

***CITY OF BELLEVUE, OHIO***

**Audit Report**

For the Year Ended December 31, 2000

*Charles E. Harris & Associates, Inc.*  
Certified Public Accountants





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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The Honorable Mayor and City Council  
City of Bellevue  
Bellevue, Ohio

We have reviewed the independent auditor's report of the City of Bellevue, Huron County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2000 through December 31, 2000. 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 City of Bellevue is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

October 17, 2001

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**CITY OF BELLEVUE, OHIO**  
Audit Report  
For the Year Ended December 31, 2000

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**City of Bellevue, Ohio**  
 Audit Report  
 For the Year Ended December 31, 2000

ELECTED OFFICIALS

<u>ELECTED OFFICIAL</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>
George Branco	Mayor	1/01/00-12/31/03	(B)	\$ 7,500
Ethel R. Foti	Auditor	1/01/00-12/31/03	(A)	25,000
Stephan J. Lukacena	Treasurer	1/01/98-12/31/01	(A)	5,000
David Wallingford	Law Director	1/01/00-12/31/03	(A)	25,000
Kenneth Fox	Muni Court Judge	1/01/00-12/31/06		
David Kile	Council President	1/01/00-12/31/01		
Charles E. Trapp	Council	1/01/00-12/31/01		
RoseMary Nascone	Council	1/01/00-12/31/01		
Stephan F. Cloud	Council	1/01/00-12/31/01		
John J. Ochenduski	Council	1/01/00-12/31/01		
Richard Sanders	Council	1/01/00-12/31/01		
H. James Culler	Council	1/01/00-12/31/01		
Frank DeBlase	Council	1/01/00-12/31/01		

(A) Western Surety Company

(B) Ohio Casualty Insurance Company

**City of Bellevue, Ohio**  
 Audit Report  
 For the Year Ended December 31,2000

ADMINISTRATIVE PERSONNEL

<u>OFFICIAL</u>	<u>TITLE</u>	<u>TERM OF OFFICE OR CONTRACT PERIOD</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>Period</u>
Susan Meador	Clerk of Courts	1/12/92-Indefinite	(A)	\$6,000	1/01/00- 12/31/00
Gary Haynes	Safety Service Director	9/8/97-Indefinite	(B)	5,000	1/01/00- 12/31/00
Vicki Dauch	Clerk of Council	3/14/88-Indefinite			
Philip M. Meacham	Bailiff	5/01/96-Indefinite	(C)	3,000	1/01/00- 12/31/00

(A) Cincinnati Insurance Company

(B) Transamerica Insurance Group

(C) Buckeye Union Insurance Company



**City of Bellevue, Ohio**  
Audit Report  
For the Year Ended December 31,2000

INDEX OF FUNDS AND ACCOUNT GROUPS

GOVERNMENTAL FUND TYPES:

General Fund Type:  
General Fund

Special Revenue Funds:

Street Construction, Maintenance and Repair Fund  
State Highway Improvement Fund  
County Motor Vehicle Fund  
Municipal Motor Vehicle License Fund  
Cemetery Fund  
Park and Recreation Fund  
Prenatal Clinic Grant Fund  
EMS Contract Fund  
3% Excise Hotel-Motel Tax Fund  
CDBG Downtown Revitalization Fund  
Law Enforcement Grant Fund  
Health Check Fund  
Cancer Prevention and Control Fund  
Family Planning Fund  
Police Pension Fund  
Fire Pension Fund  
DUI/Law Enforcing Agency  
DUI/Political Sub Division Jail Fund  
Drug Fine Trust Fund

Debt Service Funds:

General Obligation Bond Retirement Fund  
Special Assessment Sewer Retirement Fund  
Special Assessment West Main Street Fund

Capital Project Funds:

Capital Improvement Fund  
Street Sweeper Fund  
Special Fire Equipment Fund  
Elm Street Drainage Fund  
CEH22 Street Paving Fund  
CEK12 Township Road 302  
City Complex

**City of Bellevue, Ohio**  
Audit Report  
For the Year Ended December 31,2000

INDEX OF FUNDS AND ACCOUNT GROUPS (Continued)

PROPRIETARY FUND TYPE:

Enterprise Funds:

Water Fund

Wastewater Fund

FIDUCIARY FUND TYPES:

Trust and Agency Fund Types:

Expendable Trust Funds:

Mausoleum Fund

Setzler Trust Fund

Wood Trust Fund

Weber Trust Fund

Ringle Trust Fund

Non-Expendable Trust Funds:

Community Center Endowment Funds

Cemetery Endowment Fund

Agency Funds:

Unclaimed Monies Fund

Property Security Fund

State Patrol Transfer Fund

DUI/Indigent Driver Alcohol Fund

General Fixed Asset Account Group

General Long-Term Debt Account Group

*Charles E. Harris & Associates, Inc.*  
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**REPORT OF INDEPENDENT ACCOUNTANTS**

**The Honorable Mayor and City Council  
City of Bellevue  
Bellevue, Ohio**

**We have audited the accompanying general purpose financial statements of the City of Bellevue (the City), as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.**

**We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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.**

**In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of December 31, 2000, and the results of its operations and cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.**

**In accordance with *Government Auditing Standards*, we have also issued a report dated September 14, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.**

*Charles E. Harris & Associates, Inc.*  
September 14, 2001

**City of Bellevue, Ohio**  
**Combined Balance Sheet**  
**All Fund Types and Account Groups**  
**December 31, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets</b>				
Equity in pooled cash and investments	\$ 3,528,956	\$ 1,363,532	\$ 25,795	\$ 648,612
Cash and cash equivalents in segregated accounts	-	1,017,568	-	-
Cash and cash equivalents with fiscal and escrow agents	-	-	714	-
Receivables (net of allowance for uncollectibles):				
Taxes	485,206	412,350	-	-
Accounts	273	-	-	652
Notes	-	728,414	-	-
Accrued Interest	35,923	-	-	-
Interfund	4,182	-	-	-
Due from other funds	11,530	-	-	-
Due from other governments	-	14,056	-	-
Materials and supplies				
Inventory	7,943	34,959	-	-
Prepaid items	43,619	5,591	-	-
Deferred bond costs	-	-	-	-
Fixed assets (net of accumulated depreciation, where applicable)	-	-	-	-
Other Debits:				
Amount to be provided from general government resources	-	-	-	-
Amount available in debt service fund for retirement of general obligation bonds	-	-	-	-
Amount available in debt service fund for retirement of special assessment debt	-	-	-	-
<b>Total assets</b>	<b>\$ 4,117,632</b>	<b>\$ 3,576,470</b>	<b>\$ 26,509</b>	<b>\$ 649,264</b>

Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$ 3,312,174	\$ 95,853	-	-	\$ 8,974,922
-	24,097	-	-	1,041,665
-	-	-	-	714
-	-	-	-	897,556
192,633	-	-	-	193,558
-	-	-	-	728,414
-	-	-	-	35,923
-	-	-	-	4,182
-	-	-	-	11,530
-	-	-	-	14,056
86,495	-	-	-	129,397
17,004	-	-	-	66,214
20,950	-	-	-	20,950
13,611,691	-	\$ 10,089,137	-	23,700,828
-	-	-	\$ 2,736,824	2,736,824
-	-	-	25,795	25,795
-	-	-	4,000	4,000
<u>\$ 17,240,947</u>	<u>\$ 119,950</u>	<u>\$ 10,089,137</u>	<u>\$ 2,766,619</u>	<u>\$ 38,586,528</u>

