

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd. Building G  
Zanesville, Ohio 43701**



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Bellaire  
3197 Belmont St.  
Bellaire, OH 43906

We have reviewed the *Independent Auditor's Report* of the Village of Bellaire, Belmont County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2020 through December 31, 2020. 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 Bellaire is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 08, 2021

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**VILLAGE OF BELLAIRE  
BELMONT COUNTY  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Village of Bellaire  
Belmont County  
3197 Belmont Street  
Bellaire, Ohio 43906

To the Honorable Mayor and Village Council:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and related notes of Village of Bellaire, Belmont County, Ohio.

**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 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 opinion.

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

As described in Note 1 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, 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 permitted 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 Village of Bellaire, Belmont County as of December 31, 2020 and the respective changes in financial position or cash flows thereof for the year ended.

#### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and related notes of Village of Bellaire, Belmont County, 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 1.

#### **Emphasis of Matter**

As discussed in Note 17 to the 2020 financial statements, during 2020, the impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated July 26, 2021, on our consideration of Village of Bellaire'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.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
July 26, 2021



Village of Bellaire  
Belmont County  
Combined Statements of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance -  
All Governmental Fund Types  
For The Year Ended December 31, 2020

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Income Taxes	\$ 834,171	\$ -	\$ -	\$ 834,171
Property Taxes	89,060	51,767	-	140,827
Charges for Services	123,663	9,313	-	132,976
Fines, Licenses and Permits	58,552	1,090	-	59,642
Intergovernmental	258,731	732,004	-	990,735
Interest	17,404	848	-	18,252
Rent	24,000	-	38,716	62,716
Contributions and Donations	4,895	-	-	4,895
Other Local Taxes	-	33,954	-	33,954
Other	63,135	2,262	-	65,397
<b>Total Cash Receipts</b>	<b>1,473,611</b>	<b>831,238</b>	<b>38,716</b>	<b>2,343,565</b>
<b>Cash Disbursements:</b>				
Current:				
General Government	487,592	289,100	-	776,692
Security of Person and Property	686,554	52,583	-	739,137
Leisure Time Activities	-	20,640	-	20,640
Community Environment	-	80,364	-	80,364
Public Works	-	6,000	-	6,000
Transportation	-	168,347	-	168,347
Capital Outlay	-	-	43,338	43,338
Debt Service:				
Principal Retirements	46,839	31,030	-	77,869
Interest and Fiscal Charges	12,983	11,427	-	24,410
<b>Total Cash Disbursements</b>	<b>1,233,968</b>	<b>659,491</b>	<b>43,338</b>	<b>1,936,797</b>
Excess of cash Receipts Over (Under)				
Cash Disbursements	239,643	171,747	(4,622)	406,768
Other Financing Receipts (Disbursements)				
Advances-In	69,354	-	-	69,354
Proceeds from Sale of Assets	750	-	-	750
Advances Out	-	(15,650)	-	(15,650)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>70,104</b>	<b>(15,650)</b>	<b>-</b>	<b>54,454</b>
<b>Net Change in Fund Cash Balance</b>	<b>309,747</b>	<b>156,097</b>	<b>(4,622)</b>	<b>461,222</b>
Fund Cash Balance, January 1	651,475	493,151	197,754	1,342,380
<b>Fund Cash Balance, December</b>	<b>\$ 961,222</b>	<b>\$ 649,248</b>	<b>\$ 193,132</b>	<b>\$ 1,803,602</b>

See notes to financial statements.

Village of Bellaire  
Belmont County  
Combined Statements of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance -  
All Proprietary Fund Types  
For The Year Ended December 31, 2020

