



**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2004



**Auditor of State
Betty Montgomery**

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Village Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Bentleyville, Cuyahoga County, Ohio, (the Village) as of and for the year ended December 31, 2004, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the modified 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 modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Bentleyville, Cuyahoga County, Ohio, as of December 31, 2004, and the respective changes in modified cash financial position and the respective budgetary comparisons for the General, Street Construction Maintenance and Repair, and CVT Construction funds for the year then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2004, the Village revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2005, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 23, 2005

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited**

This discussion and analysis of the Village of Bentleyville financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2004, within the limitations of the Village's modified 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 2004 are as follows:

Net assets of governmental activities increased \$437,240, or 42.04 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund, which had an increase in fund balance of \$325,301.

The Village's general receipts are primarily property and income taxes. These receipts represent respectively 16.23 and 35.80 percent of the total cash received for governmental activities during the year. Property and income tax receipts for 2004 changed very little compared to 2003 as development within the Village has slowed.

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 modified 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.

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 modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified 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 modified cash basis of accounting.

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited
(Continued)**

Reporting the Village as a Whole

The statement of net assets and the statement of activities reflect how the Village did financially during 2004, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. 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 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 modified 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 express the Village's activities as the following:

Governmental activities. 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.

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 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 nonmajor 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, Street Construction Maintenance and Repair, CVT Construction, and Chagrin Road Slope Stabilization funds. 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.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Village's programs.

**VILLAGE OF BENTLEYVILLE
 CUYAHOGA COUNTY
 Management's Discussion and Analysis
 For the Year Ended December 31, 2004
 Unaudited
 (Continued)**

The Village as a Whole

Table 1 provides a summary of the Village's net assets for 2004. Since the Village did not prepare financial statements in this format for 2003, a comparative analysis has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

(Table 1)
Net Assets

	Governmental Activities 2004
Assets	
Cash and Cash Equivalents	\$1,477,401
Total Assets	\$1,477,401
 Net Assets	
Restricted for:	
Debt Service	\$237,343
Capital Projects	132,453
Other Purposed	213,342
Unrestricted	894,263
Total Net Assets	\$1,477,401

- As mentioned previously, net assets of governmental activities increased \$437,240 or 42.04 percent during 2004. The fund most affected by the increase in cash and cash equivalents was the General Fund, which had an increase in fund balance of \$325,301.

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited
(Continued)**

Table 2 reflects the changes in net assets in 2004. Since the Village did not prepare financial statements in this format for 2003, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

(Table 2)
Changes in Net Assets

	<u>Governmental Activities 2004</u>
Receipts:	
Program Receipts:	
Charges for Services and Sales	\$47,779
Operating Grants and Special Assessments	58,132
Capital Grants and Special Assessments	91,129
Total Program Receipts	<u>197,040</u>
General Receipts:	
Property and Other Local Taxes	407,760
Income Taxes	899,430
Grants and Entitlements Not Restricted to Specific Programs	107,742
Bonds Issued	861,046
Interest	13,551
Miscellaneous	25,718
Total General Receipts	<u>2,315,247</u>
Total Receipts	<u>2,512,287</u>
Disbursements:	
General Government	332,945
Security of Persons and Property	610,698
Leisure Time Activities	7,097
Basic Utilities	55,904
Transportation	270,007
Principal Retirement	712,246
Interest and Fiscal Charges	86,150
Total Disbursements	<u>2,075,047</u>
Increase (Decrease) in Net Assets	<u>437,240</u>
Net Assets, January 1, 2004	<u>1,040,161</u>
Net Assets, December 31, 2004	<u><u>\$1,477,401</u></u>

Program receipts represent only 7.84 percent of total receipts and are primarily comprised of building permits and inspection fees and special assessments.

General receipts represent 92.16 percent of the Village's total receipts, and of this amount, over 56.46 percent are local taxes. State and federal grants and entitlements and bonds issued make up the balance of the Village's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited
(Continued)**

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, treasurer, and finance departments, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

Security of Persons and Property are the costs of police and fire protection; Leisure Time Activities are the costs of maintaining the parks and playing fields; and Transportation is the cost of maintaining the roads.