Continued

**City of Bellevue, Ohio**  
**Combined Balance Sheet**  
All Fund Types and Account Groups - (Continued)  
December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Accrued wages and benefits	\$ 65,343	\$ 19,914	-	-
Compensated absences payable	36,774	5,357	-	-
Pension obligation payable	-	-	-	-
Due to other funds	-	-	-	-
Interfund Payable	-	4,182	-	-
Due to other governments	44,752	13,503	-	-
Deferred revenue	257,720	412,350	-	-
Matured interest payable	-	-	\$ 714	-
Undistributed monies	-	-	-	-
Notes payable	-	-	-	-
Special assessment debt with government comm.	-	-	-	-
OWDA loans payable	-	-	-	-
General obligation bonds payable	-	-	-	-
Mortgage revenue bonds payable	-	-	-	-
<b>Total liabilities</b>	<b>\$ 404,589</b>	<b>\$ 455,306</b>	<b>\$ 714</b>	<b>-</b>
<b>Equity and other credits</b>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings:				
Unreserved (Deficit)	-	-	-	-
Fund balances:				
Reserved for encumbrances	\$ 319,972	\$ 555,686	-	\$ 62,087
Reserved for debt service	-	-	\$ 25,795	-
Reserved for inventory	7,943	34,959	-	-
Reserved for prepaids	43,619	5,591	-	-
Reserved for notes receivable	-	728,414	-	-
Reserved for perpetual care	-	-	-	-
Reserved for community development	-	1,017,568	-	-
Unreserved - undesignated	3,341,509	778,946	-	587,177
<b>Total equity and other credits</b>	<b>3,713,043</b>	<b>3,121,164</b>	<b>25,795</b>	<b>649,264</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 4,117,632</b>	<b>\$ 3,576,470</b>	<b>\$ 26,509</b>	<b>\$ 649,264</b>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$ 2,970	-	-	-	\$ 2,970
33,093	-	-	-	118,350
417,847	-	-	\$ 480,126	940,104
22,024	-	-	92,493	114,517
-	\$ 11,530	-	-	11,530
-	-	-	-	4,182
19,396	10,250	-	-	87,901
-	-	-	-	670,070
-	-	-	-	714
-	2,933	-	-	2,933
-	-	-	250,000	250,000
-	-	-	4,000	4,000
3,446,837	-	-	-	3,446,837
-	-	-	1,940,000	1,940,000
110,000	-	-	-	110,000
\$ 4,052,167	\$ 24,713	-	\$ 2,766,619	\$ 7,704,108
-	-	\$ 10,089,137	-	\$ 10,089,137
\$ 731,661	-	-	-	731,661
12,457,119	-	-	-	12,457,119
-	-	-	-	937,745
-	-	-	-	25,795
-	-	-	-	42,902
-	-	-	-	49,210
-	-	-	-	728,414
-	60,000	-	-	60,000
-	-	-	-	1,017,568
-	35,237	-	-	4,742,869
<u>13,188,780</u>	<u>95,237</u>	<u>10,089,137</u>	<u>-</u>	<u>30,882,420</u>
\$ <u>17,240,947</u>	\$ <u>119,950</u>	\$ <u>10,089,137</u>	\$ <u>2,766,619</u>	\$ <u>38,586,528</u>

**City of Bellevue, Ohio**

Combined Statement of Revenues, Expenditures and  
Changes in Fund Balances - All Governmental Fund Types & Similar Fiduciary Funds  
For the Year Ended December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 3,749,023	\$ 414,181	-	-
Special assessments	-	-	\$ 1,812	-
Charges for services	54,761	161,323	-	\$ 52,000
Licenses and permits	53,587	-	-	-
Fines and forfeitures	143,639	676	-	-
Intergovernmental	654,416	359,253	-	57,561
Interest	535,630	74,705	-	19,726
Other	34,506	100,210	-	2,648
Total Revenues	\$ 5,225,562	\$ 1,110,348	\$ 1,812	\$ 131,935
Expenditures:				
Current:				
General government:				
Legislative and executive	\$ 1,222,542	-	-	-
Judicial	227,566	-	-	-
Security of persons and property	1,568,638	\$ 198,895	-	-
Public health and welfare	167,370	298,990	-	-
Leisure time activities	-	302,801	-	-
Community environment	16,485	379,037	-	-
Transportation	-	642,975	-	-
Capital outlay	-	-	-	\$ 3,180,168
Debt service:				
Principal retirement	-	-	\$ 60,000	-
Interest and fiscal charges	-	-	106,931	-
Total Expenditures	\$ 3,202,601	\$ 1,822,698	\$ 166,931	\$ 3,180,168
Excess of Revenues over (under) Expenditures	2,022,961	(712,350)	(165,119)	(3,048,233)
Other Financing Sources (Uses):				
Proceeds from sale of fixed assets	-	\$ 79,000	-	-
Proceeds of notes	-	250,000	-	-
Operating transfers-in	-	613,442	\$ 166,931	\$ 1,167,530
Operating transfers-out	\$ (1,780,972)	(395)	-	(166,931)
Total Other Sources (Uses)	\$ (1,780,972)	\$ 942,047	\$ 166,931	\$ 1,000,599
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	241,989	229,697	1,812	(2,047,634)
Fund Balance at Beginning of Year	3,463,111	2,917,679	23,983	2,696,898
Increase (Decrease) in Reserve for Inventory	7,943	(26,212)	-	-
Fund Balance at End of Year	\$ 3,713,043	\$ 3,121,164	\$ 25,795	\$ 649,264