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 1,985,680	\$ 315,708	\$ 2,301,388
Other	71,694	14,191	85,885
<b>Total Operating Cash Receipts</b>	<b>2,057,374</b>	<b>329,899</b>	<b>2,387,273</b>
<b>Operating Cash Disbursements:</b>			
Personal Services	947,571	-	947,571
Contractual Services	508,492	115,740	624,232
Material and Supplies	339,516	-	339,516
Claims	-	229,001	229,001
Capital Outlay	82,692	-	82,692
Other	10,510	-	10,510
<b>Total Operating Cash Disbursements</b>	<b>1,888,781</b>	<b>344,741</b>	<b>2,233,522</b>
Operating Income (Loss)	168,593	(14,842)	153,751
<b>Non-Operating Cash Receipts (Disbursements):</b>			
Other Non-Operating Cash Receipts	339	-	339
Intergovernmental	6,060	-	6,060
Proceeds from OWDA Loans	5,646	-	5,646
Interest Earnings	-	1,966	1,966
Principal Retirement	(123,316)	-	(123,316)
Interest and Fiscal Charges	(21,996)	-	(21,996)
<b>Total Non-Operating Cash Receipts:</b>	<b>(133,267)</b>	<b>1,966</b>	<b>(131,301)</b>
Income ((Loss) Before Advances	35,326	(12,876)	22,450
Advances-Out	(53,704)	-	(53,704)
Net Change in Fund Cash Balance	(18,378)	(12,876)	(31,254)
Fund Cash Balance, January 1	952,805	136,889	1,089,694
Fund Cash Balance, December 31	<u>\$ 934,427</u>	<u>\$ 124,013</u>	<u>\$ 1,058,440</u>

See notes to financial statements.

Village of Bellaire  
 Belmont County  
 Combined Statements of Additions, Deductions, and Changes in Fund Cash Balance (Regulatory Cash)  
 All Fiduciary Fund Types  
 For The Year Ended December 31, 2020

	Custodial
	Other Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$ 20,376
Other Amounts Collected for Distribution	12,150
Total Additions	32,526
<b>Deductions</b>	
Distribution to Other Governments	1,534
Distribution to Other Funds (Primary Government)	22,578
Other Distributions	6,150
Total Deductions	30,262
Net Change in Fund Cash Balances	2,264
Fund Cash Balance, January 1	55,686
Fund Cash Balance, December 31	\$ 57,950

See notes to financial statements.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Bellaire (the Village) is a body politic, incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the laws of the state of Ohio. The Village is located in Belmont County, in Southeastern Ohio, on the Ohio River. Bellaire was incorporated as a village in 1860. The Village was established as a statutory municipal corporation in 1873. Bellaire has a land area of 1.9 square miles and a 2010 census population of 4,278. A publicly-elected six-member Council governs the Village. The Village provides water, sewer and sanitation utilities, maintenance of Village Streets, recreation, fire and emergency medical services, and police services. The Village contracts with the Neff's Volunteer Fire Department to provide fire protection and emergency medical services. The Village is involved with the Eastern Ohio Regional Transit Authority, Ohio Mid-Eastern Governments Association (OMEGA), Jefferson-Belmont Joint Solid Waste Authority, Bel-O-Mar Regional Council, and the Eastern Ohio Regional Wastewater Authority (EORWA), which are defined as jointly governed organizations. The Village also participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Notes 6 and 13 to the financial statements provide additional information for these entities. The Village also, participates in a claims servicing pool, the Jefferson Health Plan which is presented in Note 14.

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

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary 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.

**C. Deposits and Investments**

The Village's accounting basis includes investments as assets. This basis does not report disbursements for investment purchases or receipts for investment sales. The Village reports gains or losses at the time of sale as receipts or disbursements, respectively. The Village did not have any investments in 2020.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

***General Fund***

The General Fund reports all financial resources except those required to be accounted for in another fund.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

***Special Revenue Funds***

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

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

Coronavirus Relief Fund – This fund accounts for federal emergency relief grants related to the Coronavirus (COVID-19) pandemic.

***Capital Projects Funds***

These funds account for receipts restricted or committed to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

Commerce Park Fund – This fund accounts for property rental fees charged to businesses located on Village owned property.

***Enterprise Funds***

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

Water Fund – This fund accounts for the provision of water service to the residents and commercial users within the Village.

Sanitation Fund – This fund accounts for the provision of sanitation services to the residents and commercial users located within the Village.

***Internal Service Fund***

This fund accounts for services provided by one department to other departments of the governmental unit. The Village had the following Internal Service Fund:

Self-funded Insurance Medical Fund – This fund receives insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

***Fiduciary Funds***

Fiduciary funds include private purpose trusts, investment trust funds and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for the financial activity of the Mayor's Court and fire bonds.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

For regulator purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

**E. 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 object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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 also approve estimated resources.

***Encumbrances***

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 3.

**F. 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.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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. The Village may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

*Unassigned*

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in 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.

