



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2018.....	3
Statement of Receipts, Disbursements and Changes in Fund Balance (Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2018.....	4
Notes to the Financial Statements – For the Year Ended December 31, 2018	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2017.....	15
Statement of Receipts, Disbursements and Changes in Fund Balance (Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2017.....	16
Notes to the Financial Statements – For the Year Ended December 31, 2017	17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	27

This Page Intentionally Left Blank.

OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

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

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 Bentleyville, Cuyahoga County, Ohio (the Village) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting 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 responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider 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 to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support 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 determinable, 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, 2018 and 2017, and the respective changes in financial position 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 Bentleyville, Cuyahoga County, Ohio as of December 31, 2018 and 2017, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2019, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



Keith Faber
Auditor of State
Columbus, Ohio

May 21, 2019

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

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$383,361	\$51,939			\$435,300
Municipal Income Tax	945,790				945,790
Intergovernmental	82,359	45,088			127,447
Special Assessments			\$121,466		121,466
Charges for Services	7,844				7,844
Fines, Licenses and Permits	93,432				93,432
Earnings on Investments	11,225	1,242			12,467
Miscellaneous	42,991				42,991
<i>Total Cash Receipts</i>	<u>1,567,002</u>	<u>98,269</u>	<u>121,466</u>		<u>1,786,737</u>
Cash Disbursements					
Current:					
Security of Persons and Property	771,381	400		\$27,324	799,105
Public Health Services		128			128
Leisure Time Activities	2,699				2,699
Basic Utility Services	56,273				56,273
Transportation	196,457	235,106			431,563
General Government	338,157		1,204		339,361
Capital Outlay				32,038	32,038
Debt Service:					
Principal Retirement			92,141	54,561	146,702
Interest and Fiscal Charges			20,614	2,526	23,140
<i>Total Cash Disbursements</i>	<u>1,364,967</u>	<u>235,634</u>	<u>113,959</u>	<u>116,449</u>	<u>1,831,009</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>202,035</u>	<u>(137,365)</u>	<u>7,507</u>	<u>(116,449)</u>	<u>(44,272)</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	4,700				4,700
Transfers In	461	55,000		100,551	156,012
Transfers Out	(156,012)				(156,012)
Advances In		105,000			105,000
Advances Out	(105,000)				(105,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(255,851)</u>	<u>160,000</u>		<u>100,551</u>	<u>4,700</u>
<i>Net Change in Fund Cash Balances</i>	(53,816)	22,635	7,507	(15,898)	(39,572)
<i>Fund Cash Balances, January 1</i>	<u>964,958</u>	<u>183,471</u>	<u>89,149</u>	<u>78,947</u>	<u>1,316,525</u>
Fund Cash Balances, December 31					
Committed				63,049	63,049
Restricted		206,106	96,656		302,762
Assigned	66,840				66,840
Unassigned	844,302				844,302
<i>Fund Cash Balances, December 31</i>	<u>\$911,142</u>	<u>\$206,106</u>	<u>\$96,656</u>	<u>\$63,049</u>	<u>\$1,276,953</u>

See accompanying notes to the basic financial statements

Village of Bentleyville
Cuyahoga County
Statement of Receipts, Disbursements
and Changes in Fund Balance (Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2018

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Cash Receipts	
Fines and Fees	\$31,313
Deposits	11,064
<i>Total Cash Receipts</i>	<u>42,377</u>
Cash Disbursements	
Other	28,398
<i>Net Change in Fund Cash Balance</i>	<u>13,979</u>
<i>Fund Cash Balance, January 1</i>	<u>105,566</u>
<i>Fund Cash Balance, December 31</i>	<u>\$119,545</u>

See accompanying notes to the basic financial statements

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

Note 1 - Reporting Entity

The Village of Bentleyville, Cuyahoga County, Ohio 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 the following services to its citizens: police protection, sewer/storm sewer facilities, park operations, building inspection, maintenance of roads and refuse collection. The Village appropriates general fund money to support a volunteer fire department.