*See accompanying notes to the general purpose financial statements.*



Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)
-	\$ 4,163,204
-	1,812
-	268,084
-	53,587
-	144,315
-	1,071,230
\$ 1,489	631,550
-	137,364
<u>\$ 1,489</u>	<u>\$ 6,471,146</u>
-	\$ 1,222,542
-	227,566
-	1,767,533
-	466,360
-	302,801
\$ 425	395,947
-	642,975
-	3,180,168
-	60,000
-	106,931
<u>\$ 425</u>	<u>\$ 8,372,823</u>
1,064	(1,901,677)
-	\$ 79,000
-	250,000
-	1,947,903
-	(1,948,298)
<u>-</u>	<u>\$ 328,605</u>
1,064	(1,573,072)
26,180	9,127,851
<u>-</u>	<u>(18,269)</u>
<u>\$ 27,244</u>	<u>\$ 7,536,510</u>

**CITY OF BELLEVUE, OHIO**

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - All Governmental Fund Types and Similar Fiduciary Funds  
For the Year Ended December 31, 2000

	General Fund		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Taxes	\$ 3,300,305	\$ 3,778,881	\$ 478,576
Intergovernmental	607,217	704,857	97,640
Special assessments	-	-	-
Charges for services	41,200	55,600	14,400
Licenses and permits	49,745	53,587	3,842
Fines and forfeitures	95,850	148,651	52,801
Interest	238,500	502,567	264,067
Miscellaneous	22,500	34,506	12,006
<b>Total Revenues</b>	<b>4,355,317</b>	<b>5,278,649</b>	<b>923,332</b>
<b>Expenditures</b>			
Current:			
General government:			
Legislative and executive	1,977,422	1,502,633	474,789
Judicial	292,938	238,998	53,940
Security of persons and property	1,904,685	1,590,622	314,063
Public health and welfare	207,932	175,196	32,736
Transportation	-	-	-
Community environment	28,098	16,566	11,532
Leisure time activities	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal payment	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>4,411,075</b>	<b>3,524,015</b>	<b>887,060</b>
<b>Excess of revenues under expenditures</b>	<b>(55,758)</b>	<b>1,754,634</b>	<b>1,810,392</b>
<b>Other financing sources (uses)</b>			
Proceeds from the sale of fixed assets	500	-	(500)
Proceeds of notes	-	-	-
Operating transfers - in	-	-	-
Operating transfers - out	(1,781,930)	(1,780,972)	958
<b>Total other sources (uses)</b>	<b>(1,781,430)</b>	<b>(1,780,972)</b>	<b>458</b>
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	<b>(1,837,188)</b>	<b>(26,338)</b>	<b>1,810,850</b>
Prior Year Encumbrances Appropriated	216,566	216,566	-
Fund balance at beginning of year	3,021,616	3,021,616	-
<b>Fund balance at end of year</b>	<b>\$ 1,400,994</b>	<b>\$ 3,211,844</b>	<b>\$ 1,810,850</b>

See accompanying notes to the general purpose financial statements

continued

**CITY OF BELLEVUE, OHIO**

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - All Governmental Fund Types and Similar Fiduciary Funds - continued  
For the Year Ended December 31, 2000

	Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Taxes	\$ 320,701	\$ 414,181	\$ 93,480
Intergovernmental	393,500	353,433	(40,067)
Special assessments	-	-	-
Charges for services	162,800	161,323	(1,477)
Licenses and permits	40,000	-	(40,000)
Fines and forfeitures	3,200	676	(2,524)
Interest	75,719	74,705	(1,014)
Miscellaneous	110,710	113,944	3,234
<b>Total Revenues</b>	<b>1,106,630</b>	<b>1,118,262</b>	<b>11,632</b>
<b>Expenditures</b>			
Current:			
General government			
Legislative and executive	-	-	-
Judicial	-	-	-
Security of persons and property	311,877	252,197	59,680
Public health and welfare	317,825	301,025	16,800
Transportation	888,381	757,415	130,966
Community environment	754,037	754,037	-
Leisure time activities	415,217	338,494	76,723
Capital outlay	-	-	-
Debt service:			
Principal payment	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>2,687,337</b>	<b>2,403,168</b>	<b>284,169</b>
<b>Excess of revenues under expenditures</b>	<b>(1,580,707)</b>	<b>(1,284,906)</b>	<b>295,801</b>
<b>Other financing sources (uses)</b>			
Proceeds from the sale of fixed assets	79,000	79,000	-
Proceeds of notes	250,000	250,000	-
Operating transfers - in	614,000	613,442	(558)
Operating transfers - out	(1,800)	(395)	1,405
<b>Total other sources (uses)</b>	<b>941,200</b>	<b>942,047</b>	<b>847</b>
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	<b>(639,507)</b>	<b>(342,859)</b>	<b>296,648</b>
Prior Year Encumbrances Appropriated	141,435	141,435	-
Fund balance at beginning of year	2,026,837	2,026,837	-
<b>Fund balance at end of year</b>	<b>\$ 1,528,765</b>	<b>\$ 1,825,413</b>	<b>\$ 296,648</b>