Governmental Activities

If you look at the Statement of Activities on page 10, 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 disbursements for governmental activities are for principal retirement and security of persons and property, which account for 34.32 and 29.43 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 16.05 percent. The next three columns of the Statement entitled Program Cash 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 (Disbursements) Receipts 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.

(Table 3)
Governmental Activities

	Total Cost Of Services 2004	Net Cost of Services 2004
General Government	\$332,945	(\$311,445)
Security of Persons and Property	610,698	(570,207)
Public Health Services	0	2,144
Leisure Time Activities	7,097	(7,097)
Basic Utilities	55,904	1,000
Transportation	270,007	(194,006)
Principal Retirement	712,246	(712,246)
Interest and Fiscal Charges	86,150	(86,150)
Total Expenses	\$2,075,047	(\$1,878,007)

The dependence upon property and income tax receipts is apparent as over 90.50 percent of governmental activities are supported through these general receipts.

The Village's Funds

Total governmental funds had receipts of \$3,168,327 and disbursements of \$2,731,087. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$325,301.

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited
(Continued)**

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 2004, the Village amended its General Fund budget throughout the year to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was not significant.

Final General fund disbursements were budgeted at \$1,487,070 while actual disbursements were \$1,414,266. The Village kept spending close to budgeted amounts as demonstrated by the minor reported variances.

Capital Assets and Debt Administration

Capital Assets

The Village maintains a listing of its capital assets and infrastructure. These records are not required to be presented in the financial statements.

Debt

At December 31, 2004, the Village's outstanding debt was \$1,767,640 consisting of general obligation bonds, special assessment bonds, OWDA loans, and OPWC loans. For further information regarding the Village's debt, refer to Note 7 to the basic financial statements.

Current Issues

The challenge for all Villages is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base.

Contacting the Village'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 Margaret Bays, Treasurer, Village of Bentleyville, 6253 Chagrin River Road, Bentleyville, Ohio 44022.

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Statement of Net Assets - Modified Cash Basis
December 31, 2004

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,477,401</u>
<i>Total Assets</i>	<u><u>\$1,477,401</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$132,453
Debt Service	237,343
Other Purposes	213,342
Unrestricted	<u>894,263</u>
<i>Total Net Assets</i>	<u><u>\$1,477,401</u></u>

See accompanying notes to the basic financial statements

Village of Bentleyville
Cuyahoga County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2004

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Special Assessments	Capital Grants and Special Assessments	Total Governmental Activities
Governmental Activities					
General Government	\$332,945	\$2,054	\$0	\$19,446	(\$311,445)
Security of Persons and Property	610,698	39,263	1,228	0	(570,207)
Public Health Services	0	2,144	0	0	2,144
Leisure Time Activities	7,097	0	0	0	(7,097)
Basic Utility Services	55,904	0	56,904	0	1,000
Transportation	270,007	4,318	0	71,683	(194,006)
Principal Retirement	712,246	0	0	0	(712,246)
Interest and Fiscal Charges	86,150	0	0	0	(86,150)
<i>Total Governmental Activities</i>	<u>\$2,075,047</u>	<u>\$47,779</u>	<u>\$58,132</u>	<u>\$91,129</u>	<u>(1,878,007)</u>
General Receipts					
Property Taxes Levied for:					
General Purposes					407,760
Municipal Income Taxes					899,430
Grants and Entitlements					
not Restricted to Specific Programs					107,742
Bonds Issued					861,046
Interest					13,551
Miscellaneous					25,718
<i>Total General Receipts</i>					<u>2,315,247</u>
Change in Net Assets					437,240
<i>Net Assets Beginning of Year</i>					<u>1,040,161</u>
<i>Net Assets End of Year</i>					<u>\$1,477,401</u>

