

**Village of Belle Center
Logan County, Ohio
Financial Statements
December 31, 2010 and 2009**



Dave Yost • Auditor of State

Village Council
Village of Belle Center
P.O. Box 508
104 West Buckeye Street
Belle Center, Ohio 43310

We have reviewed the *Independent Auditor's Report* of the Village of Belle Center, Logan County, prepared by Taylor, Applegate, Hughes & Associates, Ltd., for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Belle Center is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 31, 2011

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**Village of Belle Center
Logan County, Ohio
Financial Statements
December 31, 2010 and 2009**

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INDEPENDENT AUDITOR'S REPORT

Village of Belle Center
Logan County
P.O. Box 508
104 West Buckeye Street
Belle Center, OH 43310

To the Honorable Mayor and Village Council:

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 21, 2011, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statement in an appropriate operation, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basis financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

Taylor, Applegate, Hughes & Assoc., Ltd.

Taylor, Applegate, Hughes and Associates, Ltd.
June 21, 2011

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

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

Highlights

Key highlights for 2010 are as follows:

Net assets of governmental activities increased \$11,056, or 9.2 percent, a significant change from the prior year. The General Fund decreased \$4,966 and the other funds increased a total of \$16,022.

The Village's general receipts are primarily property and income taxes. These receipts represent respectively 30.5 and 46.0 percent of the total cash received for governmental activities during the year. Property tax receipts for 2010 changed little compared to 2009.

The **Water operation** had a deficit during the year 2010 of \$2,077 compared to a surplus of \$10,182 in the year 2009.

The **Sewer operation** had a deficit of \$ 18,211 during the year 2010 compared to a surplus of \$533 in the year 2009.

The **Trash operation** had a deficit of \$10,292 during the year 2010 compared to a surplus of \$1,831 in the year 2009.

Using the Basic Financial Statements

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

Report Components

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

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

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

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Basis of Accounting

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

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

Reporting the Government as a Whole

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

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

In the statement of net assets and the statement of activities, we divide the Government into two types of activities:

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

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

Business-type activity - The Village has three business-type activities, the provision of Water, Sewer and Trash services. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Government's Most Significant Funds

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

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

Business-Type Activities – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has four major enterprise funds: Water Operating Fund, Sewer Operating Fund and Garbage Operating Fund and Ohio Water Development Authority Fund.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

The Government as a Whole

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

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Cash and Cash Equivalents	\$131,318	\$120,262	\$349,872	\$392,030	\$481,190	\$512,292
Total Assets	\$131,318	\$120,262	\$349,872	\$392,030	\$481,190	\$512,292
Net Assets						
Restricted for:						
Capital Outlay	\$ 1,050	\$ -	\$ -	\$ -	\$ 1,050	\$ -
Other Purposes	36,872	21,900	-	-	36,872	21,900
Unrestricted	93,396	98,362	349,872	392,030	443,268	490,392
Total Net Assets	\$131,318	\$120,262	\$349,872	\$392,030	\$481,190	\$512,292

As mentioned previously, net assets of governmental activities increased \$11,056 or 9.2 percent during 2010.

The primary reason for the increase was that the street work done in 2010 did not require a payment by the Village as was done in previous years due to receiving money from the County Sales Tax Project.

Table 2 reflects the changes in net assets on a cash basis in 2010 and 2009 for governmental activities, business-type activities and total primary government:

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

(Table 2)

Changes in Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$ 426	\$ 159	\$ 284,539	\$ 288,124	\$ 284,965	\$ 288,283
Operating Grants and Contributions	32,284	31,714	-	-	32,284	31,714
Capital Grants and Contributions	-	-	77,902	79,689	77,902	79,689
Total Program Receipts	32,710	31,873	362,441	367,813	395,151	399,686
General Receipts:						
Property and Other Local Taxes	68,252	73,642	-	-	68,252	73,642
Income Taxes	102,838	107,562	-	-	102,838	107,562
Grants and Entitlements Not Restricted to Specific Programs	8,585	8,481	-	-	8,585	8,481
Interest	6,713	4,737	-	-	6,713	4,737
Miscellaneous	4,330	3,406	-	-	4,330	3,406
Total General Receipts	190,718	197,828	-	-	190,718	197,828
Total Receipts	223,428	229,701	362,441	367,813	585,869	597,514
Disbursements:						
General Government	82,038	113,230	-	-	82,038	113,230
Security of Persons and Property:	15,873	14,310	-	-	15,873	14,310
Public Health Services	5,000	4,922	-	-	5,000	4,922
Leisure Time Activities	14,170	5,046	-	-	14,170	5,046
Economic Development	50	40	-	-	50	40
Basic Utilities	-	1,900	261,779	226,367	261,779	228,267
Transportation	48,908	66,343	-	-	48,908	66,343
Capital Outlay	12,000	5,249	4,653	-	16,653	5,249
Principal Retirement	38,700	37,500	84,624	87,712	123,324	125,212
Interest and Fiscal Charges	1,506	3,939	59,670	62,831	61,176	66,770
Total Disbursements	218,245	252,479	410,726	376,910	628,971	629,389
Excess (Deficiency) Before Transfers	5,183	(22,778)	(48,285)	(9,097)	(43,102)	(31,875)
Other Financing	12,000	-	-	-	12,000	-
Transfers	(6,127)	(3,989)	6,127	3,989	-	-
Increase (Decrease) in Net Assets	11,056	(26,767)	(42,158)	(5,108)	(31,102)	(31,875)
Net Assets, January 1	120,262	147,029	392,030	397,138	512,292	544,167
Net Assets, December 31	\$ 131,318	\$ 120,262	\$ 349,872	\$ 392,030	\$ 481,190	\$ 512,292

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
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General receipts represent 32.6 percent of the Village's total receipts, and of this amount, over 89.7 percent are local taxes. State and federal grants and entitlements make up the major part of the balance of the Village's general receipts (4.5 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Government activities. These include the costs of council, 32.9 percent of the Fiscal Officer's salary and income tax departments, as well as internal services such as payroll and purchasing.

Leisure Time Activities are the costs of maintaining the parks and playing fields and Transportation is the cost of maintaining the streets.

Governmental Activities

If you look at the Statement of Activities you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general Village which accounts for 37.6 percent of all governmental disbursements, transportation and leisure time activities, which account for 22.4 and 6.5 percent of all governmental disbursements, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

(Table 3)

	Total Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2010	Net Cost of Services 2009
General Government	\$ 82,038	\$113,230	\$ 82,038	\$113,230
Security of Persons and Property	15,873	14,310	15,873	14,310
Public Health Services	5,000	4,922	5,000	4,922
Leisure Time Activities	14,170	5,046	14,170	5,046
Economic Development	50	40	(376)	(119)
Basic Utilities	-	1,900	-	1,900
Transportation	48,908	66,343	16,624	34,629
Capital Outlay	12,000	5,249	12,000	5,249
Principal Retirement	38,700	37,500	38,700	37,500
Interest and Fiscal Charges	1,506	3,939	1,506	3,939
Total Expenses	\$218,245	\$252,479	\$185,535	\$220,606

The dependence upon property and income tax receipts is apparent as over 78.4 percent of governmental activities are supported through these general receipts.