**G. Property, Plant and Equipment**

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

**H. 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.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**2. DEPOSITS AND INVESTMENTS**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Village has no investments. A summary of the Village’s deposits are as follows:

	2020
<b><i>Cash Management Pool</i></b>	
Demand deposits	\$ 2,568,059
Total Carrying Amount of Deposits and Investments held in Pool	\$ 2,568,059
	2020
<b><i>Segregated Accounts – Not held in the Pool</i></b>	
Income Tax	\$ 62,311
Municipal Parking Lot	4,227
Utility Department	159,095
Mayor’s Court	2,062
Self-Insurance (Fiscal Agent)	124,013
Total Outside Accounts	\$ 351,708

The Village has a separate payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statements reflect gross payroll. At December 31, 2020, the balance in the Village’s payroll clearing account was \$0.

The Village also has accounts held outside the deposit pool for income tax collections, municipal parking lot collections and utility department collections. Amounts are deposited into the Village’s cash management pool monthly. Mayor’s Court collection are also maintained in a segregated bank account and the Village’s portion is deposited into the cash management pool monthly. The ending reconciled balances in these accounts at year-end is included in the financial statements.

The Village participates in the Jefferson Health Plan Health Benefits Consortium. The Village has \$124,013 internal service fund cash and cash equivalents with fiscal agent. All benefit deposits are made to the Consortium’s depository account.

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution’s public entity deposit pool.

**Cash on Hand:** At year end, the Village had \$225 in un-deposited cash on hand which is included as part of the Village’s fund balances

**Cash with Fiscal Agent:** Collateral is held by a qualified third-party trustee in the name of the Consortium.



**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**3. BUDGETARY ACTIVITY**

Budgetary Activity for the year ending December 31, 2020, follows:

<b>2020 Budgeted vs. Actual Receipts</b>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 1,341,521	\$ 1,474,361	\$ 132,840
Special Revenue	800,221	831,238	31,017
Capital Projects	24,000	38,716	14,716
Enterprise	1,710,000	2,069,419	359,419
Internal Service	-	331,865	331,865
Total	<u>\$ 3,875,742</u>	<u>\$ 4,745,599</u>	<u>\$ 869,857</u>

<b>2020 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 1,561,035	\$ 1,515,061	\$ 45,974
Special Revenue	655,239	688,740	(33,501)
Capital Projects	43,438	43,338	100
Enterprise	2,348,439	2,294,976	53,463
Internal Service	-	344,741	(344,741)
Total	<u>\$ 4,608,151</u>	<u>\$ 4,886,856</u>	<u>\$ (278,705)</u>

Contrary to ORC 5705.39, the Village had funds where appropriations exceeded estimated resources.  
 Contrary to ORC 5705.41(D), the Village made expenditures prior to certification.  
 Contrary to ORC 5705.41(B), the Water fund had expenditures greater than appropriations.

**4. 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 1% on substantially all income earned within the Village. In addition, the residents of the Village are required to pay income tax on income earned outside the Village; however, the Village allows a credit for income taxes paid to another municipality up to 100% of the Village's current tax rate.

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

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**5. INTERFUND BALANCES**

Outstanding advances at December 31, 2020, consisted of \$70,700 advanced to the Street Maintenance Fund and \$92,987 advanced to the Water Utility Fund to provide working capital for operations.

**6. RISK MANAGEMENT**

**Workers' Compensation**

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Risk Pool Membership**

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2019 (latest information available):

	<u>2019</u>
Cash and investments	\$38,432,610
Actuarial liabilities	\$14,705,917

**Self-Insurance**

The Village is also self-insured for employee health insurance. The Self Insurance fund pays covered claims to service providers, and recovers these costs from charges to other funds based on an actuarially determined cost per employee. A comparison of Self Insurance fund cash and investments to the actuarially-measured liability as of December follows:

	<u>2020</u>
Cash and Investments	\$ 124,013
Actuarial liabilities	-

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**7. RETIREMENT SYSTEMS**

**Ohio Public Employees Retirement System**

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

**Ohio Police and Fire Retirement System**

The Village's full-time law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). OP&F is a cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes the plans' retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2020, OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police members' wages. The Village has paid all contributions required through December 31, 2020.

**8. POSTEMPLOYMENT BENEFITS**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2020. OP&F contributes .05 percent to fund these benefits.