See accompanying notes to the basic financial statements

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2004

	General	Streets Construction Maintenance and Repair	CVT Construction	Chagrin Road Slope Stabilization Debt Service	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$894,263	\$97,153	\$0	\$193,251	\$292,734	\$1,477,401
<i>Total Assets</i>	<u>\$894,263</u>	<u>\$97,153</u>	<u>\$0</u>	<u>\$193,251</u>	<u>\$292,734</u>	<u>\$1,477,401</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$988	\$9,500	\$0	\$0	\$129,755	\$140,243
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	893,275	0	0	0	0	893,275
Special Revenue Funds	0	87,653	0	0	116,189	203,842
Debt Service Fund	0	0	0	193,251	44,092	237,343
Capital Projects Funds	0	0	0	0	2,698	2,698
<i>Total Fund Balances</i>	<u>\$894,263</u>	<u>\$97,153</u>	<u>\$0</u>	<u>\$193,251</u>	<u>\$292,734</u>	<u>\$1,477,401</u>

See accompanying notes to the basic financial statements

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2004

Total Governmental Fund Balances	<u>\$1,477,401</u>
<i>Net Assets of Governmental Activities</i>	<u>\$1,477,401</u>

See accompanying notes to the basic financial statements

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	General	Streets Construction Maintenance and Repair	CVT Construction	Chagrin Road Slope Stabilization Debt Service	Other Governmental Funds	Total Governmental Funds
Receipts						
Municipal Income Taxes	\$899,430	\$0	\$0	\$0	\$0	\$899,430
Property and Other Local Taxes	359,761	47,999	0	0	0	407,760
Special Assessments	0	0	71,683	0	56,904	128,587
Charges for Services	2,198	0	0	0	2,000	4,198
Fines, Licenses and Permits	39,263	4,318	0	0	0	43,581
Intergovernmental	73,930	52,984	0	0	1,500	128,414
Interest	13,277	274	0	0	0	13,551
Miscellaneous	25,720	0	0	0	0	25,720
<i>Total Receipts</i>	<u>1,413,579</u>	<u>105,575</u>	<u>71,683</u>	<u>0</u>	<u>60,404</u>	<u>1,651,241</u>
Disbursements						
Current:						
General Government	318,177	0	0	0	0	318,177
Security of Persons and Property	603,427	0	0	0	2,253	605,680
Leisure Time Activities	0	0	0	0	6,341	6,341
Basic Utility Services	55,904	0	0	0	0	55,904
Transportation	144,983	17,523	1,684	0	0	164,190
Capital Outlay	19,513	100,357	0	0	6,219	126,089
Debt Service:	0	0	633,429	0	0	633,429
Principal Retirement	0	0	0	6,382	80,864	87,246
Interest and Fiscal Charges	0	0	0	0	77,991	77,991
<i>Total Disbursements</i>	<u>1,142,004</u>	<u>117,880</u>	<u>635,113</u>	<u>6,382</u>	<u>173,668</u>	<u>2,075,047</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>271,575</u>	<u>(12,305)</u>	<u>(563,430)</u>	<u>(6,382)</u>	<u>(113,264)</u>	<u>(423,806)</u>
Other Financing Sources (Uses)						
Bonds Issued	0	0	861,046	0	0	861,046
Transfers In	0	0	30,000	6,382	294,658	331,040
Transfers Out	(271,274)	0	(59,766)	0	0	(331,040)
Advances In	325,000	0	0	0	0	325,000
Advances Out	0	0	(325,000)	0	0	(325,000)
<i>Total Other Financing Sources (Uses)</i>	<u>53,726</u>	<u>0</u>	<u>506,280</u>	<u>6,382</u>	<u>294,658</u>	<u>861,046</u>
<i>Net Change in Fund Balances</i>	<u>325,301</u>	<u>(12,305)</u>	<u>(57,150)</u>	<u>0</u>	<u>181,394</u>	<u>437,240</u>
<i>Fund Balances Beginning of Year</i>	<u>568,962</u>	<u>109,458</u>	<u>57,150</u>	<u>193,251</u>	<u>111,340</u>	<u>1,040,161</u>
<i>Fund Balances End of Year</i>	<u>\$894,263</u>	<u>\$97,153</u>	<u>\$0</u>	<u>\$193,251</u>	<u>\$292,734</u>	<u>\$1,477,401</u>