Jointly Governed Organizations and Public Entity Risk Pool

The Village participates in three jointly governed organizations and a public entity risk pool. Notes 11 and 12 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

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 (cash basis) for all governmental fund types, and a statement of receipts, disbursements and changes in fund balance (cash basis) for its fiduciary fund type 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 Fund:

Street Construction Maintenance and Repair - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

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

Note 2 - Summary of Significant Accounting Policies – (Continued)

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:

Chagrin Valley Trails Road Improvement Fund - This fund is used to record property tax assessments and General Fund transfers used to pay the Bentleyville, Ohio Street Improvement Special Assessment Bonds. All principal and interest payments for these Bonds are paid from this fund.

Water Line Special Assessment Debt Fund - This fund is used to record property tax assessments and General Fund transfers used to pay the Bentleyville, Ohio Water Development Authority Loan. All principal and interest payments for this Bond are paid from this fund.

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:

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

Capital Projects Fund - This fund records major capital projects. The Solon Road project was paid from this fund.

Fiduciary Funds - Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds accounts for:

Contractors' Bond Fund- The Contractors' Bond Fund is used to account for the deposits received from contractors to ensure performance.

The Fines and Cost Fund- The Fines and Cost Fund is used to account for the fines and fees collected from waiverable offenses.

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

Note 2 - Summary of Significant Accounting Policies – (Continued)

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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the 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 expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund-function-object level of control, and appropriations may not exceed estimated resources. The Village 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.

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.

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

Note 2 - Summary of Significant Accounting Policies – (Continued)

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 the 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 Village Council or a Village official delegated that authority by resolution, or by State Statute.

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 Bentleyville, Ohio
Cuyahoga 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 Fund	\$1,448,211	\$1,572,163	\$123,952
Special Revenue Funds	263,866	258,269	(5,597)
Debt Service Funds	119,729	121,466	1,737
Capital Projects Funds	45,907	100,551	54,644
Total	\$1,877,713	\$2,052,449	\$174,736

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$1,637,016	\$1,626,978	\$10,038
Special Revenue Funds	304,864	279,183	25,681
Debt Service Funds	114,158	113,959	199
Capital Projects Funds	131,388	116,449	14,939
Total	\$2,187,426	\$2,136,569	\$50,857

Note 4 – Deposits and Investments

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

	2018
Deposits:	
Demand deposits	\$268,883
Certificates of deposit	252,877
Total deposits	521,760
Investments:	
STAR Ohio	1,042
Sweep Account	873,696
Total investments	874,738
Total deposits and investments	\$1,396,498

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

Note 4 – Deposits and Investments – (Continued)

Deposits

Deposits are insured by the Federal Depository 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.

Investments

Investments in STAR Ohio 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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, with residents working outside the Village receiving .25% credit on income earned outside 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 – Interfund Balances

Advances

Outstanding advances at December 31, 2018, consisted of \$105,000 advanced to the Street fund to provide working capital for the Chagrin River Road and Village Parking Lot resurfacing project.

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

Note 7 - Risk Management

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 (if material).

The Village is exposed to various risks of loss related to torts; damage to, destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, the Village contracted for various types of insurance coverage with a private carrier as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
U.S. Specialty Insurance	Commercial Property	\$1,944,151
U.S. Specialty Insurance	General Liability	1,000,000
U.S. Specialty Insurance	Commercial Umbrella	8,000,000
U.S. Specialty Insurance	Vehicle	1,000,000
U.S. Specialty Insurance	Employee Benefits	1,000,000
U.S. Specialty Insurance	Public Officials	1,000,000
U.S. Specialty Insurance	Police Professional	1,000,000

Settled Claims have not exceeded this commercial coverage in any of the last three years.

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Villages 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 healthcare 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.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the 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 healthcare 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, 2018.

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

Note 9 - 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 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Note 10 – Debt

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$22,338	0%
Special Assessment Bonds	240,000	5.25%
Ohio Water Development Authority Loan	99,603	5.77%
Capital Lease - Snow Plow	34,872	2.71%
Capital Lease - Police Car	19,820	6.00%
Total	\$416,633	

The Ohio Public Works Interest Free Loan relates to the Chagrin River slope Stabilization Project. This loan will be repaid in semiannual installments of \$3,191

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

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project the Ohio Environmental Protection Agency mandated. The Village will repay the loans in semiannual installments, including interest, over 25 years.