Business-type Activities

The **Water operation** of the Village generated \$ 72,725 during 2010 and expenditures were \$74,802 resulting in a deficit of \$2,077.

The **Sewer operation** of the Village generated \$100,496 during 2010 and expenditures were \$118,707 resulting in a large deficit of \$18,211. The deficit was due primarily to increased repair and maintenance and, to a lesser degree, increased fuel costs. The Village Council passed a \$5 sewer surcharge effective for the year 2011 and will be reviewed at the end of 2011.

The **Trash operation** of the Village generated \$60,931 during 2010 and expenditures were \$71,223 resulting in a deficit of \$10,292. Increased fuel cost and payroll cost accounted for the deficit.

The Government's Funds

Total governmental funds had receipts of \$223,428 and disbursements of \$218,245. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$4,966 as the result of the principal payment of \$37,500 and interest payment of \$1,145 on the loan from The Union Banking Company for the purpose of repairing the water tower and replacing 2 Deep Well pumps in the year 2008 and the first payment on a new loan of \$12,000 to purchase the old Train Depot. The principal paid was \$1,200 and interest paid was \$361.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

General Fund Budgeting Highlights

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

During 2010, the Village did amend the General Fund budget. Final budgeted receipts were above original budgeted receipts due to a bank loan of \$12,000 and higher than budgeted income tax receipts. The difference between final budgeted receipts and actual receipts was not significant.

Disbursements were budgeted at \$183,343 while actual disbursements were \$169,731.

Capital Assets and Debt Administration

Capital Assets

The Village completed an inventory of fixed assets and capital structure during 2007 and updated in 2008, 2009 and 2010.

Debt

At December 31, 2010, the Village's outstanding debt included \$10,800 for purchase of the old Train Depot in the Village, \$2,178 in capital leases for facilities and equipment, \$1,375,383 sewer loan and \$143,750 interest free sewer loan. For further information regarding the Village's debt, refer to Note 10 to the basic financial statements.

Current Issues

The balance in the Sewer Fund continues to be a problem due primarily to increased repair parts. The Council did approve a \$5.00 per month surcharge effective for the year 2011. Increased costs in all areas of the Village continue to be a problem. As of now the income tax receipts have been maintaining about the same level as previous years. No pay increases had been granted for 2009 and 2010. The 2 full time employees received a 1.0 percent increase in February 2011.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to William B. McCormick, Fiscal Officer, Village of Belle Center, 104 W. Buckeye Street, P.O. Box 508, Belle Center, Ohio 43310.

VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Net Assets - Cash Basis
December 31, 2010

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 131,318	\$ 349,872	\$ 481,190
Total Assets	\$ 131,318	\$ 349,872	\$ 481,190
 Net Assets			
Restricted for:			
Capital Projects	\$ 1,050	\$ -	\$ 1,050
Other Purposes	36,872	-	36,872
Unrestricted	93,396	349,872	443,268
Total Net Assets	\$ 131,318	\$ 349,872	\$ 481,190

See accompanying notes to the basic financial statements

VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Activities - Cash Basis
For the Year Ended December 31, 2010

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Security of Persons and Property	\$ 15,873	\$ -	\$ -	\$ -	\$ (15,873)	\$ -	\$ (15,873)
Public Health Services	5,000	-	-	-	(5,000)	-	(5,000)
Leisure Time Activities	14,170	-	-	-	(14,170)	-	(14,170)
Community Environment	50	426	-	-	376	-	376
Transportation	48,908	-	32,284	-	(16,624)	-	(16,624)
General Government	82,038	-	-	-	(82,038)	-	(82,038)
Capital Outlay	12,000	-	-	-	(12,000)	-	(12,000)
Debt Service:							
Principal	38,700	-	-	-	(38,700)	-	(38,700)
Interest	1,506	-	-	-	(1,506)	-	(1,506)
Total Governmental Activities	<u>218,245</u>	<u>426</u>	<u>32,284</u>	<u>-</u>	<u>(185,535)</u>	<u>-</u>	<u>(185,535)</u>
Business Type Activities							
Water Operating	74,802	72,725	-	-	-	(2,077)	(2,077)
Sewer Operating	118,707	100,496	-	-	-	(18,211)	(18,211)
Garbage Operating	71,223	60,931	-	-	-	(10,292)	(10,292)
Ohio Water Development Authority Loan	138,044	35,567	-	77,902	-	(24,575)	(24,575)
Ohio Public Works Commission Loan	6,250	12,070	-	-	-	5,820	5,820
Enterprise Deposit Fund	1,700	2,750	-	-	-	1,050	1,050
Total Business Type Activities	<u>410,726</u>	<u>284,539</u>	<u>-</u>	<u>77,902</u>	<u>-</u>	<u>(48,285)</u>	<u>(48,285)</u>
Total	<u>\$ 628,971</u>	<u>\$ 284,965</u>	<u>\$ 32,284</u>	<u>\$ 77,902</u>	<u>\$ (185,535)</u>	<u>\$ (48,285)</u>	<u>\$ (233,820)</u>
General Receipts							
Property Taxes					\$ 30,088	\$ -	\$ 30,088
Municipal Income Taxes					102,838	-	102,838
Other Taxes					37,160	-	37,160
Grants and Entitlements not Restricted to Specific Programs					9,589	-	9,589
Other Debt Proceeds					12,000	-	12,000
Earnings on Investments					6,713	-	6,713
Miscellaneous					4,330	-	4,330
Total General Receipts					<u>202,718</u>	<u>-</u>	<u>202,718</u>
Transfers					<u>(6,127)</u>	<u>6,127</u>	<u>-</u>
Total General Receipts and Transfers					<u>196,591</u>	<u>6,127</u>	<u>202,718</u>
Change in Net Assets					11,056	(42,158)	(31,102)
Net Assets Beginning of Year					<u>120,262</u>	<u>392,030</u>	<u>512,292</u>
Net Assets End of Year					<u>\$ 131,318</u>	<u>\$ 349,872</u>	<u>\$ 481,190</u>

See accompanying notes to the basic financial statements

VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	<u>GENERAL</u>	<u>STREET CONST. MAINT.REP.</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 93,396	\$ 28,516	\$ 9,406	\$ 131,318
Total Assets	<u>\$ 93,396</u>	<u>\$ 28,516</u>	<u>\$ 9,406</u>	<u>\$ 131,318</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	\$ 447	\$ 649	\$ 405	\$ 1,501
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	92,949	-	-	92,949
Special Revenue Funds	-	27,867	7,951	35,818
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>1,050</u>	<u>1,050</u>
Total Fund Balances	<u>\$ 93,396</u>	<u>\$ 28,516</u>	<u>\$ 9,406</u>	<u>\$ 131,318</u>

