<u>\$0</u>	<u>\$42,188</u>	<u>\$961,520</u>

See accompanying notes to the financial statements

Village of Bellville
Richland County

*Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis)
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2019*

	Proprietary Fund Type <u>Enterprise</u>	Fiduciary Fund Type <u>Agency</u>	Totals (Memorandum Only) <u>Only</u>
Operating Cash Receipts			
Charges for Services	\$623,153	\$0	\$623,153
Fines, Licenses and Permits	0	70,556	70,556
Miscellaneous	0	64,113	64,113
<i>Total Operating Cash Receipts</i>	623,153	134,669	757,822
Operating Cash Disbursements			
Personal Services	87,934	0	87,934
Employee Fringe Benefits	50,346	0	50,346
Contractual Services	262,767	0	262,767
Supplies and Materials	28,186	0	28,186
Other	0	73,980	73,980
<i>Total Operating Cash Disbursements</i>	429,233	73,980	503,213
<i>Operating Income (Loss)</i>	193,920	60,689	254,609
Non-Operating Receipts (Disbursements)			
Capital Outlay	(4,745)	0	(4,745)
Principal Retirement	(128,324)	0	(128,324)
Interest and Other Fiscal Charges	(37,699)	0	(37,699)
<i>Total Non-Operating Receipts (Disbursements)</i>	(170,768)	0	(170,768)
<i>Net Change in Fund Cash Balances</i>	23,152	60,689	83,841
<i>Fund Cash Balances, January 1</i>	490,727	49,235	539,962
<i>Fund Cash Balances, December 31</i>	<u>\$513,879</u>	<u>\$109,924</u>	<u>\$623,803</u>

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

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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 and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific 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, 2019

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, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Fiduciary Funds Fiduciary funds include agency funds. Agency 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 agency 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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary 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 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency 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 2019 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, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can commit amounts via formal action (resolution). The Village must adhere to these commitments unless Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Council or a Village official delegated that authority by resolution, or by State Statute. Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated resources and appropriations in the subsequent year's appropriated budget in the general fund.

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.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Budgetary Activity

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

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,270,599	\$ 915,169	\$ (355,430)
Special Revenue	1,377,760	1,507,000	129,240
Debt Service	74,942	74,793	(149)
Capital Projects	500,000	500,000	-
Enterprise	540,000	623,153	83,153

2019 Budgeted vs. Actual Budgetary Basis Disbursements

Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,586,899	\$ 1,007,328	\$ 579,571
Special Revenue	1,712,686	1,495,567	217,119
Debt Service	74,942	74,793	149
Capital Projects	500,000	500,000	-
Enterprise	822,084	600,001	222,083

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:

	2019
Demand deposits	<u>\$ 1,543,135</u>
Total deposits	1,543,135
STAR Ohio	<u>42,188</u>
Total investments	42,188
Total deposits and investments	<u><u>\$ 1,585,323</u></u>

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, 2019

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, 2019

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. OPRM had 776 members as of December 31, 2019.

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

Assets	\$ 15,920,504
Liabilities	<u>(11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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, 2019.

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, 2019.

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 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4% during calendar year 2019. OP&F contributed 0.5% to fund these benefits in 2019.

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

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Various Purpose Bonds, Series 2011	\$ 177,800	3.60%
Police Cruiser Bond, Series 2018	28,445	3.29%
Police Cruiser Bond, Series 2019	33,713	2.47%
Cemetery Improvement Bond Anticipation Notes, Series 2018	144,598	4.00%
OWDA Loan #6832	775,035	3.18%
OWDA Loan #4470	146,246	4.49%
OWDA Loan #6694	293,636	0.00%
OWDA Loan #6900	288,114	0.00%
OWDA Loan #7156	121,119	1.68%
OPWC Loan #CP30G	26,218	0.00%
OPWC Loan #CP32P	47,392	0.00%
OPWC Loan #CP04R	216,667	0.00%
OPWC Loan #CT55S	82,418	0.00%
OPWC Loan #CP07R	115,954	0.00%
OPWC Loan #CP50O	10,571	0.00%
OPWC Loan #CP37W	153,690	0.00%
2017 Ford Taurus Lease	6,401	2.81%
2018 Kenworth Lease	51,785	3.00%
Total	<u>\$ 2,719,802</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.