Beginning January 1, 2020, OP&F is changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**9. DEBT**

Debt outstanding at December 31, 2020 was as follows:

	2020 Principal	Interest Rate
<u>Enterprise Fund Obligations</u>		
<i>General Obligation Bonds:</i>		
Sanitary Sewer Bond	\$ 149,300	5.00%
OWDA Loan - Brooksrn	135,249	0.00%
OWDA Loan – Water Intake	928,195	0.00%
OWDA Loan – Water Plant Upgrade	879,348	3.00%
Valve Maintenance Trailer Loan	20,140	4.95%
USDA Loan	141,766	3.79%
Total Enterprise Fund Obligations	2,253,998	
<u>Governmental Fund Obligations</u>		
Police & Fire Pension	228,604	4.25%
Roof Loan	78,543	5.50%
USDA Loan	32,834	3.79%
<i>Capital Leases:</i>		
Fire Truck Lease	195,150	3.37%
Total Governmental Fund Obligations	535,131	
Total	\$ 2,789,129	

The Enterprise Fund obligations (general obligation bonds, OWDA loans and Valve Maintenance Trailer Loan) will be paid from revenues derived from charges for services in the enterprise funds. The police and fire pension liability will be paid from property tax revenues from the Police Pension and Fire Pension Special Revenue Funds. The roof loan will be paid from the property tax revenue collected for the General Fund. The USDA loan will be paid from street maintenance, sanitation and water funds.

The capital lease obligation for the fire truck will be paid from the General Fund and Fire Levy special revenue fund.

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

Year Ending December 31;	Governmental Funds		
	Police and Fire Pension	Roof Loan	USDA Loan
2021	\$ 21,330	\$ 14,263	\$ 6,237
2022	21,330	14,263	6,232
2023	21,330	14,263	6,240
2024	21,330	14,263	6,239
2025	21,330	14,263	6,249
2026-2030	106,649	22,457	6,231
2031-2035	95,021	-	-
Total	\$ 308,320	\$ 93,772	\$ 37,428

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**9. DEBT (Continued)**

Year Ending December 31;	Enterprise Funds			
	General Obligation Bonds	OWDA Loans	Valve Maintenance Trailer	USDA Loan
2021	\$ 23,065	\$ 53,715	\$ 4,227	\$ 26,929
2022	23,085	53,715	4,227	26,910
2023	23,065	53,715	4,227	26,941
2024	23,105	53,715	4,227	26,938
2025	23,100	53,715	4,227	26,981
2026-2030	69,400	268,575	1,880	26,905
2031-2035	-	268,575	-	-
2036-2040	-	254,425	-	-
2041-2045	-	3,297	-	-
Total	<u>\$ 184,820</u>	<u>\$ 1,063,445</u>	<u>\$ 23,015</u>	<u>\$ 161,604</u>

During 2009, the Ohio Water Development Authority (OWDA) approved a loan in the amount of \$973,291 to the Village for the Brooks Run Waterline Replacement project. Of this amount, \$644,000 in principal was forgiven through assistance from funding through the American Recovery and Reinvestment Act of 2009 (ARRA) which left \$329,291 to be the total amount financed by the Village. The Village is repaying the 0% interest loan in semi-annual installments. The \$148,444 is the total principal outstanding on this loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The waterline replacement project was completed in 2012.

During 2013, the Ohio Water Development Authority (OWDA) approved a loan in the amount of \$2,341,172 to the village for the Water Intake project. Of this amount, \$927,656 in principal was forgiven through assistance from funding through the OWDA Water Supply Revolving Loan Account. During 2013, a total of \$686,342 was drawn down, with an additional \$334,624 drawn down in 2014, \$172,013 in 2016 and \$18,047 in 2017. The Village will repay the 0% interest loan in semi-annual installments. The first payment was due in 2014 and the final payment will be due in 2044. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

During 2017, the Village borrowed \$33,290 at an interest rate of 4.95% in order to purchase equipment to be used by the water and sewer departments. The first payment was made in October 2017 and the loan matures in September of 2027.