See accompanying notes to the basic financial statements

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2004*

Net Change in Fund Balances - Total Governmental Funds	<u>\$437,240</u>
<i>Change in Net Assets of Governmental Activities</i>	<u>\$437,240</u>

See accompanying notes to the basic financial statements

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Municipal Income Taxes	\$868,880	\$899,473	\$899,430	(\$43)
Property and Other Local Taxes	347,541	359,778	359,761	(17)
Charges for Services	2,123	2,198	2,198	0
Fines, Licenses and Permits	37,929	39,265	39,263	(2)
Intergovernmental	71,418	73,933	73,930	(3)
Interest	12,826	13,278	13,277	(1)
Miscellaneous	24,845	25,720	25,720	0
<i>Total receipts</i>	<u>1,365,562</u>	<u>1,413,645</u>	<u>1,413,579</u>	<u>(66)</u>
Disbursements				
Current:				
General Government	348,706	344,477	318,629	25,848
Security of Persons and Property	650,363	639,655	603,612	36,043
Basic Utility Services	62,000	62,000	55,904	6,096
Transportation	151,707	149,450	145,334	4,116
Capital Outlay	22,825	19,065	19,513	(448)
<i>Total Disbursements</i>	<u>1,235,601</u>	<u>1,214,647</u>	<u>1,142,992</u>	<u>71,655</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>129,961</u>	<u>198,998</u>	<u>270,587</u>	<u>71,589</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(148,923)	(272,423)	(271,274)	1,149
Advances In	313,961	325,015	325,000	(15)
Advances Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>165,038</u>	<u>52,592</u>	<u>53,726</u>	<u>1,134</u>
<i>Net Change in Fund Balance</i>	294,999	251,590	324,313	72,723
<i>Fund Balance Beginning of Year</i>	<u>568,962</u>	<u>568,962</u>	<u>568,962</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$863,961</u></u>	<u><u>\$820,552</u></u>	<u><u>\$893,275</u></u>	<u><u>\$72,723</u></u>

See accompanying notes to the basic financial statements

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Streets Construction Maintenance and Repair Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$53,896	\$53,896	\$47,999	(\$5,897)
Fines, Licenses and Permits	2,000	4,300	4,318	18
Intergovernmental	36,250	44,696	52,984	8,288
Interest	0	77	274	197
<i>Total receipts</i>	92,146	102,969	105,575	2,606
Disbursements				
Current:				
Transportation	14,000	21,600	17,523	4,077
Capital Outlay	83,508	100,915	109,857	(8,942)
<i>Total Disbursements</i>	97,508	122,515	127,380	(4,865)
<i>Excess of Receipts Over (Under) Disbursements</i>	(5,362)	(19,546)	(21,805)	(2,259)
<i>Fund Balance Beginning of Year</i>	28,775	28,775	28,775	0
Prior Year Encumbrances Appropriated	80,683	80,683	80,683	0
<i>Fund Balance End of Year</i>	\$104,096	\$89,912	\$87,653	(\$2,259)

See accompanying notes to the basic financial statements

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
CVT Construction Fund
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Special Assessments	\$0	\$71,683	\$71,683	\$0
<i>Total receipts</i>	<u>0</u>	<u>71,683</u>	<u>71,683</u>	<u>0</u>
Disbursements				
Current:				
Transportation	32,500	1,684	1,684	0
Debt Service:				
Principal Retirement	625,000	625,000	625,000	0
Interest and Fiscal Charges	8,150	8,429	8,429	0
<i>Total Disbursements</i>	<u>665,650</u>	<u>635,113</u>	<u>635,113</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(665,650)</u>	<u>(563,430)</u>	<u>(563,430)</u>	<u>0</u>
Other Financing Sources (Uses)				
Bonds Issued	903,455	861,046	861,046	0
Transfers In	30,000	30,000	30,000	0
Transfers Out	0	(59,766)	(59,766)	0
Advances In	0	0	0	0
Advances Out	(325,000)	(325,000)	(325,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>608,455</u>	<u>506,280</u>	<u>506,280</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(57,195)</u>	<u>(57,150)</u>	<u>(57,150)</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>57,150</u>	<u>57,150</u>	<u>57,150</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>(\$45)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY
Statement of Fiduciary Net Assets - Modified Cash Basis
Fiduciary Funds
December 31, 2004