In 2018, the Village entered into a sanitary sewer service agreement with the Village of Butler to pay \$241,809 for the services provided over the next 4 years in the form of 7 installment payments. The first installment of \$34,544 starts in 2019.

Village of Bellville
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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	Police Cruiser Bond, 2019	Cemetery	OWDA Loans	OPWC Loans	Leases
				Improvement BANs, 2018			
2020	\$ 95,318	\$ 7,705	\$ 7,251	\$ 10,391	\$ 56,900	\$ 38,837	\$ 24,736
2021	92,100	7,705	7,251	10,391	112,990	38,837	18,323
2022	-	7,705	7,251	10,391	112,959	38,837	18,327
2023	-	7,705	7,251	10,391	112,927	38,837	-
2024	-	-	7,251	10,391	112,894	36,195	-
2025-2029	-	-	-	128,734	495,267	154,755	-
2030-2034	-	-	-	-	446,109	154,755	-
2035-2039	-	-	-	-	275,074	101,855	-
2040-2044	-	-	-	-	222,962	41,667	-
2045-2049	-	-	-	-	24,019	8,335	-
Total	\$ 187,418	\$ 30,820	\$ 36,255	\$ 180,689	\$1,972,101	\$ 652,910	\$ 61,386

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 – Prior Period Adjustment

The Village voided a check for \$110 during the audit period. This resulted in the General Fund beginning balance increasing from \$443,212 to \$443,322.

Note 12 – Subsequent Events

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
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2018

	General	Special Revenue	Debt Service	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$255,927	\$359,990	\$0	\$0	\$615,917
Municipal Income Tax	551,197	-	0	0	551,197
Intergovernmental	59,283	127,526	0	0	186,809
Charges for Services	2,920	54,986	0	0	57,906
Fines, Licenses and Permits	68,323	4,589	0	0	72,912
Earnings on Investments	121	823	0	0	944
Miscellaneous	42,058	6,986	0	0	49,044
<i>Total Cash Receipts</i>	<u>979,829</u>	<u>554,900</u>	<u>0</u>	<u>0</u>	<u>1,534,729</u>
Cash Disbursements					
Current:					
Security of Persons and Property	404,454	154,845	0	0	559,299
Public Health Services	0	193,568	0	0	193,568
Leisure Time Activities	85,302	4,517	0	0	89,819
Community Environment	5,844	0	0	0	5,844
Transportation	0	322,570	0	0	322,570
General Government	246,573	3,901	0	0	250,474
Debt Service:					
Principal Retirement	14,419	18,831	68,144	0	101,394
Interest and Fiscal Charges	870	2,549	9,064	0	12,483
<i>Total Cash Disbursements</i>	<u>757,462</u>	<u>700,781</u>	<u>77,208</u>	<u>0</u>	<u>1,535,451</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	222,367	(145,881)	(77,208)	0	(722)
Other Financing Receipts (Disbursements)					
Sale of Bonds	35,000	0	0	0	35,000
Sale of Notes	0	149,999	0	0	149,999
Transfers In	0	122,167	77,208	0	199,375
Transfers Out	(160,155)	(39,220)	0	0	(199,375)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(125,155)</u>	<u>232,946</u>	<u>77,208</u>	<u>0</u>	<u>184,999</u>
<i>Net Change in Fund Cash Balances</i>	97,212	87,065	0	0	184,277
<i>Fund Cash Balances, January 1</i>	<u>346,000</u>	<u>469,671</u>	<u>0</u>	<u>42,188</u>	<u>857,859</u>
Fund Cash Balances, December 31					
Nonspendable	0	0	0	42,188	42,188
Restricted	0	547,593	0	0	547,593
Committed	0	9,143	0	0	9,143
Assigned	316,300	0	0	0	316,300
Unassigned	126,912	0	0	0	126,912
<i>Fund Cash Balances, December 31</i>	<u>\$443,212</u>	<u>\$556,736</u>	<u>\$0</u>	<u>\$42,188</u>	<u>\$1,042,136</u>