See accompanying notes to the general purpose financial statements

continued

**CITY OF BELLEVUE, OHIO**

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - All Governmental Fund Types and Similar Fiduciary Funds - continued  
For the Year Ended December 31, 2000

	Debt Service Funds		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Taxes	-	-	-
Intergovernmental	-	-	-
Special assessments	\$ 1,600	\$ 1,812	\$ 212
Charges for services	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
<b>Total Revenues</b>	<b>1,600</b>	<b>1,812</b>	<b>212</b>
<b>Expenditures</b>			
Current:			
General government:			
Legislative and executive	-	-	-
Judicial	-	-	-
Security of persons and property	-	-	-
Public health and welfare	-	-	-
Transportation	-	-	-
Community environment	-	-	-
Leisure time activities	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal payment	61,000	60,000	1,000
Interest and fiscal charges	160,710	106,931	53,779
<b>Total expenditures</b>	<b>221,710</b>	<b>166,931</b>	<b>54,779</b>
<b>Excess of revenues under expenditures</b>	<b>(220,110)</b>	<b>(165,119)</b>	<b>54,991</b>
<b>Other financing sources (uses)</b>			
Proceeds from the sale of fixed assets	-	-	-
Proceeds of notes	-	-	-
Operating transfers - in	220,000	166,931	(53,069)
Operating transfers - out	(2,007,775)	(2,007,775)	-
<b>Total other sources (uses)</b>	<b>(1,787,775)</b>	<b>(1,840,844)</b>	<b>(53,069)</b>
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	<b>(2,007,885)</b>	<b>(2,005,963)</b>	<b>1,922</b>
Prior Year Encumbrances Appropriated	-	-	-
Fund balance at beginning of year	<b>2,031,758</b>	<b>2,031,758</b>	-
<b>Fund balance at end of year</b>	<b>\$ 23,873</b>	<b>\$ 25,795</b>	<b>\$ 1,922</b>

See accompanying notes to the general purpose financial statements

continued

**CITY OF BELLEVUE, OHIO**

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - All Governmental Fund Types and Similar Fiduciary Funds - continued  
For the Year Ended December 31, 2000

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Taxes	-	-	-
Intergovernmental	\$ 372,519	\$ 57,561	\$ (314,958)
Special assessments	-	-	-
Charges for services	225,037	52,000	(173,037)
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Interest	179,054	19,726	(159,328)
Miscellaneous	3,000	1,996	(1,004)
<b>Total Revenues</b>	779,610	131,283	(648,327)
<b>Expenditures</b>			
Current:			
General government			
Legislative and executive	-	-	-
Judicial	-	-	-
Security of persons and property	-	-	-
Public health and welfare	-	-	-
Transportation	-	-	-
Community environment	-	-	-
Leisure time activities	-	-	-
Capital outlay	3,591,354	3,249,803	341,551
Debt service:			
Principal payment	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	3,591,354	3,249,803	341,551
<b>Excess of revenues under expenditures</b>	(2,811,744)	(3,118,520)	(306,776)
<b>Other financing sources (uses)</b>			
Proceeds from the sale of fixed assets	-	-	-
Proceeds of notes	-	-	-
Operating transfers - in	3,175,305	3,175,305	-
Operating transfers - out	(220,000)	(166,931)	53,069
<b>Total other sources (uses)</b>	2,955,305	3,008,374	53,069
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	143,561	(110,146)	(253,707)
Prior Year Encumbrances Appropriated	37,574	37,574	-
Fund balance at beginning of year	659,097	659,097	-
<b>Fund balance at end of year</b>	\$ 840,232	\$ 586,525	\$ (253,707)

See accompanying notes to the general purpose financial statements

continued

**CITY OF BELLEVUE, OHIO**

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - All Governmental Fund Types and Similar Fiduciary Funds - continued  
For the Year Ended December 31, 2000