See accompanying notes to the basic financial statements

VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	<u>GENERAL</u>	<u>STREET CONST. MAINT.REP.</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
Receipts				
Property and Other Local Taxes	\$ 29,586	\$ 26,227	\$ 4,976	\$ 60,789
Municipal Income Taxes	102,838	-	-	102,838
Intergovernmental	9,590	30,134	2,149	41,873
Fines, Licenses and Permits	6,885	-	-	6,885
Earnings on Investments	6,713	-	-	6,713
Miscellaneous	3,280	-	1,050	4,330
Total Receipts	<u>158,892</u>	<u>56,361</u>	<u>8,175</u>	<u>223,428</u>
Disbursements				
Current:				
Security of Persons and Property	15,873	-	-	15,873
Public Health Services	5,000	-	-	5,000
Leisure Time Activities	14,170	-	-	14,170
Community Environment	50	-	-	50
Transportation	394	41,456	7,058	48,908
General Government	82,038	-	-	82,038
Capital Outlay	12,000	-	-	12,000
Debt Service:				
Principal Retirement	38,700	-	-	38,700
Interest and Fiscal Charges	1,506	-	-	1,506
Total Disbursements	<u>169,731</u>	<u>41,456</u>	<u>7,058</u>	<u>218,245</u>
Excess of Receipts Over (Under) Disbursements	<u>(10,839)</u>	<u>14,905</u>	<u>1,117</u>	<u>5,183</u>
Other Financing Sources (Uses)				
Transfers Out	(6,127)	-	-	(6,127)
Other Debt Proceeds	12,000	-	-	12,000
Total Other Financing Sources (Uses)	<u>5,873</u>	<u>-</u>	<u>-</u>	<u>5,873</u>
Net Change in Fund Balances	(4,966)	14,905	1,117	11,056
Fund Balances Beginning of Year	<u>98,362</u>	<u>13,611</u>	<u>8,289</u>	<u>120,262</u>
Fund Balances End of Year	<u>\$ 93,396</u>	<u>\$ 28,516</u>	<u>\$ 9,406</u>	<u>\$ 131,318</u>

See accompanying notes to the basic financial statements

VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 28,000	\$ 28,000	\$ 29,586	\$ 1,586
Municipal Income Taxes	90,000	90,000	102,838	12,838
Intergovernmental	9,060	9,060	9,590	530
Fines, Licenses and Permits	6,150	6,150	6,885	735
Earnings on Investments	3,600	6,800	6,713	(87)
Miscellaneous	6,600	6,600	3,280	(3,320)
Total receipts	143,410	146,610	158,892	12,282
Disbursements				
Current:				
Security of Persons and Property	16,608	16,608	15,883	725
Public Health Services	5,000	5,000	5,000	-
Leisure Time Activities	21,000	20,800	14,170	6,630
Community Environment	250	250	50	200
Transportation	1,000	1,000	394	606
General Government	85,840	87,479	82,475	5,004
Capital Outlay	-	12,000	12,000	-
Debt Service:				
Principal Retirement	37,500	38,700	38,700	-
Interest and Fiscal Charges	1,145	1,506	1,506	-
Total Disbursements	168,343	183,343	170,178	13,165
Excess of Receipts Over (Under) Disbursements	(24,933)	(36,733)	(11,286)	25,447
Other Financing Sources (Uses)				
Transfers Out	(3,000)	(6,200)	(6,127)	73
Other Debt Proceeds	-	12,000	12,000	-
Total Other Financing Sources (Uses)	(3,000)	5,800	5,873	73
Net Change in Fund Balance	(27,933)	(30,933)	(5,413)	25,520
Unencumbered Cash Balance Beginning of Year	97,693	97,693	97,693	-
Prior Year Encumbrances Appropriated	669	669	669	-
Unencumbered Cash Balance End of Year	\$ 70,429	\$ 67,429	\$ 92,949	\$ 25,520
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			\$ 92,949	

See accompanying notes to the basic financial statements

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts				
Property and Other Local Taxes	\$ 38,500	\$ 38,500	\$ 26,227	\$ (12,273)
Intergovernmental	<u>26,500</u>	<u>26,500</u>	<u>30,134</u>	<u>3,634</u>
Total receipts	<u>65,000</u>	<u>65,000</u>	<u>56,361</u>	<u>(8,639)</u>
Disbursements				
Current:				
Transportation	58,444	58,444	42,105	16,339
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Disbursements	<u>58,444</u>	<u>58,444</u>	<u>42,105</u>	<u>16,339</u>
Excess of Receipts Over (Under) Disbursements	<u>6,556</u>	<u>6,556</u>	<u>14,256</u>	<u>7,700</u>
Net Change in Fund Balance	6,556	6,556	14,256	7,700
Unencumbered Cash Balance Beginning of Year	13,611	13,611	13,611	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash Balance End of Year	<u>\$ 20,167</u>	<u>\$ 20,167</u>	27,867	<u>\$ 7,700</u>
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			<u>-</u>	
Unencumbered Undesignated Fund Balance			<u>\$ 27,867</u>	

See accompanying notes to the basic financial statements

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2010**

	<u>WATER OPERATING</u>	<u>SEWER OPERATING</u>	<u>GARBAGE OPERATING</u>	<u>OHIO WATER</u>	<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTAL ENTERPRISE FUNDS</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 31,043	\$ 5,693	\$ 23,220	\$ 264,589	\$ 25,327	\$ 349,872
Total Assets	<u>\$ 31,043</u>	<u>\$ 5,693</u>	<u>\$ 23,220</u>	<u>\$ 264,589</u>	<u>\$ 25,327</u>	<u>\$ 349,872</u>
Net Assets						
Unrestricted	<u>31,043</u>	<u>5,693</u>	<u>23,220</u>	<u>264,589</u>	<u>25,327</u>	<u>349,872</u>
Total Net Assets	<u>\$ 31,043</u>	<u>\$ 5,693</u>	<u>\$ 23,220</u>	<u>\$ 264,589</u>	<u>\$ 25,327</u>	<u>\$ 349,872</u>

See accompanying notes to the basic financial statements

VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Cash Receipts,
Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2010