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$56,495
<i>Total Assets</i>	<u>\$56,495</u>
Net Assets	
Unrestricted	<u>\$56,495</u>

See accompanying notes to the basic financial statements

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

NOTE 1. DESCRIPTION OF THE ENTITY

The Village of Bentleyville, Cuyahoga County, Ohio, (the Village) is a body corporate and politic 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 publicly-elected six-member Council. The Village provides general government services, including maintenance of roads, sanitary sewer/storm sewer facilities, building, zoning, safety services, and police protection. The Village contracts with the Village of Chagrin Falls to provide fire protection and police dispatch services.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

These financial statements follow a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements adequately disclose material matters the Auditor of State prescribes.

B. Fund Accounting

The Village uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Village's funds are classified as either governmental or fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Village's major governmental funds:

General Fund – The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Streets Construction Maintenance and Repair Fund – This fund receives gasoline tax and motor vehicle tax money for construction, maintaining and repairing Village streets.

Chagrin Valley Trails Construction (CVT Construction) Fund – This fund receives proceeds from the sales of notes in anticipation of bonds and transfers in from the Chagrin Valley Trails Legal fund and is used to pay the cost of improving streets in Chagrin Valley Trails.

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

GOVERNMENTAL FUNDS (Continued)

Chagrin Road Slope Stabilization Debt Service Fund – This fund is used to pay the Ohio Public Works Commission no interest loan related to the Chagrin Road Slope Stabilization project.

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

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations or other governmental entities and are therefore not available to support the Village's own programs. The Village's does not have any trust funds. Agency funds are custodial in nature, where the Village deposits and pays cash as directed by another entity or individual. The Village maintains two agency funds, the Contractors' Bond and the Fines and Costs funds. The Contractors' Bond fund is used to account for the deposits received from contractors to ensure performance. The Fines and Costs fund is used to account for the fines and fees collected from waiverable offenses.

C. Basis of Presentation

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

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 Village, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the Village at December 31, 2004. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Village's governmental activities. Program Cash Receipts include monies provided by the recipient of the services offered by the program, grants and special assessments that are restricted to meeting the operations or capital requirements of particular program. Revenues which are not classified as program revenues are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which the governmental programs are self-financing or draw from the general revenues of the Village.

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Fund Financial Statements The Village segregates transactions related to certain Village functions or activities in separate funds in order 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 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. Fiduciary funds are reported by type.

D. Cash and Investments

Investments are included in fund balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively. The Village invested in STAROhio.

E. Inventory

On the modified cash basis of accounting, inventories of supplies are reported as disbursements when purchased.

F. Property, Plant and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

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

H. Net Assets

The financial statements report restricted net assets when contributors, grantors, or other external factors impose limitations in their use.

I. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Budgetary Process (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

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

NOTE 3. EQUITY IN POOLED CASH AND INVESTMENTS

State statutes classify monies held by the Village into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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 the 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.

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

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

NOTE 3. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit account, including, but not limited to, passbook accounts;
5. Bonds and other obligation of the State of Ohio;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section 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 (STAROhio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days from the date of purchase in an amount not to exceed 25 percent of the interim monies available for investment at any one time; and
9. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

NOTE 3. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

A. Deposits

At year-end, the carrying amount of the Village's deposits was \$832,680 and the bank balance was \$867,561. Of the bank balance, \$100,000 was covered by federal depository insurance. The remaining balance of \$767,561 was uncollateralized and uninsured. Although the pledging bank has an investment and securities pool used to collateralize all public deposits which are held in the financial institution's name, noncompliance with federal requirements could potentially subject the Village to a successful claim by the FDIC.