Capital Leases

In 2016, the Village entered into a capital lease arrangement for a Dump Body Snow Plow. The lease is for four years, and the required a per annum payment is \$35,828. The stated interest rate is 2.71%. The Village disbursed \$35,828 to pay lease costs for the year ended December 31, 2018.

In 2018, the Village entered into a capital lease arrangement for a Ford Police Interceptor Utility vehicle. The lease is for three years, and the required per annum payment is \$10,811. The stated interest rate is 6.0%. The Village disbursed \$10,811 to pay lease costs for the year ended December 31, 2018.

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

Note 10 – Debt – (Continued)

Amortization

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

Year ending December 31:	Capital Leases	OWDA Loan	OPWC Loan	Special Assessment Bonds
2019	\$46,639	\$52,383	\$6,382	\$52,600
2020	10,811	53,239	6,382	50,400
2021			6,382	48,200
2022			3,192	46,150
2023				44,100
2024				42,050
Total	<u>\$57,450</u>	<u>\$105,622</u>	<u>\$22,338</u>	<u>\$283,500</u>

Note 11 – Jointly Governed Organizations

Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The Village did not contribute to NOPEC during 2018. Financial information can be obtained by contacting NOPEC at 31360 Solon Road, Suite 33 Solon, Ohio 44139.

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

Note 11 – Jointly Governed Organizations – (Continued)

Valley Enforcement Regional Council of Governments

The Village is a member of Valley Enforcement Regional Council of Governments (“VERCOG”), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (“VEG”), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is currently comprised of fifteen communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four or more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purpose. During 2018, the Village paid \$8,000 to VERCOG. Financial information can be obtained by contacting VERCOG at 28000 Shaker Blvd. Pepper Pike , Ohio 44124.

Chagrin Valley Dispatch Council of Governments Regional Council of Governments

The Village is a member of the Chagrin Valley Dispatch Council of Governments (CVDCOG), a jointly governed organization. CVDCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. CVDCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. CVDCOG is currently comprised of ten communities located within the Chagrin Valley who jointly operate and maintain the former Chagrin Falls radio and dispatch center for the benefit of all member communities. CVDCOG is authorized to acquire and own police and fire dispatch and radio equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purpose. During 2018, the Village paid \$62,796 to CVDCOG. Financial information can be obtained by contacting CVDCOG at 21 Washington Street, Chagrin Falls, Ohio 44022.

Note 12 – Public Entity Risk Pool

Ohio Municipal League Group Rating Plan (GRP)

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Village of Bentleyville
Cuyahoga County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2017

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$384,672	\$49,914			\$434,586
Municipal Income Tax	960,113				960,113
Intergovernmental	77,358	41,397			118,755
Special Assessments		15,677	\$120,118		135,795
Charges for Services	10,131				10,131
Fines, Licenses and Permits	82,979				82,979
Earnings on Investments	6,427	542			6,969
Miscellaneous	56,092	25,000		\$13,904	94,996
<i>Total Cash Receipts</i>	<u>1,577,772</u>	<u>132,530</u>	<u>120,118</u>	<u>13,904</u>	<u>1,844,324</u>
Cash Disbursements					
Current:					
Security of Persons and Property	730,015				730,015
Basic Utility Services	54,666				54,666
Transportation	180,768	70,027			250,795
General Government	386,397				386,397
Capital Outlay				14,185	14,185
Debt Service:					
Principal Retirement			89,645	42,245	131,890
Interest and Fiscal Charges			25,734	4,031	29,765
<i>Total Cash Disbursements</i>	<u>1,351,846</u>	<u>70,027</u>	<u>115,379</u>	<u>60,461</u>	<u>1,597,713</u>
<i>Net Change in Fund Cash Balances</i>	225,926	62,503	4,739	(46,557)	246,611
<i>Fund Cash Balances, January 1</i>	<u>739,032</u>	<u>120,968</u>	<u>84,410</u>	<u>125,504</u>	<u>1,069,914</u>
Fund Cash Balances, December 31					
Committed				78,947	78,947
Restricted		183,471	89,149		272,620
Assigned	63,773				63,773
Unassigned	901,185				901,185
<i>Fund Cash Balances, December 31</i>	<u>\$964,958</u>	<u>\$183,471</u>	<u>\$89,149</u>	<u>\$78,947</u>	<u>\$1,316,525</u>