	WATER OPERATING TOTAL	SEWER OPERATING TOTAL	GARBAGE OPERATING TOTAL	OHIO WATER TOTAL	OTHER ENTERPRISE FUNDS TOTAL	TOTAL ENTERPRISE FUNDS
Operating Receipts						
Charges for Services	\$ 72,725	\$ 100,496	\$ 60,931	\$ 35,567	\$ 14,820	\$ 284,539
Total Operating Receipts	<u>72,725</u>	<u>100,496</u>	<u>60,931</u>	<u>35,567</u>	<u>14,820</u>	<u>284,539</u>
Operating Disbursements						
Personal Services	37,140	12,955	29,589	-	-	79,684
Employee Fringe Benefits	9,869	2,397	8,531	-	-	20,797
Contractual Services	12,608	8,005	25,359	-	-	45,972
Supplies and Materials	10,532	18,804	7,744	-	-	37,080
Other	-	76,546	-	-	1,700	78,246
Total Operating Disbursements	<u>70,149</u>	<u>118,707</u>	<u>71,223</u>	<u>-</u>	<u>1,700</u>	<u>261,779</u>
Operating Income (Loss)	<u>2,576</u>	<u>(18,211)</u>	<u>(10,292)</u>	<u>35,567</u>	<u>13,120</u>	<u>22,760</u>
Non-Operating Receipts (Disbursements)						
Special Assessments	-	-	-	77,902	-	77,902
Capital Outlay	(4,653)	-	-	-	-	(4,653)
Principal Payments	-	-	-	(78,374)	(6,250)	(84,624)
Interest and Fiscal Charges	-	-	-	(59,670)	-	(59,670)
Total Non-Operating Receipts (Disbursements)	<u>(4,653)</u>	<u>-</u>	<u>-</u>	<u>(60,142)</u>	<u>(6,250)</u>	<u>(71,045)</u>
Income (Loss) before Transfers and Advances	<u>(2,077)</u>	<u>(18,211)</u>	<u>(10,292)</u>	<u>(24,575)</u>	<u>6,870</u>	<u>(48,285)</u>
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,127</u>	<u>-</u>	<u>6,127</u>
Change in Net Assets	(2,077)	(18,211)	(10,292)	(18,448)	6,870	(42,158)
Net Assets Beginning of Year	<u>33,120</u>	<u>23,904</u>	<u>33,512</u>	<u>283,037</u>	<u>18,457</u>	<u>392,030</u>
Net Assets End of Year	<u>\$ 31,043</u>	<u>\$ 5,693</u>	<u>\$ 23,220</u>	<u>\$ 264,589</u>	<u>\$ 25,327</u>	<u>\$ 349,872</u>

See accompanying notes to the basic financial statements

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

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

Highlights

Key highlights for 2009 are as follows:

Net assets of Governmental activities decreased \$26,767, or 18.2 percent, a significant change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the General Fund which decreased \$33,479. The other funds increased a total of \$6,712.

The Village's general receipts are primarily property and income taxes. These receipts represent respectively 32.1 and 46.8 percent of the total cash received for governmental activities during the year. Property tax receipts for 2009 changed little compared to 2008.

The **Water operation** had a surplus during the year 2009 of \$10,182 compared to a surplus of \$8,623 in the year 2008.

The **Sewer operation** had a surplus of \$534 during the year 2009 compared to a deficit of \$2,349 in the year 2008.

The **Trash operation** had a surplus of \$ 1,831 during the year 2009 compared to a deficit of \$12,561 in the year 2008. The primary reason for this improvement was the opening of the Recycling operation in Belle Center during 2009 which reduced the amount of trash taken to the landfill.

Using the Basic Financial Statements

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

Report Components

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

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

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

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

Basis of Accounting

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

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

Reporting the Government as a Whole

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

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

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

In the statement of net assets and the statement of activities, we divide the Village into two types of activities:

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

Business-type activity - The Village has three business-type activities, the provision of Water, Sewer and Trash services. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Village's Most Significant Funds

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

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

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has four major enterprise funds: Water Operating Fund, Sewer Operating Fund, Garbage Operating Fund and Ohio Water Fund. When the services are provided to other departments of the Village, the service is reported as an internal service fund. The Village has no internal service funds.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

The Village as a Whole

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

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Cash and Cash Equivalents	\$ 120,262	\$ 115,817	\$ 392,030	\$ 127,093	\$ 512,292	\$ 242,910
Investments	-	31,212	-	270,005	-	301,217
Total Assets	\$ 120,262	\$ 147,029	\$ 392,030	\$ 397,098	\$ 512,292	\$ 544,127
Net Assets						
Restricted for:						
Other Purposes	\$ 21,900	\$ 15,187	\$ -	\$ -	\$ 21,900	\$ 15,187
Unrestricted	98,362	131,842	392,030	397,098	490,392	528,940
Total Net Assets	\$ 120,262	\$ 147,029	\$ 392,030	\$ 397,098	\$ 512,292	\$ 544,127

As mentioned previously, net assets of governmental activities decreased \$26,767 or 18.2 percent during 2009. The primary reasons contributing to the decreases in cash balances are as follows:

Repayment of \$37,500 in principal and \$3,939 in interest on the loan from the Union Banking Company taken out in 2008 to finance the repair of the water tower and replacement of deep water pumps.

Table 2 reflects the changes in net assets on a cash basis in 2009 and 2008 for governmental activities, business-type activities and total primary government.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

(Table 2)

Changes in Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$ 159	\$ 155	\$ 288,124	\$ 284,976	\$ 288,283	\$ 285,131
Operating Grants and Contributions	31,714	32,488	-	-	31,714	32,488
Capital Grants and Contributions	-	-	79,689	81,456	79,689	81,456
Total Program Receipts	<u>31,873</u>	<u>32,643</u>	<u>367,813</u>	<u>366,432</u>	<u>399,686</u>	<u>399,075</u>
General Receipts:						
Property and Other Local Taxes	73,642	45,598	-	-	73,642	45,598
Income Taxes	107,562	110,334	-	-	107,562	110,334
Grants and Entitlements Not Restricted to Specific Programs	8,481	9,519	-	-	8,481	9,519
Interest	4,737	16,710	-	-	4,737	16,710
Miscellaneous	3,406	7,592	-	-	3,406	7,592
Total General Receipts	<u>197,828</u>	<u>189,753</u>	<u>-</u>	<u>-</u>	<u>197,828</u>	<u>189,753</u>
Total Receipts	<u>229,701</u>	<u>222,396</u>	<u>367,813</u>	<u>366,432</u>	<u>597,514</u>	<u>588,828</u>
Disbursements:						
General Government	113,230	131,025	-	-	113,230	131,025
Security of Persons and Property:	14,310	25,151	-	-	14,310	25,151
Public Health Services	4,922	-	-	-	4,922	-
Leisure Time Activities	5,046	80,579	-	-	5,046	80,579
Economic Development	40	64	-	-	40	64
Basic Utilities	1,900	7,350	226,367	242,643	228,267	249,993
Transportation	66,343	52,674	-	-	66,343	52,674
Capital Outlay	5,249	6,293	-	-	5,249	6,293
Principal Retirement	37,500	-	87,712	84,678	125,212	84,678
Interest and Fiscal Charges	3,939	-	62,831	65,865	66,770	65,865
Total Disbursements	<u>252,479</u>	<u>303,136</u>	<u>376,910</u>	<u>393,186</u>	<u>629,389</u>	<u>696,322</u>
Excess (Deficiency) Before Transfers	<u>(22,778)</u>	<u>(80,740)</u>	<u>(9,097)</u>	<u>(26,754)</u>	<u>(31,875)</u>	<u>(107,494)</u>
Other Financing Sources	-	75,000	-	-	-	75,000
Transfers	<u>(3,989)</u>	<u>(15,467)</u>	<u>3,989</u>	<u>15,467</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	<u>(26,767)</u>	<u>(21,207)</u>	<u>(5,108)</u>	<u>(11,287)</u>	<u>(31,875)</u>	<u>(32,494)</u>
Net Assets, January 1	<u>147,029</u>	<u>168,236</u>	<u>397,138</u>	<u>408,387</u>	<u>544,167</u>	<u>576,623</u>
Net Assets, December 31	<u>\$120,262</u>	<u>\$147,029</u>	<u>\$392,030</u>	<u>\$397,100</u>	<u>\$512,292</u>	<u>\$544,129</u>

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

General receipts represent 33.1 percent of the Village's total receipts, and of this amount, over 91.6percent are local taxes. State and federal grants and entitlements make up the balance of the Village's general receipts (4.3 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, 63.6 percent of the Fiscal Officer's salary and income tax departments, as well as internal services such as payroll and purchasing.

