

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 1999 and 1998

TRIMBLE, JULIAN & GRUBE, INC.

TJG

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 1999 and 1998

LARRY ROSE, CLERK/TREASURER

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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STATE OF OHIO
OFFICE OF THE AUDITOR

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

We have reviewed the Independent Auditor's Report of the Village of Bellville, Richland County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 1998 through December 31, 1999. 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.



JIM PETRO
Auditor of State

July 5, 2000

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the Village of Bellville, Richland County, Ohio as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village of Bellville's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the Village of Bellville prepares its financial statements on the basis of accounting prescribed or permitted by Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and fund balances of the Village of Bellville, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements and its combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2000 on our consideration of the Village of Bellville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
May 1, 2000

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

**COMBINED STATEMENT OF CASH
FUND BALANCES - ALL FUND TYPES
DECEMBER 31, 1999 AND 1998**

	1999	1998
<u>Cash and Investments</u>		
Cash and Cash Equivalents	\$ 436,873	\$ 489,319
Investments	70,187	66,762
Total Cash and Investments	\$ 507,060	\$ 556,081
 <u>Fund Balances</u>		
<u>Governmental Funds:</u>		
General Fund	\$ 75,378	\$ 78,237
Special Revenue Funds	261,717	216,225
Capital Projects Funds	880	80,637
Total Governmental Funds	337,975	375,099
 <u>Proprietary Fund:</u>		
Enterprise Funds	147,365	155,168
 <u>Fiduciary Funds:</u>		
Expendable Trust Funds	14,536	18,887
Nonexpendable Trust Fund	7,184	6,927
Total Fiduciary Funds	21,720	25,814
 Total Fund Balances	\$ 507,060	\$ 556,081

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

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

	Governmental Fund Types			Fiduciary Fund Type	Total
	General	Special Revenue	Capital Projects	Expendable Trust	(Memorandum Only)
Cash receipts:					
Property and other local taxes	\$ 113,827	\$ 142,238		\$ 326,902	\$ 582,967
Intergovernmental	88,090	82,833			170,923
Charges for services		61,981			61,981
Fines, licenses and permits	41,308				41,308
Interest	9,384	3,131	\$ 56		12,571
Refunds	20,415	8,850			29,265
Miscellaneous	6,013	13,024			19,037
Total cash receipts	<u>279,037</u>	<u>312,057</u>	<u>56</u>	<u>326,902</u>	<u>918,052</u>
Cash disbursements:					
Current:					
Security of persons and property	175,540	17,203			192,743
Public health services		53,416			53,416
Leisure time activities		1,257			1,257
Basic utility services		44,792			44,792
Transportation		123,694			123,694
General government	207,686	191		19,752	227,629
Capital outlay	1,500	274,697	27,607		303,804
Total cash disbursements	<u>384,726</u>	<u>515,250</u>	<u>27,607</u>	<u>19,752</u>	<u>947,335</u>
Total cash receipts over/(under) cash disbursements	<u>(105,689)</u>	<u>(203,193)</u>	<u>(27,551)</u>	<u>307,150</u>	<u>(29,283)</u>
Other financing receipts/(disbursements):					
Other disbursements	(9,621)			(2,571)	(12,192)
Transfers-in	220,451	251,685	37,794	6,000	515,930
Transfers-out	(111,000)		(90,000)	(314,930)	(515,930)
Advance-in	3,000				3,000
Advance-out		(3,000)			(3,000)
Total other financing receipts/(disbursements)	<u>102,830</u>	<u>248,685</u>	<u>(52,206)</u>	<u>(311,501)</u>	<u>(12,192)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	<u>(2,859)</u>	<u>45,492</u>	<u>(79,757)</u>	<u>(4,351)</u>	<u>(41,475)</u>
Cash fund balances, January 1, 1999	<u>78,237</u>	<u>216,225</u>	<u>80,637</u>	<u>18,887</u>	<u>393,986</u>
Cash fund balances, December 31, 1999	<u>\$ 75,378</u>	<u>\$ 261,717</u>	<u>\$ 880</u>	<u>\$ 14,536</u>	<u>\$ 352,511</u>