See accompanying notes to the basic financial statements

Village of Bentleyville
Cuyahoga County
Statement of Receipts, Disbursements
and Changes in Fund Balance (Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2017

	Fiduciary Fund Type
	Agency
Cash Receipts	
Fines and Fees	\$29,371
Deposits	4,731
	34,102
<i>Total Cash Receipts</i>	<i>34,102</i>
Cash Disbursements	
Other	31,664
	2,438
<i>Net Change in Fund Cash Balance</i>	<i>2,438</i>
<i>Fund Cash Balance, January 1</i>	<i>103,128</i>
	\$105,566
<i>Fund Cash Balance, December 31</i>	<i>\$105,566</i>
	\$105,566
<i>See accompanying notes to the basic financial statements</i>	

Village of Bentleyville, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 - Reporting Entity

The Village of Bentleyville, Cuyahoga County, Ohio 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 the following services to its citizens: police protection, sewer/storm sewer facilities, park operations, building inspection, maintenance of roads and refuse collection. The Village appropriates general fund money to support a volunteer fire department.

Jointly Governed Organizations and Public Entity Risk Pool

The Village participates in three jointly governed organizations and a public entity risk pool. Notes 10 and 11 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

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 (cash basis) for all governmental fund types, and a statement of receipts, disbursements and changes in fund balance (cash basis) for its fiduciary fund type 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 Fund:

Street Construction Maintenance and Repair - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Village of Bentleyville, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies – (Continued)

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:

Chagrin Valley Trails Road Improvement Fund - This fund is used to record property tax assessments and General Fund transfers used to pay the Bentleyville, Ohio Street Improvement Special Assessment Bonds. All principal and interest payments for these Bonds are paid from this fund.

Water Line Special Assessment Debt Fund - This fund is used to record property tax assessments and General Fund transfers used to pay the Bentleyville, Ohio Water Development Authority Loan. All principal and interest payments for this Bond are paid from this fund.

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:

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

Capital Projects Fund - This fund records major capital projects. The Solon Road project was paid from this fund.

Fiduciary Funds - Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds accounts for:

Contractors' Bond Fund - The Contractors' Bond Fund is used to account for the deposits received from contractors to ensure performance.

The Fines and Cost Fund - The Fines and Cost Fund is used to account for the fines and fees collected from waiverable offenses.

Village of Bentleyville, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies – (Continued)

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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the 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 be budgeted annually.

Appropriations - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund-function-object level of control, and appropriations may not exceed estimated resources. The Village 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 2017 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.

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.

Village of Bentleyville, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies – (Continued)

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 the 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 Village Council or a Village official delegated that authority by resolution, or by State Statute.

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 Bentleyville, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General Fund	\$1,550,967	\$1,577,772	\$26,805
Special Revenue Funds	406,103	132,530	(273,573)
Debt Service Funds	119,729	120,118	389
Capital Projects Funds	0	13,904	13,904
Total	\$2,076,799	\$1,844,324	(\$232,475)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$1,470,895	\$1,351,846	\$119,049
Special Revenue Funds	75,722	70,027	5,695
Debt Service Funds*	0	115,379	(115,379)
Capital Projects Funds	60,661	60,461	200
Total	\$1,607,278	\$1,597,713	\$9,565

Noncompliance: Contrary to Ohio Rev. Code § 5705.41(B) budgetary basis expenditures exceeded appropriations for the Village's Debt Service Funds at December 31, 2017.

Note 4 – Deposits and Investments

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

	2017
Deposits:	
Demand deposits	\$262,685
Certificates of deposit	252,032
Total deposits	514,717
Investments:	
STAR Ohio	1,022
Sweep Account	906,352
Total investments	907,374
Total deposits and investments	\$1,422,091

Village of Bentleyville, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 4 – Deposits and Investments – (Continued)

Deposits

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

Investments

Investments in STAR Ohio 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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, with residents working outside the Village receiving .25% credit on income earned outside 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.