See accompanying notes to the financial statements

Village of Bellville
Richland County

*Combined Statement of Receipts, Disbursements and Changes in
Fund Balances (Regulatory Cash Basis)
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2018*

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
Operating Cash Receipts			
Charges for Services	\$600,405	\$0	\$600,405
Fines, Licenses and Permits	0	65,119	65,119
Miscellaneous	0	15,769	15,769
<i>Total Operating Cash Receipts</i>	600,405	80,888	681,293
Operating Cash Disbursements			
Personal Services	182,021	0	182,021
Employee Fringe Benefits	60,290	0	60,290
Contractual Services	301,783	0	301,783
Supplies and Materials	42,767	0	42,767
Other	0	92,976	92,976
<i>Total Operating Cash Disbursements</i>	586,861	92,976	679,837
<i>Operating Income (Loss)</i>	13,544	(12,088)	1,456
Non-Operating Receipts (Disbursements)			
Miscellaneous Receipts	1,576	0	1,576
Capital Outlay	(50,879)	0	(50,879)
Principal Retirement	(88,010)	0	(88,010)
Interest and Other Fiscal Charges	(21,058)	0	(21,058)
<i>Total Non-Operating Receipts (Disbursements)</i>	(158,371)	0	(158,371)
<i>Net Change in Fund Cash Balances</i>	(144,827)	(12,088)	(156,915)
<i>Fund Cash Balances, January 1</i>	635,554	61,323	696,877
<i>Fund Cash Balances, December 31</i>	\$490,727	\$49,235	\$539,962

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

Village of Bellville, Ohio
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific 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, Ohio
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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 Funds:

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, Ohio
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

Fiduciary Funds Fiduciary funds include agency funds. Agency 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 agency 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 (D). This basis is similar to the cash receipts and disbursements accounting basis. Council 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 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency 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 2018 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, Ohio
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can commit amounts via formal action (resolution). The Village must adhere to these commitments unless Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Council or a Village official delegated that authority by resolution, or by State Statute. Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated resources and appropriations in the subsequent year's appropriated budget in the general fund.

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.

Village of Bellville, Ohio
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,370,471	\$ 1,014,829	\$ (355,642)
Special Revenue	792,226	827,066	34,840
Debt Service	77,208	77,208	-
Enterprise	540,500	601,981	61,481

2018 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,405,492	\$ 920,550	\$ 484,942
Special Revenue	912,553	742,970	169,583
Debt Service	77,208	77,208	-
Enterprise	913,524	749,029	164,495

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:

	2018
Demand deposits	\$ 1,539,910
Total deposits	1,539,910
STAR Ohio	42,188
Total investments	42,188
Total deposits and investments	\$ 1,582,098

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, Ohio
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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, Ohio
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 – Risk Management (continued)

Risk Plan 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, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. 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. 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. OPRM had 774 members as of December 31, 2018.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$ 15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

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, 2018.

Village of Bellville, Ohio
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 – Defined Benefit Pension Plans (continued)

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 19.50% of full-time police members' wages. The Village has paid all contributions required through December 31, 2018.

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 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4% during calendar year 2018. OP&F contributed 0.5% to fund these benefits in 2018.