Leisure Time Activities are the costs of maintaining the parks and playing fields and Transportation is the cost of maintaining the streets.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government which accounts for 44.8 percent of all governmental disbursements, transportation and security of persons and property, which account for 26.3 and 5.7 percent of all governmental disbursements, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

(Table 3)

Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2008	Net Cost of Services 2009	Net Cost of Services 2008
General Government	\$113,230	\$131,025	\$113,230	\$131,025
Security of Persons and Property	14,310	25,151	14,310	25,151
Public Health Services	4,922	-	4,922	-
Leisure Time Activities	5,046	80,579	5,046	80,579
Economic Development	40	64	(119)	(91)
Basic Utilities	1,900	7,350	1,900	7,350
Transportation	66,343	52,674	34,629	20,186
Capital Outlay	5,249	6,293	5,249	6,293
Principal Retirement	37,500	-	37,500	-
Interest and Fiscal Charges	3,939	-	3,939	-
Total Expenses	<u>\$252,479</u>	<u>\$303,136</u>	<u>\$220,606</u>	<u>\$270,493</u>

The dependence upon property and income tax receipts is apparent as over 71.8 percent of governmental activities are supported through these general receipts.

Business-type Activities

The **Water operation** of the Village generated \$75,116 during 2009 and expenditures were \$64,934 resulting in a surplus of \$10,182.

The **Sewer operation** of the Village generated \$100,176 during 2009 and expenditures were \$99,643 resulting in a small surplus of \$533.

The **Trash operation** of the Village generated \$62,221 during 2009 and expenditures were \$60,390 resulting in a surplus of \$ 1,831. A recycling center was opened in Belle Center during 2009 which reduced the amount of trash going to the landfill.

The Government's Funds

Total governmental funds had receipts of \$229,701 and disbursements of \$252,479. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$33,479 as the result of the principal payment of \$37,500 and interest payment of \$3,939 on the loan from The Union Banking Company for the purpose of repairing the water tower and replacing 2 Deep Well pumps in the year 2008.

General Fund Budgeting Highlights

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

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

During 2009, the Village did not amend the General Fund budget. Final budgeted receipts were below original budgeted receipts due to unexpected slow growth in tax receipts. The difference between final budgeted receipts and actual receipts was not significant.

Disbursements were budgeted at \$198,450 while actual disbursements were \$191,032. Actual receipts exceeded the budget by \$30,932 of which \$27,562 was due to increased income tax receipts over the budgeted amount.

Capital Assets and Debt Administration

Capital Assets

The Village completed an inventory of fixed assets and capital structure during 2007 and updated in 2008 and 2009.

Debt

At December 31, 2009, the Village's outstanding debt included \$37,500 in general obligation debt for repair of the water tower and replacement of 2 deep water pumps, \$1,453,757 sewer loan and \$150,000 interest free sewer loan. For further information regarding the Village's debt, refer to Note 10 to the basic financial statements.

Current Issues

Continued rising costs are affecting the Village as is increased repair parts in the Sewer Fund. No pay increases were granted in 2009.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to William B. McCormick, Fiscal Officer, Village of Belle Center, 104 W. Buckeye Street, P.O. Box 508, Belle Center, Ohio 43310.

VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Net Assets - Cash Basis
December 31, 2009

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 120,262	\$ 392,030	\$ 512,292
Total Assets	\$ 120,262	\$ 392,030	\$ 512,292
 Net Assets			
Restricted for:			
Other Purposes	\$ 21,900	\$ -	\$ 21,900
Unrestricted	98,362	392,030	490,392
Total Net Assets	\$ 120,262	\$ 392,030	\$ 512,292

See accompanying notes to the basic financial statements

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009**

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Security of Persons and Property	\$ 14,310	\$ -	\$ -	\$ -	\$ (14,310)	\$ -	\$ (14,310)
Public Health Services	4,922	-	-	-	(4,922)	-	(4,922)
Leisure Time Activities	5,046	-	-	-	(5,046)	-	(5,046)
Community Environment	40	159	-	-	119	-	119
Basic Utility Services	1,900	-	-	-	(1,900)	-	(1,900)
Transportation	66,343	-	31,714	-	(34,629)	-	(34,629)
General Government	113,230	-	-	-	(113,230)	-	(113,230)
Capital Outlay	5,249	-	-	-	(5,249)	-	(5,249)
Debt Service:							
Principal	37,500	-	-	-	(37,500)	-	(37,500)
Interest	3,939	-	-	-	(3,939)	-	(3,939)
Other	-	-	-	-	-	-	-
Total Governmental Activities	252,479	159	31,714	-	(220,606)	-	(220,606)
Business Type Activities							
Water Operating	64,934	75,116	-	-	-	10,182	10,182
Sewer Operating	99,643	100,177	-	-	-	534	534
Garbage Operating	60,390	62,221	-	-	-	1,831	1,831
Ohio Water Development Authority Loan	138,043	36,183	-	79,689	-	(22,171)	(22,171)
Ohio Public Works Commission Loan	12,500	12,227	-	-	-	(273)	(273)
Enterprise Deposit Fund	1,400	2,200	-	-	-	800	800
Total Business Type Activities	376,910	288,124	-	79,689	-	(9,097)	(9,097)
Total	\$ 629,389	\$ 288,283	\$ 31,714	\$ 79,689	\$ (220,606)	\$ (9,097)	\$ (229,703)
General Receipts							
Property Taxes					\$ 29,833	\$ -	\$ 29,833
Municipal Income Taxes					107,562	-	107,562
Other Taxes					42,470	-	42,470
Grants and Entitlements not Restricted to Specific Programs					9,820	-	9,820
Earnings on Investments					4,737	-	4,737
Miscellaneous					3,406	-	3,406
Total General Receipts					197,828	-	197,828
Transfers					(3,989)	3,989	-
Total General Receipts and Transfers					193,839	3,989	197,828
Change in Net Assets					(26,767)	(5,108)	(31,875)
Net Assets Beginning of Year					147,029	397,138	544,167
Net Assets End of Year					\$ 120,262	\$ 392,030	\$ 512,292

See accompanying notes to the basic financial statements

VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	GENERAL	STREET CONST. MAINT.REP.	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 98,362	\$ 13,611	\$ 8,289	\$ 120,262
Total Assets	\$ 98,362	\$ 13,611	\$ 8,289	\$ 120,262
Fund Balances				
Reserved:				
Reserved for Encumbrances	\$ 669	\$ -	\$ 6	\$ 675
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	97,693	-	-	97,693
Special Revenue Funds	-	13,611	8,283	21,894
Total Fund Balances	\$ 98,362	\$ 13,611	\$ 8,289	\$ 120,262