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

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

	Proprietary Fund Type	Fiduciary Fund Types		Total (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
Operating cash receipts:				
Charges for services	\$ 300,810			\$ 300,810
Operating cash disbursements:				
Personal services	78,065			78,065
Contractual services	31,287			31,287
Supplies and materials	27,015			27,015
Capital outlay	99,028			99,028
Total operating cash disbursements	<u>235,395</u>			<u>235,395</u>
Operating income	<u>65,415</u>			<u>65,415</u>
Nonoperating cash receipts:				
Fines and taxes			\$ 127,417	127,417
Proceeds of notes	960,000			960,000
Other receipts	300	\$ 257		557
Interest receipts	784			784
Total nonoperating cash receipts	<u>961,084</u>	<u>257</u>	<u>127,417</u>	<u>1,088,758</u>
Nonoperating cash disbursements:				
Debt service:				
Principal retirement	986,654			986,654
Interest and fiscal charges	47,648			47,648
Distribution of fines and taxes			127,417	127,417
Total nonoperating cash disbursements	<u>1,034,302</u>		<u>127,417</u>	<u>1,161,719</u>
Net of cash receipts over/(under) cash disbursements	(7,803)	257	-	(7,546)
Cash fund balances, January 1, 1999	<u>155,168</u>	<u>6,927</u>	<u>-</u>	<u>162,095</u>
Cash fund balances, December 31, 1999	<u>\$ 147,365</u>	<u>\$ 7,184</u>	<u>\$ -</u>	<u>\$ 154,549</u>

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

VILLAGE OF BELLVILLE
 RICHLAND COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND ENCUMBRANCES COMPARED WITH EXPENDITURE
 AUTHORITY - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1999

Fund Types	Receipts				Disbursements				Variance Favorable (Unfavorable)		
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 1999 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1999 Appropriations	Total		Actual 1999 Disbursements	Encumbrances Outstanding at 12/31/99
Governmental:											
General	\$ 56,971	\$ 486,000	\$ 542,971	\$ 502,488	\$ 16,488	\$ 662	\$ 529,780	\$ 530,442	\$ 505,347	\$ 25,095	\$ 505,347
Special Revenue	188,805	566,042	754,847	563,742	(2,300)	604	610,446	611,050	518,250	92,800	518,250
Capital Projects	133,766	27,580	161,266	37,850	10,350		128,346	128,346	117,607	10,739	117,607
Proprietary:											
Enterprise	176,190	1,209,900	1,386,090	1,261,894	51,994	363	1,301,100	1,301,463	1,269,697		1,269,697
Fiduciary:											
Expendable Trust	23,230	340,565	363,795	332,902	(7,663)	49	359,600	359,649	337,253		337,253
Nonexpendable Trust	6,927	1,400	8,327	257	(1,143)						
Total (Memorandum Only)	\$ 585,889	\$ 2,631,407	\$ 3,217,296	\$ 2,699,133	\$ 67,226	\$ 1,678	\$ 2,929,272	\$ 2,930,950	\$ 2,748,154	\$ 182,796	\$ 2,748,154

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

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash receipts:					
Property and other local taxes	\$ 134,260	\$ 133,818		\$ 308,694	\$ 576,772
Intergovernmental	97,440	78,989			176,429
Charges for services		25,965			25,965
Fines, licenses and permits	42,562				42,562
Interest	6,204	2,571	\$ 111	84	8,970
Refunds	38,534	12,042			50,576
Miscellaneous	8,006	2,843			10,849
Total cash receipts	<u>327,006</u>	<u>256,228</u>	<u>111</u>	<u>308,778</u>	<u>892,123</u>
Cash disbursements:					
Current:					
Security of persons and property	176,259	15,848		211	192,318
Public health services		51,109			51,109
Leisure time activities		1,242			1,242
Transportation		120,508			120,508
General government	136,608	1,319		20,205	158,132
Capital outlay	1,000	77,893	42,503		121,396
Total cash disbursements	<u>313,867</u>	<u>267,919</u>	<u>42,503</u>	<u>20,416</u>	<u>644,705</u>
Total cash receipts over/(under) cash disbursements	<u>13,139</u>	<u>(11,691)</u>	<u>(42,392)</u>	<u>288,362</u>	<u>247,418</u>
Other financing receipts/(disbursements):					
Other disbursements	(15,214)	(1,745)		(3,815)	(20,774)
Other receipts		7,320			7,320
Transfers-in	192,670	94,020	65,400	2,153	354,243
Transfers-out	(118,072)			(275,243)	(393,315)
Total other financing receipts/(disbursements)	<u>59,384</u>	<u>99,595</u>	<u>65,400</u>	<u>(276,905)</u>	<u>(52,526)</u>
Excess of cash receipts and other financing receipts over cash disbursements and other disbursements	72,523	87,904	23,008	11,457	194,892
Cash fund balances, January 1, 1998	<u>5,714</u>	<u>128,321</u>	<u>57,629</u>	<u>7,430</u>	<u>199,094</u>
Cash fund balances, December 31, 1998	<u>\$ 78,237</u>	<u>\$ 216,225</u>	<u>\$ 80,637</u>	<u>\$ 18,887</u>	<u>\$ 393,986</u>