	Expendable Trust Funds		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Taxes	-	-	-
Intergovernmental	-	-	-
Special assessments	-	-	-
Charges for services	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Interest	\$ 1,101	\$ 1,489	\$ 388
Miscellaneous	-	-	-
<b>Total Revenues</b>	<b>1,101</b>	<b>1,489</b>	<b>388</b>
<b>Expenditures</b>			
Current:			
General government			
Legislative and executive	-	-	-
Judicial	-	-	-
Security of persons and property	-	-	-
Public health and welfare	-	-	-
Transportation	-	-	-
Community environment	425	425	-
Leisure time activities	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal payment	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>425</b>	<b>425</b>	<b>-</b>
<b>Excess of revenues under expenditures</b>	<b>676</b>	<b>1,064</b>	<b>388</b>
<b>Other financing sources (uses)</b>			
Proceeds from the sale of fixed assets	-	-	-
Proceeds of notes	-	-	-
Operating transfers - in	-	-	-
Operating transfers - out	-	-	-
<b>Total other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	<b>676</b>	<b>1,064</b>	<b>388</b>
Prior Year Encumbrances Appropriated	-	-	-
Fund balance at beginning of year	<b>26,181</b>	<b>26,181</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 26,857</b>	<b>\$ 27,245</b>	<b>\$ 388</b>

See accompanying notes to the general purpose financial statements

continued

**CITY OF BELLEVUE, OHIO**

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - All Governmental Fund Types and Similar Fiduciary Funds - continued  
For the Year Ended December 31, 2000

	Totals - (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Taxes	\$ 3,621,006	\$ 4,193,062	\$ 572,056
Intergovernmental	1,373,236	1,115,851	(257,385)
Special assessments	1,600	1,812	212
Charges for services	429,037	268,923	(160,114)
Licenses and permits	89,745	53,587	(36,158)
Fines and forfeitures	99,050	149,327	50,277
Interest	494,374	598,487	104,113
Miscellaneous	136,210	150,446	14,236
<b>Total Revenues</b>	<u>6,244,258</u>	<u>6,531,495</u>	<u>287,237</u>
<b>Expenditures</b>			
Current:			
General government:			
Legislative and executive	1,977,422	1,502,633	474,789
Judicial	292,938	238,998	53,940
Security of persons and property	2,216,562	1,842,819	373,743
Public health and welfare	525,757	476,221	49,536
Transportation	888,381	757,415	130,966
Community environment	782,560	771,028	11,532
Leisure time activities	415,217	338,494	76,723
Capital outlay	3,591,354	3,249,803	341,551
Debt service:			
Principal payment	61,000	60,000	1,000
Interest and fiscal charges	160,710	106,931	53,779
<b>Total expenditures</b>	<u>10,911,901</u>	<u>9,344,342</u>	<u>1,567,559</u>
<b>Excess of revenues under expenditures</b>	<u>(4,667,643)</u>	<u>(2,812,847)</u>	<u>1,854,796</u>
<b>Other financing sources (uses)</b>			
Proceeds from the sale of fixed assets	79,500	79,000	(500)
Proceeds of notes	250,000	250,000	-
Operating transfers - in	4,009,305	3,955,678	(53,627)
Operating transfers - out	(4,011,505)	(3,956,073)	55,432
<b>Total other sources (uses)</b>	<u>327,300</u>	<u>328,605</u>	<u>1,305</u>
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	<u>(4,340,343)</u>	<u>(2,484,242)</u>	<u>1,856,101</u>
Prior Year Encumbrances Appropriated	395,575	395,575	-
Fund balance at beginning of year	<u>7,765,489</u>	<u>7,765,489</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 3,820,721</u>	<u>\$ 5,676,822</u>	<u>\$ 1,856,101</u>

See accompanying notes to the general purpose financial statements

**City of Bellevue, Ohio**  
 Combined Statement of Revenues,  
 Expenses and Changes in Fund Equity -  
 All Proprietary Fund Types and Similar Fiduciary Funds  
 For the Year Ended December 31, 2000