See accompanying notes to the basic financial statements

VILLAGE OF BELLE CENTER VILLAGE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	GENERAL	STREET CONST. MAINT.REP.	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts				
Property and Other Local Taxes	\$ 28,657	\$ 31,681	\$ 4,764	\$ 65,102
Municipal Income Taxes	107,562	-	-	107,562
Intergovernmental	9,820	27,880	3,834	41,534
Fines, Licenses and Permits	7,360	-	-	7,360
Earnings on Investments	4,737	-	-	4,737
Miscellaneous	3,406	-	-	3,406
Total Receipts	<u>161,542</u>	<u>59,561</u>	<u>8,598</u>	<u>229,701</u>
Disbursements				
Current:				
Security of Persons and Property	14,310	-	-	14,310
Public Health Services	4,922	-	-	4,922
Leisure Time Activities	5,046	-	-	5,046
Community Environment	40	-	-	40
Basic Utility Services	1,900	-	-	1,900
Transportation	4,896	53,160	8,287	66,343
General Government	113,230	-	-	113,230
Capital Outlay	5,249	-	-	5,249
Debt Service:				
Principal Retirement	37,500	-	-	37,500
Interest and Fiscal Charges	3,939	-	-	3,939
Total Disbursements	<u>191,032</u>	<u>53,160</u>	<u>8,287</u>	<u>252,479</u>
Excess of Receipts Over (Under) Disbursements	<u>(29,490)</u>	<u>6,401</u>	<u>311</u>	<u>(22,778)</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(3,989)</u>	<u>-</u>	<u>-</u>	<u>(3,989)</u>
Total Other Financing Sources (Uses)	<u>(3,989)</u>	<u>-</u>	<u>-</u>	<u>(3,989)</u>
Net Change in Fund Balances	(33,479)	6,401	311	(26,767)
Fund Balances Beginning of Year	<u>131,841</u>	<u>7,210</u>	<u>7,978</u>	<u>147,029</u>
Fund Balances End of Year	<u>\$ 98,362</u>	<u>\$ 13,611</u>	<u>\$ 8,289</u>	<u>\$ 120,262</u>

See accompanying notes to the basic financial statements

VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 27,000	\$ 27,000	\$ 28,657	\$ 1,657
Municipal Income Taxes	80,000	80,000	107,562	27,562
Intergovernmental	9,060	9,060	9,820	760
Fines, Licenses and Permits	6,050	6,050	7,360	1,310
Earnings on Investments	7,000	7,000	4,737	(2,263)
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>3,406</u>	<u>1,906</u>
Total receipts	<u>130,610</u>	<u>130,610</u>	<u>161,542</u>	<u>30,932</u>
Disbursements				
Current:				
Security of Persons and Property	16,241	14,641	14,368	273
Public Health Services	4,969	4,969	4,922	47
Leisure Time Activities	4,500	5,120	5,046	74
Community Environment	600	100	40	60
Basic Utility Services	-	1,900	1,900	-
Transportation	5,800	5,800	4,896	904
General Government	123,348	119,228	113,840	5,388
Capital Outlay	-	5,250	5,249	1
Debt Service:				
Principal Retirement	37,500	37,500	37,500	-
Interest and Fiscal Charges	<u>3,942</u>	<u>3,942</u>	<u>3,939</u>	<u>3</u>
Total Disbursements	<u>196,900</u>	<u>198,450</u>	<u>191,700</u>	<u>6,750</u>
Excess of Receipts Over (Under) Disbursements	<u>(66,290)</u>	<u>(67,840)</u>	<u>(30,158)</u>	<u>37,682</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(6,000)</u>	<u>(4,600)</u>	<u>(3,989)</u>	<u>611</u>
Total Other Financing Sources (Uses)	<u>(6,000)</u>	<u>(4,600)</u>	<u>(3,989)</u>	<u>611</u>
Net Change in Fund Balance	(72,290)	(72,440)	(34,147)	38,293
Unencumbered Cash Balance Beginning of Year	131,184	131,184	131,184	-
Prior Year Encumbrances Appropriated	<u>656</u>	<u>656</u>	<u>656</u>	<u>-</u>
Unencumbered Cash Balance End of Year	<u>\$ 59,550</u>	<u>\$ 59,400</u>	<u>\$ 97,693</u>	<u>\$ 38,293</u>
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			<u>\$ 97,693</u>	

See accompanying notes to the basic financial statements

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2009**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 38,380	\$ 38,380	\$ 31,681	\$ (6,699)
Intergovernmental	<u>26,000</u>	<u>26,000</u>	<u>27,880</u>	<u>1,880</u>
Total receipts	<u>64,380</u>	<u>64,380</u>	<u>59,561</u>	<u>(4,819)</u>
Disbursements				
Current:				
Transportation	63,399	63,399	53,160	10,239
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Disbursements	<u>63,399</u>	<u>63,399</u>	<u>53,160</u>	<u>10,239</u>
Excess of Receipts Over (Under) Disbursements	<u>981</u>	<u>981</u>	<u>6,401</u>	<u>5,420</u>
Net Change in Fund Balance	981	981	6,401	5,420
Unencumbered Cash Balance Beginning of Year	6,960	6,960	6,960	-
Prior Year Encumbrances Appropriated	<u>249</u>	<u>249</u>	<u>249</u>	<u>-</u>
Unencumbered Cash Balance End of Year	<u>\$ 8,190</u>	<u>\$ 8,190</u>	\$ 13,610	<u>\$ 5,420</u>
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			<u>-</u>	
Unencumbered Undesignated Fund Balance			<u>\$ 13,610</u>	

See accompanying notes to the basic financial statements

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2009**

	<u>WATER OPERATING</u>	<u>SEWER OPERATING</u>	<u>GARBAGE OPERATING</u>	<u>OHIO WATER</u>	<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTAL ENTERPRISE FUNDS</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 33,120	\$ 23,904	\$ 33,512	\$ 283,037	\$ 18,457	\$ 392,030
Total Assets	<u>\$ 33,120</u>	<u>\$ 23,904</u>	<u>\$ 33,512</u>	<u>\$ 283,037</u>	<u>\$ 18,457</u>	<u>\$ 392,030</u>
Net Assets						
Unrestricted	<u>33,120</u>	<u>23,904</u>	<u>33,512</u>	<u>283,037</u>	<u>18,457</u>	<u>392,030</u>
Total Net Assets	<u>\$ 33,120</u>	<u>\$ 23,904</u>	<u>\$ 33,512</u>	<u>\$ 283,037</u>	<u>\$ 18,457</u>	<u>\$ 392,030</u>

See accompanying notes to the basic financial statements

BELLE CENTER VILLAGE, LOGAN COUNTY
LOGAN COUNTY, OHIO
Statement of Cash Receipts,
Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2009