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

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

	Proprietary Fund Type	Fiduciary Fund Types		Total (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
Operating cash receipts:				
Charges for services	\$ 241,315			\$ 241,315
Operating cash disbursements:				
Personal services	73,648			73,648
Contractual services	32,997			32,997
Supplies and materials	26,608			26,608
Total operating cash disbursements	133,253			133,253
Operating income	108,062			108,062
Nonoperating cash receipts:				
Fines and taxes			\$ 131,235	131,235
Proceeds of notes	960,000			960,000
Interest receipts	790	\$ 1,364		2,154
Total nonoperating cash receipts	960,790	1,364	131,235	1,093,389
Nonoperating cash disbursements:				
Debt service:				
Principal retirement	984,844			984,844
Interest and fiscal charges	50,706			50,706
Distribution of fines and taxes			131,235	131,235
Total nonoperating cash disbursements	1,035,550	-	131,235	1,166,785
Net receipts over disbursements before interfund transfers	33,302	1,364	-	34,666
Transfers in	39,072			39,072
Net receipts over disbursements after interfund transfers	72,374	1,364	-	73,738
Cash fund balances, January 1, 1998	82,794	5,563	-	88,357
Cash fund balances, December 31, 1998	\$ 155,168	\$ 6,927	\$ -	\$ 162,095

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

VILLAGE OF BELLVILLE
 RICHLAND COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND ENCUMBRANCES COMPARED WITH EXPENDITURE
 AUTHORITY - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998

Fund Types	County Certified Unencumbered Cash	Receipts				Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1998 Appropriations	Total	Disbursements			Variance Favorable (Unfavorable)
		Budget	Total Estimated Resources	Actual 1998 Receipts	Actual 1998 Disbursements					Actual 1998 Disbursements	Encumbrances Outstanding at 12/31/98	Total	
Governmental:													
General	\$ 8,219	\$ 426,081	\$ 434,300	\$ 519,676	\$ 93,595		\$ 434,300	\$ 434,300	\$ 447,153	\$ 662	\$ 447,815	\$ (13,515)	
Special Revenue	108,113	357,272	465,385	357,568	296		346,919	346,919	269,684	604	270,288	76,651	
Capital Projects	101,631	56,028	157,659	65,511	9,483		40,656	40,656	42,503		42,503	(1,847)	
Proprietary:													
Enterprise	85,789	309,372	395,161	1,241,177	931,805		225,475	225,475	1,168,803	363	1,169,166	(943,691)	
Fiduciary:													
Expendable Trust	11,562	279,883	291,445	310,931	31,048		282,415	282,415	299,474	49	299,523	(17,108)	
Nonexpendable Trust	5,583	120	5,683	1,364	1,244		120	120				120	
Total (Memorandum Only)	\$ 320,877	\$ 1,428,756	\$ 1,749,633	\$ 2,496,227	\$ 1,067,471	\$	\$ 1,329,885	\$ 1,329,885	\$ 2,227,597	\$ 1,678	\$ 2,229,275	\$ (899,390)	

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

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of Bellville ("the Village") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Village operates under a council-mayor form of government and provides the following services: police protection, water and sewer utility services, street maintenance and repair, as well as other services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials have direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Village's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village.