During 2017, the Ohio Water Development Authority (OWDA) approved a loan in the amount of \$288,666 to the Village for water Plant Upgrade Designs. During 2018, OWDA rolled this loan into Water Plant Upgrade Phase I and an additional \$319,989, including capitalized interest and fees, was drawn down. The Village will repay the 3.00% interest loan in semi-annual installments from the water utility fund. As of December 31, 2020 no amortization schedule is available, therefore, this loan is not included in the table above.

During 2018, the Village borrowed \$109,500 from Progressive Bank at an interest rate of 5.50%. The loan was borrowed in order to construct a new roof. The first payment was made in March 2018 and the loan matures on March 23, 2028.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**9. DEBT (Continued)**

The Village's liability for past service costs related to the Police and Firemen's Pension Fund at December 31, 2020 was \$308,320 in principal and interest payments through the year 2035.

During 2019, the Village borrowed \$200,000 from the United States Department of Agriculture, (USDA). The loan was obtained in order to purchase a new garbage packer for the sanitation department as well as a new dump truck for the street maintenance and water departments. The loan has an interest rate of 3.79% and will mature in 2026. The first payment is due in 2020.

**10. LEASES**

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2020.

Year Ending December 31;	Governmental Police and Fire Pension
2021	\$ 43,063
2022	43,063
2023	43,063
2024	43,063
2025	43,063
Total Minimum Lease Payments	215,315
Less: Amount represent interest	(20,165)
Present Value of Minimum Lease Payments	\$ 195,150

**11. OTHER LIABILITIES**

During 2008, the Village entered into a contract with the Ohio Department of Transportation (ODOT) to provide for payment in the amount of \$200,000 which is a portion of the cost of the relocation of State Route 149. The Villages pledges its rights, title and interest in the Village's Motor Vehicle Gasoline Tax Revenues to ODOT. If the funds from Motor Vehicle Gasoline Tax Revenues are insufficient to make any required payment, the Village agrees to use its General Fund revenue. On September 24, 2007, the Village paid a \$1,500 deposit leaving the total amount pledged as \$198,500. This amount is to be paid over fifteen years and is interest free. The total amount outstanding on this pledge at December 31, 2020 is shown in the table below:

Year	Pledge to ODOT
2021	15,000
2022	13,500
	\$ 28,500

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**12. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**13. JOINTLY GOVERNED ORGANIZATIONS**

***Eastern Ohio Regional Transit Authority***

The Eastern Ohio Regional Transit Authority was established to provide transportations to the residents of the Ohio Valley and is statutorily created as a separate and distinct political subdivision of the State. The Authority is operated by a board of directors that is appointed by the nine Mayors of the municipalities served by the Authority. The Village did not contribute any amounts to the Authority during 2020. The continued existence of the Authority is not dependent on the Village's continued participation and no equity interest exists. The Authority has no outstanding debt for which the Village of Bellaire is responsible.

***Jefferson-Belmont Joint Solid Waste Authority***

The Jefferson-Belmont Joint Solid Waste Authority was established by State statutes and is operated to provide solid was services to Jefferson and Belmont counties. The Authority is governed by a fourteen member board of directors of which the Mayor of the Village of Bellaire is a member. The Authority is not dependent on the Village of Bellaire for its continued existence, no debt exists, and the Village does not maintain an equity interest. The Village does not make any monetary contributions to the Authority.

***Ohio Mid-Eastern Governments Association (OMEGA)***

The Ohio Mid-Eastern Governments Association (OMEGA) is ten county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum, and Tuscarawas counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a sixteen member executive board comprised of members appointed from each participating county and cities within each county. Village membership is voluntary. The Mayor of the Village of Bellaire serves as the Village's representative on the board. The board has total control over budgeting, personnel, and financial matters. Each member currently pays a per capita membership fee based upon the most recent United States census. During 2020, OMEGA did not receive any fees from the Village of Bellaire. The continued existence of OMEGA is not dependent on the Village's continued participation and no equity interest exists. OMEGA has no outstanding debt.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**13. JOINTLY GOVERNED ORGANIZATIONS (Continued)**

***Bel-O-Mar Regional Council***

The Bel-O-Mar Regional Council is operated as a non-profit organization formed to provide planning and administrative services to all local governments in a four county region comprised of Belmont County, Ohio and three counties in West Virginia. The governing board is comprised of 58 officials from the four county service area of which three members and one alternate member are appointed by Belmont County and one member is appointed by each local government within Belmont County. The Mayor of the Village of Bellaire serves as the Village’s representative on the board. The Council is not dependent upon the Village of Bellaire for its continued existence, no debt exists, and the Village does not maintain an equity interest. During 2020, the Village made \$1,412 in payments to Bel-O-Mar Regional Council.