Village of Bentleyville, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 6 - Risk Management

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 (if material).

The Village is exposed to various risks of loss related to torts; damage to, destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2017, the Village contracted for various types of insurance coverage with a private carrier as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
U.S. Specialty Insurance	Commercial Property	\$1,782,734
U.S. Specialty Insurance	General Liability	1,000,000
U.S. Specialty Insurance	Commercial Umbrella	8,000,000
U.S. Specialty Insurance	Vehicle	1,000,000
U.S. Specialty Insurance	Employee Benefits	1,000,000
U.S. Specialty Insurance	Public Officials	1,000,000
U.S. Specialty Insurance	Police Professional	1,000,000

Settled Claims have not exceeded this commercial coverage in any of the last three years.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Villages 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 healthcare 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, 2017.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the 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 healthcare 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, 2017.

Village of Bentleyville, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2017 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan	\$28,720	0%
Special Assessment bonds	280,000	5.25%
Ohio Water Development Authority Loan	145,362	5.77%
Capital Lease-Snow Plow	68,812	2.71%
Capital Lease- Police Car	9,810	6.50%
Total	<u>\$532,704</u>	

The Ohio Public Works Interest Free Loan relates to the Chagrin River slope Stabilization Project. This loan will be repaid in semiannual installments of \$3,191.

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

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project the Ohio Environmental Protection Agency mandated. The Village will repay the loans in semiannual installments over 25 years.

Capital Leases

In 2016, the Village entered into a capital lease arrangement for a Ford Police Interceptor Utility vehicle. The lease is for three years, and the required a per annum payment is \$10,448. The stated interest rate is 6.5%. The Village disbursed \$10,448 to pay lease costs for the year ended December 31, 2017.

In 2016, the Village entered into a capital lease arrangement for a Dump Body Snow Plow. The lease is for four years, and the required per annum payment is \$35,828. The stated interest rate is 2.710%. The Village disbursed \$35,828 to pay lease costs for the year ended December 31, 2017.

Village of Bentleyville, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 9 – Debt – (Continued)

Amortization

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

Year ending December 31:	Capital Leases	OWDA Loan	OPWC Loan	Special Assessment Bonds
2018	\$46,276	\$51,574	\$6,382	\$54,800
2019	35,828	52,383	6,382	52,600
2020		53,240	6,382	50,400
2021			6,382	48,200
2022			3,192	46,150
2023-2024				86,150
Total	<u>\$82,104</u>	<u>\$157,197</u>	<u>\$28,720</u>	<u>\$338,300</u>

Note 10 – Jointly Governed Organizations

Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The Village did not contribute to NOPEC during 2016. Financial information can be obtained by contacting NOPEC at 31360 Solon Road, Suite 33 Solon, Ohio 44139.

Village of Bentleyville, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 10 – Jointly Governed Organizations – (Continued)

Valley Enforcement Regional Council of Governments

The Village is a member of Valley Enforcement Regional Council of Governments (“VERCOG”), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (“VEG”), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is currently comprised of fifteen communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four or more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purpose. During 2016, the Village paid \$7,000 to VERCOG. Financial information can be obtained by contacting VERCOG at 2800 Shaker Blvd. Perper Pike, Ohio 44124.

Chagrin Valley Dispatch Council of Governments Regional Council of Governments

The Village is a member of the Chagrin Valley Dispatch Council of Governments (CVDCOG), a jointly governed organization. CVDCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. CVDCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. CVDCOG is currently comprised of ten communities located within the Chagrin Valley who jointly operate and maintain the former Chagrin Falls radio and dispatch center for the benefit of all member communities. CVDCOG is authorized to acquire and own police and fire dispatch and radio equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purpose. During 2017, the Village paid \$56,042 to CVDCOG. Financial information can be obtained by contacting CVDCOG at 21 Washington Street, Chagrin Falls, Ohio 44022.

Note 11 – Public Entity Risk Pool

Ohio Municipal League Group Rating Plan (GRP)

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

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

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Bentleyville, Cuyahoga County, Ohio (the Village) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated May 21, 2019 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.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

May 21, 2019

OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF BENTLEYVILLE

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 18, 2019**