GOVERNMENTAL FUNDS

General Fund

The general fund is used to account for all activities of the Village not required to be included 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 are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Village had the following significant special revenue funds:

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

State Highway Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village State Highways.

Cemetery Fund - This fund receives grave fees, burial costs, and plot fees to maintain the Village cemetery.

Street Lights Fund - This fund receives property tax monies to maintain the Village street lights.

Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Capital Improvement Fund - This fund provides monies for the purchase of large equipment, vehicles, and buildings for the Village.

Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Water Improvement Fund - This fund received bond proceeds issued to fund a water and sewer line extension. These bonds will be repaid from water and sewer user charges.

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fiduciary Funds (Trust and Agency Funds)

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

Income Tax Fund (Expendable Trust) - This fund receives monies from collections on the Villages 1% income tax imposed. Funds collected are used in both general operations of the Village and for capital expenditures and maintenance and repairs as required.

Bed Tax Fund (Agency Fund) - This fund receives monies from local hotels and motels from occupancy collections. These funds are used for general Village operations. In addition, the Village collects these monies on behalf of Washington Township and remits their portion to them monthly.

Mayor's Court (Agency Fund) - This fund receives monies from collections on fines imposed from tickets issued by the Village's police protection force. Funds are collected in part on behalf of the State of Ohio. In addition, funds are used for safety programs, computerization and general Village operations.

B. BASIS OF ACCOUNTING

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the item level within each fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds are legally required to be budgeted. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

Estimate Resources:

The County Budget Commission determined if the budget substantiated a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determined that receipts collected will be greater than or less than the prior estimate, and the Budget Commission finds the revised estimate to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The Village legally adopted several supplemental appropriations during 1999 and 1998.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Village had no encumbrances outstanding at December 31, 1999. The Village had outstanding encumbrances at December 31, 1998.

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest earned on investments held by the treasurer is credited to the General Fund or to funds required by law or Village ordinance. Interest income earned and received by the Village totaled \$13,355 and \$11,124 for the years ended December 31, 1999 and 1998.

E. PROPERTY, PLANT AND EQUIPMENT

Fixed assets are not capitalized in any of the Village's funds. Instead, capital acquisition and construction costs are recorded as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

G. INTERFUND TRANSACTIONS

During the course of normal operations, the Village had transactions between funds. The most significant include:

Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the necessary fund and are recorded as operating transfers.

Advances of resources from one fund to another fund. The resources advanced are for short-term purposes and are expected to be repaid within one year.

H. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village's cash basis method of accounting.

I. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

COMPLIANCE

The following funds had expenditures plus encumbrances in excess of appropriations for the year ended December 31, 1998 in accordance with Ohio Revised Code Section 5705.41 (B).

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
<u>GENERAL FUND</u>	\$434,300	\$447,815	\$13,515
<u>CAPITAL PROJECTS FUND:</u>			
Capital Improvement	40,656	42,503	1,847
<u>EXPENDABLE TRUST FUND:</u>			
Income Tax	280,000	299,311	19,311
<u>ENTERPRISE FUND:</u>			
Utility Improvement	30,000	999,072	969,072

Disclosure is presented at the fund level within the fund type rather than at the item level within the fund due to practicality of determining these values.

NOTE 4 - INTERFUND TRANSACTIONS

A. The following is a summarized breakdown of the Village's advances for 1999:

	<u>Advance-in</u>	<u>Advance-out</u>
<u>General Fund</u>	\$3,000	
<u>Special Revenue Fund:</u>		
Cemetery		\$3,000
Totals	<u>\$3,000</u>	<u>\$3,000</u>

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 4 - INTERFUND TRANSACTIONS - (Continued)

B. The following is a summarized breakdown of the Village's operating transfers for 1999:

<u>General Fund</u>	<u>Transfers-in</u>	<u>Transfers-out</u>
	\$220,451	\$111,000
<u>Special Revenue Funds:</u>		
Street Construction, Maintenance & Repair	94,479	
Issue II	<u>157,206</u>	
Total Special Revenue	<u>251,685</u>	
<u>Capital Projects Fund:</u>		
Capital Improvement	37,794	90,000
<u>Nonexpendable Trust Fund:</u>		
Bandstand	6,000	
<u>Expendable Trust Fund:</u>		
Income Tax	_____	<u>314,930</u>
Totals	<u>\$515,930</u>	<u>\$515,930</u>