Village of Bellville, Ohio
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt

Debt outstanding at December 31, 2018, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Various Purpose Bonds, Series 2011	\$ 266,700	3.60%
Police Cruiser Bond, Series 2018	35,000	3.29%
Cemetery Improvement Bond Anticipation Notes, Series 2018	150,000	4.00%
OWDA Loan #6832	794,517	3.18%
OWDA Loan #4470	163,670	4.49%
OWDA Loan #6694	312,581	0.00%
OWDA Loan #6900	305,576	0.00%
OWDA Loan #7156	127,281	1.68%
OPWC Loan #CP30G	31,461	0.00%
OPWC Loan #CP32P	50,450	0.00%
OPWC Loan #CP04R	225,000	0.00%
OPWC Loan #CT55S	87,266	0.00%
OPWC Loan #CP07R	122,981	0.00%
OPWC Loan #CP50O	13,214	0.00%
2017 Ford Taurus Lease	18,193	2.81%
2018 Kenworth Lease	68,040	3.00%
Total	<u>\$ 2,771,930</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 Bond is paid out of the Police Levy fund.

In 2018, the Village entered into a sanitary sewer service agreement with the Village of Butler to pay \$241,809 for the services provided over the next 4 years in the form of 7 installment payments. The first installment of \$34,544 starts in 2019.

Village of Bellville, Ohio
Richland County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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	Cemetery		OWDA Loans	OPWC Loans	Leases
			Improvement BANs, 2018				
2019	\$ 98,501	\$ 7,705	\$ 10,391		\$ 56,900	\$ 31,153	\$ 24,736
2020	95,318	7,705	10,391		113,020	31,153	24,737
2021	92,100	7,705	10,391		112,990	31,153	24,737
2022	-	7,705	10,391		112,960	31,153	18,327
2023	-	7,705	10,391		112,927	31,153	-
2024-2028	-	-	139,124		519,846	121,576	-
2029-2033	-	-	-		446,109	116,333	-
2034-2038	-	-	-		319,703	78,366	-
2039-2043	-	-	-		222,962	41,666	-
2044-2048	-	-	-		156,074	16,666	-
Total	<u>\$ 285,919</u>	<u>\$ 38,525</u>	<u>\$ 191,079</u>		<u>\$2,173,491</u>	<u>\$ 530,372</u>	<u>\$ 92,537</u>

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.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH 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 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 by fund type of the Village of Bellville, Richland County (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated July 10, 2020, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

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 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.

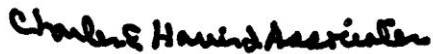
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2019-001 in the Schedule of Findings to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

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 and Associates, Inc.
July 10, 2020

Village of Bellville
Richland County
Schedule of Findings
December 31, 2019 and 2018

Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS
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Finding Number: 2019-001 – Material Weakness

Audit Adjustments and Reclassifications

During 2019 and 2018, errors were noted in the Village’s financial statements that required audit adjustments and reclassifications, the most significant of which are as follows:

- The Municipal Income Taxes fund was incorrectly classified as Special Revenue instead of General Fund.
- Debt proceeds from issuance of bonds, notes, and loans were incorrectly posted as Other Financing Sources instead of Sale of Bonds, Sale of Notes, and Other Debt Proceeds.
- The activities of Health Reimbursement Arrangement (HRA) account was incorrectly combined with the General Fund instead of an Agency Fund.
- The contractors’ deposits held by the Village for construction opening or cash bonding purposes was combined with the General fund instead of an Agency Fund.
- Police Levy Fund and Street Levy Fund whose revenue source is property taxes imposed by the voters were incorrectly reported as Committed Fund Balance instead of Restricted.
- The Sanitary Sewer Service charges based on a long-term agreement should be recorded as Contracted Services disbursements instead of Principal Retirement and Interest Charges in the Proprietary Fund.
- The subsequent year appropriations that exceed subsequent year estimated receipts were incorrectly reported as Unassigned Fund Balance instead of Assigned.

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 Governmental Accounting Standards Board (GASB) Statement No. 54, Audit Bulletin 2011-004, 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:

Management did not provide any response to the finding.

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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 11/5/2020

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Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
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