B. Investments

The Village's investments are required to be categorized to give an indication of the level of risk assumed by the Village at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Village or its agent in the Village's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Village's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classification of cash and cash equivalents and investment on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$1,533,896	\$0
StarOhio	(701,216)	701,216
GASB Statement No. 3	\$832,680	\$701,216

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

NOTE 4. COMPLIANCE

A. Appropriations Exceeding Estimated Resources

As of October 31, 2004, the following fund had appropriations in excess of estimated resources in violation of Ohio Revised Code Section 5705.39:

<u>Fund Description</u>	<u>Appropriations as of October 31, 2004</u>	<u>Estimated Resources as of October 31, 2004</u>	<u>Variance</u>
Capital Projects Fund			
Capital Projects	\$98,000	\$8,953	\$89,047

This variance was corrected by year end.

NOTE 5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

NOTE 6. LOCAL INCOME TAX

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

NOTE 7. DEBT

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$555,951	5.77%
Ohio Public Works Commission Loan	111,689	0.00%
General Obligation Bond - Village Hall	265,000	5.35%
Special Assessment Bond - CVT Project	835,000	5.25%
Total	\$1,767,640	

The Ohio Water Development Authority loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The loans will be repaid in semiannual installments of \$27,073, including interest, over 25 years. The Ohio Public Works Commission interest free Loan relates to the Chagrin River Slope Stabilization project. This loan will be repaid in semiannual installments of \$6,382. The General Obligation Bond relates to the construction of the Village Hall complex in 1994. The bond was issued in the amount of \$775,000 and will be repaid in semi-annual varying principal and interest payments over 15 years. The Special Assessment Bond relates to the Chagrin Valley Trail (CVT) road improvement project. The bond was issued in the amount of \$835,000 and will be repaid over 20 years in annual varying principal and interest payments.

Amortization of the Village's debt, including interest, is scheduled as follows:

	OWDA Loan	OPWC Loan	General Obligation Bond	Special Assessment Bond
Year ending December 31:				
2005	\$54,146	\$6,382	\$75,123	\$89,650
2006	54,146	6,382	76,973	87,288
2007	54,146	6,382	78,120	84,925
2008	54,146	6,382	74,095	82,563
2009	54,146	6,382	0	80,200
2010-2014	270,731	31,911	0	349,913
2015-2019	270,731	31,912	0	285,000
2020-2022	189,512	15,956	0	230,900
Total	\$1,001,704	\$111,689	\$304,311	\$1,290,439

NOTE 8. RETIREMENT SYSTEMS

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

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

NOTE 8. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2004 PFDPF participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of their wages. OPERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2004. The Village has paid all contributions required through December 31, 2004.

NOTE 9. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Village also provides health insurance and dental coverage to full-time employees through a private carrier.

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Auditor of State Betty Montgomery

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

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

To the Village Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Bentleyville, Cuyahoga County, Ohio, (the Village) as of and for the year ended December 31, 2004, which collectively comprise the Village's basic financial statements and have issued our report thereon dated August 23, 2005, wherein we noted the Village revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34. 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 to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Village's management dated August 23, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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 tests disclosed an instance of noncompliance that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2004-001. In a separate letter to the Village's management dated August 23, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and Village Council. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 23, 2005

VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2004

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

Finding Number	2004-001
-----------------------	-----------------

APPROPRIATIONS EXCEEDING ESTIMATED RESOURCES

Ohio Revised Code Section 5705.39 prohibits appropriations from each fund from exceeding the total estimated resources.

During our testing, we noted the following fund had appropriations exceeding the estimated resources at October 31, 2004:

<u>Fund Description</u>	<u>Appropriations</u>	<u>Estimated Resources</u>	<u>Variance</u>
Capital Projects Fund:			
Capital Projects	\$98,000	\$8,953	\$89,047

This variance was corrected by year end.

We recommend the Village monitor appropriations and amend the certificate of estimated resources to ensure that appropriations do not exceed estimated resources.

**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2003-001	Ohio Rev. Code Section 5705.39 Appropriations Exceeding Estimated Resources	Not corrected	Re-issued as finding 2004-001
2003-002	Ohio Rev. Code Section 5705.10 Negative Fund Balances	Yes	Corrected



**Auditor of State
Betty Montgomery**

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**VILLAGE OF BENTLEYVILLE
CUYAHOGA COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 22, 2005**