C. The following is a summarized breakdown of the Village's operating transfers for 1998:

<u>General Fund</u>	<u>Transfers-in</u>	<u>Transfers-out</u>
	\$192,670	\$118,072
<u>Special Revenue Fund:</u>		
Street Construction, Maintenance & Repair	82,573	
Park Recreation	<u>11,447</u>	
Total Special Revenue	<u>94,020</u>	
<u>Capital Projects Fund:</u>		
Capital Improvement	65,400	
<u>Enterprise Fund</u>		
	39,072	
<u>Expendable Trust Funds:</u>		
Income Tax	_____	275,243
Bandstand	<u>2,153</u>	_____
Totals	<u>\$393,315</u>	<u>\$393,315</u>

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

NOTE 5 - EQUITY IN POOLED CASH AND INVESTMENTS

Moneys held by the Village are classified by State statute into two categories. Active moneys are public moneys determined to be necessary to meet current demand upon the Village treasury. Active moneys must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Moneys held by the Village which are not considered active are classified as inactive. Inactive moneys may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities 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 that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual 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;

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 5 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

6. The State Treasurer's investment pool (STAR Ohio).

The Village may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons;
3. Obligations to the Village.

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 specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. CASH AND INVESTMENTS

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Deposits:		
Demand	\$363,889	\$431,835
Certificates of deposit	<u>72,984</u>	<u>57,484</u>
Total deposits	436,873	489,319
Investments:		
STAR Ohio	<u>70,187</u>	<u>66,762</u>
Total	<u>\$507,060</u>	<u>\$556,081</u>

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 5 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Investments are categorized as follows:

- Category 1 - Insured or registered, or securities held by the Village or its agent in the Village's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name.

The Village invested in STAR Ohio in 1999 and 1998. Investments in STAR Ohio are not evidenced by securities that exist in physical or book entry form and therefore are not categorized as to the level of risk assumed by the Village. The Village's investments at December 31, 1999 and 1998 are summarized below:

	1999		1998	
	Carrying Amount	Market Value	Carrying Amount	Market Value
STAR Ohio	\$70,187	\$70,187	\$66,762	\$66,762
Total Investments	<u>\$70,187</u>	<u>\$70,187</u>	<u>\$66,762</u>	<u>\$66,762</u>

B. DEPOSITS

For the years ended December 31, 1999 and 1998, the carrying amount of the Village's deposits were \$436,873 and \$489,319, respectively, and the bank balances were \$458,739 and \$517,390, respectively. Of the bank balances:

1. \$177,284 and \$156,428 was covered by federal depository insurance for 1999 and 1998, respectively.
2. \$281,455 and \$360,962, respectively, was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, *noncompliance with federal requirements could potentially subject the Village held to a successful claim by the FDIC.*

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 5 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

NOTE 6 - DEBT OBLIGATIONS

At December 31, 1999, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 1999</u>
1999 Water System Improvement Notes for improving and enlarging the Villages water system to be renewed annually, due in 1998 at \$960,000, bearing interest at 4.16%.	\$960,000
1993 Ohio Water Development Authority (OWDA) loan for utility construction projects, due in semi-annual installments of \$2,363 through 2003, bearing interest at 6.61%.	12,494
1987 OWDA loan for utility construction projects, due in semi-annual installments of \$10,184 through 2003, bearing interest at 7.60%.	60,605
1983 OWDA loan for utility construction projects, due on semi - annual installments of \$557 through 2003, bearing interest at 9.947%.	3,162
1982 OWDA loan for utility construction projects, due in semi - annual installments of \$339 through 2003, bearing interest at 7.05%.	1,848

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 6 - DEBT OBLIGATIONS - (Continued)