	WATER OPERATING TOTAL	SEWER OPERATING TOTAL	GARBAGE OPERATING TOTAL	OHIO WATER TOTAL	OTHER ENTERPRISE FUNDS TOTAL	TOTAL ENTERPRISE FUNDS
Operating Receipts						
Charges for Services	\$ 75,116	\$ 100,177	\$ 62,221	\$ 36,185	\$ 14,427	\$ 288,126
Total Operating Receipts	<u>75,116</u>	<u>100,177</u>	<u>62,221</u>	<u>36,185</u>	<u>14,427</u>	<u>288,126</u>
Operating Disbursements						
Personal Services	35,853	3,791	24,632	-	-	64,276
Employee Fringe Benefits	7,248	247	6,217	-	-	13,712
Contractual Services	12,080	7,578	25,271	-	-	44,929
Supplies and Materials	9,753	11,481	4,270	-	-	25,504
Other	-	76,546	-	-	1,400	77,946
Total Operating Disbursements	<u>64,934</u>	<u>99,643</u>	<u>60,390</u>	<u>-</u>	<u>1,400</u>	<u>226,367</u>
Operating Income (Loss)	<u>10,182</u>	<u>534</u>	<u>1,831</u>	<u>36,185</u>	<u>13,027</u>	<u>61,759</u>
Non-Operating Receipts (Disbursements)						
Special Assessments	-	-	-	79,689	-	79,689
Principal Payments	-	-	-	(75,212)	(12,500)	(87,712)
Interest and Fiscal Charges	-	-	-	(62,831)	-	(62,831)
Total Non-Operating Receipts (Disbursements)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,354)</u>	<u>(12,500)</u>	<u>(70,854)</u>
Income (Loss) before Transfers and Advances	<u>10,182</u>	<u>534</u>	<u>1,831</u>	<u>(22,169)</u>	<u>527</u>	<u>(9,095)</u>
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,987</u>	<u>-</u>	<u>3,987</u>
Change in Net Assets	10,182	534	1,831	(18,182)	527	(5,108)
Net Assets Beginning of Year	<u>22,938</u>	<u>23,370</u>	<u>31,681</u>	<u>301,219</u>	<u>17,930</u>	<u>397,138</u>
Net Assets End of Year	<u>\$ 33,120</u>	<u>\$ 23,904</u>	<u>\$ 33,512</u>	<u>\$ 283,037</u>	<u>\$ 18,457</u>	<u>\$ 392,030</u>

See accompanying notes to the basic financial statements

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 1 – Description of the Entity

The Village of Belle Center, Logan County, Ohio (the Village) is a political body and corporation established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, water, trash, and sewer utilities, maintenance of Village streets and park operations. Fire protection is provided by Richland Township. The Logan County Sheriff's office provides security of persons and property.

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

B. Joint Ventures

The Village is a member of BMRT Regional Ambulance District which provides emergency medical services to the Village. The Village is associated with two jointly governed organizations described in Note 13.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Village does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Village's accounting policies.

A. Basis of Presentation

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

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

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

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as nonoperating.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories, governmental and proprietary.

Governmental Funds

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

General Fund - This fund accounts for all financial resources, except those required to be accounted for 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.

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

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

Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. The only proprietary funds reported by the Village are enterprise funds. Following are the Village's major enterprise funds.

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

Sewer Fund - This fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Trash Fund – This fund accounts for the provision of trash pick up service to the residents and commercial users within the Village and a few outside the Village.

Ohio Water Development Authority (OWDA) - The Ohio water fund is a portion of the sewer charges from each customer set aside to pay the debt service.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred

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

D. Budgetary Process

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

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

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

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

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (continued)

E. Cash and Investments

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursement, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2010 and 2009, the Village invested in nonnegotiable certificates of deposit and the nonnegotiable certificates of deposit are reported at cost adjusted by earned interest.

Interest earnings are reported in the General Fund. The Village receives motor vehicle license tax and gasoline tax revenues in the Street Construction Maintenance and Repair Fund, State Highway Fund and Permissive Fund. The Fiscal Officer should allocate interest to those funds based on the principal. A comment was issued in the Management Letter to this effect.

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Accumulated Leave

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

I. Employer Contributions to Cost Sharing Pension Plans

The Village recognizes the disbursement for their contributions to cost-sharing pension plan when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (continued)

J. Long-Term Obligations

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

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for streets and water, sewer, and trash customer deposits. The Village first applies restricted sources when incurring a disbursement for which either restricted or unrestricted resources are available. There are no amounts restricted by enabling legislation.

L. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis presented for the general fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at December 31, 2009 and 2010 amounted to \$669 and \$447, respectively for the general fund and \$0 and \$649, respectively for the street construction maintenance and repair fund.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation Government National Mortgage Association, and Student Loan Marketing. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 4 – Deposits and Investments (continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's Investment Pool (STAR Ohio).

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end 2009 and 2010 \$264,414 and \$233,213 of the Village's bank balance of \$514,414 and \$483,213 were exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 5 – Income Taxes

The Village levies a 1.0 percent income tax whose proceeds are placed into the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of the lesser of actual taxes paid to another city or 100.0 percent of the 1.0 percent tax rate on taxable income. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Property tax receipts received in 2009 (2010) for real and public utility property taxes represents collections of the 2008 (2009) taxes. Property tax payments received during 2009 (2010) for tangible personal property (other than public utility property) is for 2009 (2010) taxes.

2009 (2010) real property taxes are levied after October 1, 2009 (2010) on the assessed values as of January 1, 2009 (2010), the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2009 (2010) real property taxes are collected in and intended to finance 2010 (2011).

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 (2010) public utility property taxes which became a lien on December 31, 2008 (2009), are levied after October 1, 2009 (2010), and are collected in 2010 (2011) with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2009 (2010), was \$2.70 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2009 (2010) property tax receipts were based are as follows:

2009

Real Property	\$10,275,220
Public Utility Property	231,900
Tangible Personal Property	<u>14,650</u>
Total Assessed Values	<u>\$10,521,770</u>

2010

Real Property	\$10,243,260
Public Utility Property	240,670
Tangible Personal Property	<u>6,380</u>
Total Assessed Values	<u>\$10,490,310</u>

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 6 – Property Taxes (continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

Note 7 – Risk Management

The Village belongs to the Ohio Government Risk Management Plan (the “Plan”) an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to approximately 500 Ohio governments (“Members”).

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, automobile, excess liability, crime, surety and bond, inland marine, and other coverages, modified for each Member’s needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member’s deductible.

The Pool’s financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2010 (latest information available):

	<u>2009</u>	<u>2010</u>
Assets	\$11,176,186	\$12,036,541
Liabilities	<u>4,852,485</u>	<u>4,845,056</u>
Member’s Equity	<u>\$ 6,323,701</u>	<u>\$ 7,191,485</u>

NOTE 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description - The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 8 – Defined Benefit Pension Plans (continued)

Ohio Public Employees Retirement System (continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plans do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. The 2010 and 2009 member contribution rates were 10 percent for members in state and local classifications.

The Village's contribution rate for pension benefits for 2010 and 2009 was 14.0 percent. The portion of Village contributions allocated to fund pension benefits is net of postemployment healthcare benefits. The portion of Village contributions allocated to healthcare for members was 7 percent for the period January 1 through March 31, 2009; 5.5 percent for the period April 1, 2009 through February 28, 2010; and 5 percent from March 1, 2010 through December 31, 2010.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$21,724, \$20,342, and \$27,465 respectively.