***Eastern Ohio Regional Wastewater Authority (EORWA)***

The Eastern Ohio Regional Wastewater Authority (EORWA) was established by Ohio Revised Code Section 6119, serving the municipalities of Bellaire, Brookside, Bridgeport, and Martins Ferry. The Authority is operated by a four-member Board of Trustees. One member is appointed by the Mayor of Bellaire. The Authority is not dependent on the Village of Bellaire for its continued existence and the Village does not maintain an equity interest. During 2020, the Village made no payments to the EORWA.

**14. CLAIMS SERVICING POOL**

***Jefferson Health Plan***

The Village participates in the Jefferson Health Plan, a claims servicing pool established pursuant to Ohio Revised Code Chapter 167. The legislative body of the Consortium is an assembly consisting of a designee from each of its 90 members. The membership of the assembly appoints a nine-member Board of Directors, which acts as the managerial body of the Consortium. The Consortium provides a cooperative program to administer medical, prescription, vision and dental benefits to employees of the participating entities and their eligible dependents. The Village of Bellaire paid \$4,700 to the Jefferson Health Plan during 2020 for services.

**15. FUND BALANCE**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the balances of those amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Corpus	\$ 15,556	\$ -	\$ -	\$ 15,556
Outstanding Encum.	281,093	29,249	-	310,342
Total	<u>\$ 296,649</u>	<u>\$ 29,249</u>	<u>\$ -</u>	<u>\$ 325,898</u>



**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**15. FUND BALANCES (continued)**

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

**16. CHANGE IN ACCOUNTING PRINCIPLE**

For 2020, the Village has made changes to their cash basis reporting model. These changes include modification to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types and removing the fund balance classifications from the combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) – all governmental fund types.

There was no effect to beginning cash balances due to this change.

**17. COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received \$479,456 as an on-behalf grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

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

Village of Bellaire  
Belmont County  
3197 Belmont Street  
Bellaire, Ohio 43906

To the Honorable Mayor and 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 the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and related notes of Village of Bellaire, Belmont County and have issued our report thereon dated July 26, 2021, 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 Village of Bellaire's internal control over financial reporting (internal control) as a basis for designing 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 a 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 and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weakness or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be material weaknesses. We consider finding 2020-001 and 2020-003 to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether Village of Bellaire'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 financial statements. However, opining on compliance was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed four instances of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2020-002, 2020-004 and 2020-005.

***Entity's Response to Finding***

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

***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 communication is not suitable for any other purpose.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
July 26, 2021

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020**

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

**FINDING NUMBER 2020-001**

**Material Weakness – Payroll and Water Bank Account Reconciliations**

The Village’s management has a responsibility to design and maintain internal controls over financial reporting. Internal controls must exist over the cash reconciliation process. Timely reconciliation and review should be completed by the appropriate personnel.

The Village Clerk prepares monthly bank reconciliations for the general checking account and the department heads prepare monthly bank reconciliations for their accounts, however, there was no evidence of these reconciliations being reviewed or approved by anyone. Also, the Village utilizes a payroll and water clearing accounts and these accounts are not being reconciled. Not approving and not preparing reconciliations of bank accounts can allow for inaccurate ledger balances and increase the chances of error or fraud that otherwise could be detected in a timely manner by village employees.

We recommend every account held by the Village be reconciled monthly and reviewed and/or approved by the department head and/or Village Council. We also recommend the Village take steps to reconcile the payroll and water clearing accounts.

**Client Response:** The Village will make attempts to reconcile the payroll account.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020**

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

**FINDING NUMBER 2020-002**

**Noncompliance – Certification of Funds**

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the Fiscal Officer is attached thereto. The Fiscal Officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a Fiscal Officer’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- If the Fiscal Officer can certify that both at the time that the contract or order was made (“then”) and at the time that the Fiscal Officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has 30 days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution “Then and Now” Certificates. Amounts less than \$3,000 may be paid by the Fiscal Officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of the expenditures by the Village.
- Blanket Certificates. Fiscal Officers may prepare “blanket” certificates if the Village has approved their use and established maximum amounts.
- Super Blanket Certificates. The Village may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the Fiscal Officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonable predictable operation expense. This certification is not to extend beyond the current year. More than one so-called “super blanket” certificate may be outstanding at a particular time for any line item appropriation.