<u>Description</u>	<u>Balance at December 31, 1999</u>
1981 OWDA loan for utility construction projects, due in semi - annual installments of \$1,086 through 2003, bearing interest at 7.05%	6,534
1980 OWDA loan for utility construction projects, due in semi - annual installments of \$3,711 through 2003, bearing interest at 6.40%	<u>22,588</u>
Total debt obligations at December 31, 1999	<u>\$1,067,231</u>

Transactions for the year ended December 31, 1999 are summarized as follows:

	<u>Balance at December 31, 1998</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 1999</u>
<u>Bonds</u>				
1999 Water System Improvement	\$ 0	\$960,000	\$ 0	\$960,000
1998 Water System Improvement	<u>960,000</u>	<u>0</u>	<u>960,000</u>	<u>0</u>
Total Bonds	<u>960,000</u>	<u>960,000</u>	<u>960,000</u>	<u>960,000</u>
<u>Notes</u>				
OWDA 1993	16,152	0	3,658	12,494
OWDA 1987	75,253	0	14,648	60,605
OWDA 1983	3,890	0	728	3,162
OWDA 1982	2,254	0	406	1,848
OWDA 1981	8,132	0	1,598	6,534
OWDA 1980	<u>28,204</u>	<u>0</u>	<u>5,616</u>	<u>22,588</u>
Total Notes	<u>133,885</u>	<u>0</u>	<u>26,654</u>	<u>107,231</u>
Total Bonds and Notes	<u>\$1,093,885</u>	<u>\$960,000</u>	<u>\$986,654</u>	<u>\$1,067,231</u>

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

NOTE 6 - DEBT OBLIGATIONS - (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 1999, is as follows:

Year Ending December 31,	<u>BONDS</u>		<u>NOTES</u>	
	<u>Water System Improvement</u>		<u>OWDA Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2000	\$960,000	\$41,760	\$14,210	\$4,029
2001			29,645	6,832
2002			31,816	4,964
2003			31,560	2,553
TOTALS	<u>\$960,000</u>	<u>\$41,760</u>	<u>\$107,231</u>	<u>\$18,378</u>

At December 31, 1998, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 1998</u>
1998 Water System Improvement Notes for improving and enlarging the Villages water system to be renewed annually, due in 1999 at \$960,000, bearing interest at 3.94%.	\$960,000
1993 Ohio Water Development Authority (OWDA) loan for utility construction projects, due in semi-annual installments of \$2,363 through 2003, bearing interest at 6.61%.	16,152
1987 OWDA loan for utility construction projects, due in semi-annual installments of \$10,184 through 2003, bearing interest at 7.60%.	75,253
1983 OWDA loan for utility construction projects, due on semi - annual installments of \$557 through 2003, bearing interest at 9.947%.	3,890
1982 OWDA loan for utility construction projects, due in semi - annual installments of \$339 through 2003, bearing interest at 7.05%.	2,254

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 6 - DEBT OBLIGATIONS - (Continued)

<u>Description</u>	<u>Balance at December 31, 1998</u>
1981 OWDA loan for utility construction projects, due in semi - annual installments of \$1,086 through 2003, bearing interest at 7.05%	8,132
1980 OWDA loan for utility construction projects, due in semi - annual installments of \$3,711 through 2003, bearing interest at 6.40%	<u>28,204</u>
Total debt obligations at December 31, 1998	<u>\$1,093,885</u>

Transactions for the year ended December 31, 1998 is summarized as follows:

	<u>Balance at December 31, 1997</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 1998</u>
<u>Bonds</u>				
1998 Water System Improvement	\$ 0	\$960,000	\$ 0	\$ 960,000
1997 Water System Improvement	<u>960,000</u>	<u>0</u>	<u>960,000</u>	<u>0</u>
Total Bonds	<u>960,000</u>	<u>960,000</u>	<u>960,000</u>	<u>960,000</u>
<u>Notes</u>				
OWDA 1993	19,584	0	3,432	16,152
OWDA 1987	88,867	0	13,614	75,253
OWDA 1983	4,552	0	662	3,890
OWDA 1982	2,618	0	364	2,254
OWDA 1981	9,626	0	1,494	8,132
OWDA 1980	<u>33,482</u>	<u>0</u>	<u>5,278</u>	<u>28,204</u>
Total Notes	<u>158,729</u>	<u>0</u>	<u>24,844</u>	<u>133,885</u>
Total Bonds and Notes	<u>\$1,118,729</u>	<u>\$960,000</u>	<u>\$984,844</u>	<u>\$1,093,885</u>