The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide healthcare benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 9 - Postemployment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009 and 2010, local government employers contributed 14 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The portion of Village contributions allocated to healthcare for members was 7 percent for the period January 1, 2009 through March 31, 2009; 5.5 percent for the period April 1, 2009 through February 28, 2010; and 5 percent from March 1, 2010 through December 31, 2010.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment healthcare plan.

The Village's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2010, 2009, and 2008 were \$3,989, \$3,814, and \$4,482 respectively. The full amount has been contributed for 2010, 2009 and 2008.

Note 10 - Notes Payable

A summary of the note transactions for the years ended December 31, 2009 and 2010, respectively, follows:

Business - type	Interest Rate	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009	Due Within One Year
2003 OWDA Loan	4.16 %	\$1,528,969	\$ 0	\$ 75,212	\$1,453,757	\$138,043
2002 OPWC Loan	0.0	162,500	0	12,500	150,000	12,500
Total		<u>\$1,691,469</u>	<u>\$ 0</u>	<u>\$ 87,712</u>	<u>\$1,603,757</u>	<u>\$150,543</u>

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 10 – Notes Payable (continued)

General Government	Interest Rate	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009	Due Within One Year
Union Banking Co. -2007	6.0 %	<u>\$75,000</u>	<u>\$ 0</u>	<u>\$37,500</u>	<u>\$37,500</u>	<u>\$38,645</u>
Total		<u>\$75,000</u>	<u>\$ 0</u>	<u>\$37,500</u>	<u>\$37,500</u>	<u>\$38,645</u>

Business - type	Interest Rate	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010	Due Within One Year
2003 OWDA Loan	4.16 %	\$1,453,757	\$ 0	\$ 78,374	\$1,375,383	\$138,043
2002 OPWC Loan	0.0	<u>150,000</u>	<u>0</u>	<u>6,250</u>	<u>143,750</u>	<u>12,500</u>
Total		<u>\$1,603,757</u>	<u>\$ 0</u>	<u>\$ 84,624</u>	<u>\$1,519,133</u>	<u>\$150,543</u>

General Government	Interest Rate	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010	Due Within One Year
Union Banking Co. - 2007	6.0 %	\$ 37,500	\$ 0	\$37,500	\$ 0	\$ 0
Union Banking Co. -2010	6.0 %	<u>0</u>	<u>12,000</u>	<u>1,200</u>	<u>10,800</u>	<u>3,012</u>
Total		<u>\$ 37,500</u>	<u>\$ 12,000</u>	<u>\$38,700</u>	<u>\$ 10,800</u>	<u>\$ 3,012</u>

The Ohio Water Development Authority (OWDA) loan relates to a sewer system project. The loan will be repaid in semiannual installments of \$69,022, including interest, over 20 years. The loan is secured by sewer receipts and special assessments. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) Loan relates to a sewer system project. The loan will be repaid in semiannual installments of \$6,250 over 20 years. The loan is secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Union Banking Loan (2007) relates to the repair of the water tower and replacement of 2 deep water pumps at the Water Department. The loan was paid in full by the General Fund during 2010.

The Union Banking Loan (2010) relates to the purchase of the old train depot in the Village. The loan will be repaid in semiannual installments of \$1,200 plus interest. The loan will be paid from the General Fund.

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 10 – Notes Payable (continued)

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

Year	OPWC Loan		OWDA Loans		Union Banking Co.	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 12,500	\$ 0	\$ 81,668	\$ 56,375	\$ 2,400	\$ 612
2012	12,500	0	85,101	52,943	2,400	469
2013	12,500	0	88,678	49,366	2,400	324
2014	12,500	0	92,405	45,638	2,400	180
2015	12,500	0	96,289	41,754	1,200	36
2016– 2020	62,500	0	545,665	144,551		
2021– 2023	18,750	0	385,577	28,551		
Totals	<u>\$143,750</u>	<u>\$0</u>	<u>\$1,375,383</u>	<u>\$419,178</u>	<u>\$ 10,800</u>	<u>\$ 1,621</u>

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The Village has a \$10,800 General Obligation loan payable in semi-annual installments of \$1,200 plus interest. The loan has a 6.0% interest rate and is due to be paid off on June 22, 2015.

Note 11 – Leases

The Village leases a printer/fax/copier machine under noncancelable leases. The Village disbursed \$2,196 to pay lease costs for the year ended December 31, 2009 and \$2,270 for 2010. Future lease payments are as follows:

Year	Amount
2011	<u>\$2,145</u>
Total	<u>\$2,145</u>

Note 12 – Interfund Transfers

During 2009 the following transfers were made:

Transfers from the General Fund to:	
Major Enterprise Fund	<u>\$ 3,987</u>
Total Transfers from the General Fund	<u>\$ 3,987</u>

**VILLAGE OF BELLE CENTER
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 12 – Interfund Transfers (continued)

During 2010 the following transfers were made:

Transfers from the General Fund to:	
Major Enterprise Fund	<u>\$ 6,127</u>
Total Transfers from the General Fund	<u>\$ 6,127</u>

Transfers represent the interest collected on CD's which the Council had approved to be transferred to the OWDA loan fund.

Note 13 – Jointly Governed Organizations

The Logan Union Champaign (LUC) Regional Planning Commission, Logan County, operated under the direction of a 21 member executive committee comprised of representatives of Logan, Union, and Champaign Counties, the cooperating municipalities and citizen members are appointed by the Board of County Commissioners of said counties. The Logan County Auditor acts as the fiscal agent for the commission. Belle Center has not sent a representative since late in 2005.

The B.M.R.T. Regional Ambulance District, Logan County, is directed by an appointed four member Board of Trustees. One Board member is appointed by each political subdivision within the District. Those subdivisions include McDonald, Richland, and Taylor Creek Townships and the Village of Belle Center. The District was established to provide rescue services and responds with mutual aid service to any agency requesting such services.

Note 14 – Related Party Transactions

The Fiscal Officer is not elected to his position but is appointed. He is also The Income Tax Administrator and Utility Clerk.

Note 15 - Fund Balances

The Water Operating Fund Cash Balance at January 1, 2009 reflects an increase of \$39 from the Water Operating Fund Cash Balance at December 31, 2008 on the December 31, 2008 and 2007 financial statement. After the financial statements were issued the fiscal officer voided a check in April 2009 that was written in 2008.

Note 15 – Subsequent Events

Subsequent events have been evaluated through June 21, 2011, the date of the independent auditor's report.

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards***

Village of Belle Center
Logan County
P.O. Box 508
104 West Buckeye Street
Belle Center, OH 43310

To the Honorable Mayor and Village Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Belle Center, Logan County, Ohio (the Village) as of and for the years ended December 31, 2010, and December 31, 2009, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 21, 2011, wherein we noted the Village uses a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify and deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 21, 2011.

We intend this report solely for the information and use of the Village Council and its management. We intend it for no one other than these specified parties.

Taylor, Applegate, Hughes & Assoc., Ltd.

Taylor, Applegate, Hughes and Associates, Ltd.
June 21, 2011

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Dave Yost • Auditor of State

VILLAGE OF BELLE CENTER

LOGAN 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
SEPTEMBER 13, 2011