The Village did not certify the availability of funds prior to the purchase commitment for 73% of expenditures tested. For these item the Village also did not prepare blanket certificates, super blankets certificates or then and now certificates in accordance with the Ohio Revised Code. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

We recommend the Village certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Village incurs a commitment and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper code, to reduce available appropriations.

**Client Response:** The Village will continue to monitor expenditures being certified for payment.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019**

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

**FINDING NUMBER 2020-003**

**Material Weakness – Internal Control**

During audit testing we noted some items that we feel need to be stated for the Village to maintain and increase the effectiveness over internal controls.

- Payroll time sheets are not descriptive enough to state what fund the work was done in and where it should be paid. Time sheets currently used lists the days of the week, a column for regular hours, OT hours, Holiday Hours, sick and vacation. As noted it does not list what fund the work was done in. There is a time sheet the Village has that lists the funds the Village pays from and then the rest on the current time sheet. We recommend that the new time sheet be used to properly state where payroll should be paid from and should eliminate any confusion or questions why someone was paid from a certain fund.
- We recommend that when getting new loans or banking services, compare a few institutions before settling on one so that the Village may be able to obtain the most favorable rates and terms. This could possibly save the Village money.
- The Village for many years has been calculating and paying Comp. Time for various administrative positions and certain departments. Therefore, you could reasonably infer that the Village intended to have Comp. Time as part of a benefits package. However, the Village has no written Comp. Time policy. We recommend that the Village establish a written Comp. Time policy if it intends for Comp. Time to be part of the benefits package.
- We did not note any policy that covers the hiring of family members of current Village employees. We feel a written policy covering the process of hiring a family member would eliminate any concern of impropriety. This policy would contain the steps of the interview process, who does the interviews, who approves the hire, who can deny the hire and any other step that the Village feels necessary.

**Client Response:** We will consider the above as we move forward.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019**

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

**FINDING NUMBER 2020-004**

**Noncompliance**

Ohio Revised Code Section 5705.41 (B) states no subdivision or taxing unit is to expend money unless it has been appropriated. The Village had the following funds which had expenditures greater than appropriation authority.

		Appropriation			
Fund	Year	Authority		Expenditures	Variance
FEMA	2020	\$ -		\$ 80,264	\$ (80,264)
Sewer	2020	382,518		424,455	(42,473)

We recommend Council review expenditures versus appropriation authority throughout the year. Also, Council should not approve expenditures greater than appropriations. This results in the Village spending more money than it appropriated and could cause possible negative fund balances.

**Client Response:** The Village will make every effort to monitor appropriations and expenditures.

**FINDING NUMBER 2020-005**

**Noncompliance – Appropriations Exceeding Estimated Resources**

Ohio Revised Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenues available for expenditure as certified by the budget commission. In addition, no appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total estimate or amended official estimate.

		Estimated			
Fund	Year	Resources		Appropriations	Variance
Water	2020	\$ 1,051,487		\$ 1,232,799	\$ (181,312)
Sanitation	2020	588,646		610,879	(22,233)

We recommend Council review estimated resources versus appropriations throughout the year. Also, Council should not approve appropriations greater than estimated resources. This could result in the Village spending more money than it receives and could cause possible negative fund balances.

**Client Response:** The Village will make every effort to monitor estimated resources and appropriations.

**VILLAGE OF BELLAIRE  
BELMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2020**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2019-001	No evidence of review of bank reconciliations. No reconciliation for payroll account	No	Not Corrected Repeated as Finding 2020-001
2019-002	5705.41(D) expenditures made without prior certification	No	Not Corrected Repeated as Finding 2020-002
2019-003	Material Weakness Internal Control Wages, Comp Time	No	Not Corrected Repeated as Finding 2020-003
2019-004	Material Weakness Receipt Postings	No	Finding No Longer Valid
2019-005	5705.41(B) expenditures exceed appropriation authority	No	Not Corrected Repeated as Finding 2020-004



# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF BELLAIRE**

**BELMONT COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/21/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)