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 6 - DEBT OBLIGATIONS - (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 1998, are as follows:

Year Ending December 31,	<u>BONDS</u>		<u>NOTES</u>	
	<u>Water System Improvement</u>		<u>OWDA Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
1999	\$960,000	\$37,824	\$13,172	\$5,067
2000			27,649	8,853
2001			29,672	6,833
2002			31,847	4,664
2003			<u>31,545</u>	<u>2,553</u>
TOTALS	<u>\$960,000</u>	<u>\$37,824</u>	<u>\$133,885</u>	<u>\$27,970</u>

NOTE 7 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village Council. The State Board of Tax Equalization adjusts these rates from inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the County by December 31. Payments are due to the County Auditor annually. However, if the property owner elects, payments may be made semiannually.

Public utilities are also taxed on personal and real property located within the Village.

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

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

**VILLAGE OF BELLVILLE
RICHLAND COUNTY, OHIO**

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

NOTE 8 - LOCAL INCOME TAX

This locally levied tax of 1.00% applies to gross salaries, wages and other personal service compensation earned by residents both in and out of the Village and to earnings of nonresidents (except certain transients) earned in the Village. It also applies to the net income of business organizations located within the Village. Tax receipts are accounted for in an expendable trust and transferred based on Council ordinance allocation to various funds for operations. The Village collected \$326,902 and \$308,694 in 1999 and 1998 respectively, in income tax receipts.

NOTE 9 - RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contribute 10% of their wages to the PFDPF. The Village contribute an amount equal to 19.5% to their wages. PERS members contribute 8.5% of their gross salaries. The Village contribute an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999 and 1998.

NOTE 10 - RISK MANAGEMENT

The Village is insured through the Ohio Government Risk Management Plan. The Plan assumes the risk of loss up to the limits of the Village's policy. The following risks are covered under the plan; Property, Liability, Wrongful Acts, Law Enforcement, Inland Marine, EDP, Employee Benefits Liability, Automobile Liability, all with various deductibles.

In 1997, the Village became self-insured through a third-party administrator to provide Village employees with health insurance.

NOTE 11 - CONTINGENT LIABILITY

Litigation - The Village is currently not involved in litigation that the Village's legal council anticipates a loss.

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 WORTHINGTON WOODS BOULEVARD
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of Council
Village Of Bellville
607 East Main Street
Bellville, Ohio 43732

We have audited the financial statements of the Village of Bellville, Ohio as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 1, 2000. We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Bellville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 1998-704010-05-001. We also, noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated May 1, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Bellville's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the annual course of performing their assigned functions. We noted no matter involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village of Bellville in a separate letter dated May 1, 2000.

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

Trimble, Julian & Grube, Inc.
Trimble, Julian & Grube, Inc.
May 1, 2000

**VILLAGE OF BELLVILLE
 RICHLAND COUNTY, OHIO
 DECEMBER 31, 1999 AND 1998**

SCHEDULE OF FINDINGS

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

Finding Number	1998-704010-05-001
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Ohio Revised Code Section 5705.41 (B) requires that no subdivision is to expend money unless it has been appropriated.

It was noted during the audit that for the year ended December 31, 1998 the Village had expenditures plus encumbrances exceeding appropriations in the following funds:

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
<u>GENERAL</u>	\$434,300	\$447,815	\$13,515
<u>CAPITAL PROJECTS FUND:</u>			
Capital Improvement	40,656	42,503	1,847
<u>EXPENDABLE TRUST FUND:</u>			
Income Tax	280,000	299,311	19,311
<u>ENTERPRISE FUND:</u>			
Utility Improvement	30,000	999,072	969,072

With expenditures exceeding appropriations, the Village is unlawfully expending monies that have not been appropriated.

We recommend that the Village comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations and amending the budget prior to year end. This may be achieved by monitoring the budget more closely on a continual basis.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370

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VILLAGE OF BELLVILLE

RICHLAND 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.

By: Susan Babbitt

Date: JULY 25, 2000