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
<b>Operating Revenues:</b>			
Charges for services	\$ 3,188,510	-	\$ 3,188,510
Tap in fees	34,274	-	34,274
Interest	-	\$ 2,113	2,113
Other operating revenues	7,587	-	7,587
Total Operating Revenues	<u>3,230,371</u>	<u>2,113</u>	<u>3,232,484</u>
<b>Operating Expenses:</b>			
Personal services	1,101,733	-	1,101,733
Contractual services	649,867	3,100	652,967
Materials and supplies	258,920	-	258,920
Depreciation	652,099	-	652,099
Other	29,897	-	29,897
Total Operating Expenses	<u>2,692,516</u>	<u>3,100</u>	<u>2,695,616</u>
Operating Income (Loss)	537,855	(987)	536,868
<b>Non-Operating Revenues(Expenses):</b>			
Interest and Fiscal Charges	<u>(186,137)</u>	<u>-</u>	<u>(186,137)</u>
Total Non-Operating Revenues (Expenses)	<u>(186,137)</u>	<u>-</u>	<u>(186,137)</u>
Income Before Operating Transfers	351,718	(987)	350,731
Operating Transfers In	-	837	837
Operating Transfers Out	<u>-</u>	<u>(442)</u>	<u>(442)</u>
Net Income	351,718	(592)	351,126
Depreciation on Fixed Assets Acquired by Contributed Capital	42,285	-	42,285
Retained Earnings(Deficit) at Beginning of Year	<u>12,063,116</u>	<u>68,585</u>	<u>12,131,701</u>
Retained Earnings(Deficit) at End of Year	<u>12,457,119</u>	<u>67,993</u>	<u>12,525,112</u>
Contributed Capital at Beginning of Year	773,946	-	773,946
Depreciation on Fixed Assets Acquired by Contributed Capital	<u>(42,285)</u>	<u>-</u>	<u>(42,285)</u>
Contributed Capital at End of Year	<u>731,661</u>	<u>-</u>	<u>731,661</u>
Fund equity at end of year	<u>\$ 13,188,780</u>	<u>\$ 67,993</u>	<u>\$ 13,256,773</u>

*See accompanying notes to the general purpose financial statements.*



**CITY OF BELLEVUE, OHIO**  
 Combined Statement of Cash Flows -  
 All Proprietary Fund Types and Similar Fiduciary Funds  
 For the Year Ended December 31, 2000

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Non-Expendable Trust</u>	
Cash flows from operating activities:			
Cash received from customers	\$ 3,253,588	-	\$ 3,253,588
Cash paid to employees	(1,058,940)	-	(1,058,940)
Cash paid to suppliers and services	(938,457)	\$ (3,100)	(941,557)
Interest on investments	-	2,113	2,113
Other operating revenues	7,183	-	7,183
Other operating expenses	<u>(29,897)</u>	<u>-</u>	<u>(29,897)</u>
Net cash provided by operating activities	1,233,477	(987)	1,232,490
Cash flows from capital and related financing activities:			
Principal payments	(252,313)	-	(252,313)
Interest paid	(180,006)	-	(180,006)
Purchase of fixed assets	<u>(110,398)</u>	<u>-</u>	<u>(110,398)</u>
Net cash flows provided by capital and related financing activities	(542,717)	-	(542,717)
Cash flows from noncapital financing activities:			
Tap - in fees	34,274	-	34,274
Operating transfers in	-	837	837
Operating transfers out	<u>-</u>	<u>(442)</u>	<u>(442)</u>
Net cash provided by noncapital financing activities	<u>34,274</u>	<u>395</u>	<u>34,669</u>
Net increase/(decrease) in cash and cash equivalents	725,034	(592)	724,442
Cash and cash equivalents, beginning of year	<u>2,587,140</u>	<u>68,585</u>	<u>2,655,725</u>
Cash and cash equivalents, end of year	<u>\$ 3,312,174</u>	<u>\$ 67,993</u>	<u>\$ 3,380,167</u>

**CITY OF BELLEVUE, OHIO**  
 Combined Statement of Cash Flows -  
 All Proprietary Fund Types and Similar Fiduciary Funds  
 For the Year Ended December 31, 2000

	Proprietary Fund Type	Fiduciary Fund Type	Total
	Enterprise	Non-Expendable Trust	(Memorandum Only)
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 537,855	\$ (987)	\$ 536,868
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation expense	652,099	-	652,099
Reclassification of tap-in fees	(34,274)	-	(34,274)
(Increase)/decrease in accounts receivable	64,674	-	64,674
(Increase)/decrease in inventories	(5,427)	-	(5,427)
(Increase)/decrease in prepaid items	(4,005)	-	(4,005)
Increase/(decrease) in accounts payable	(20,238)	-	(20,238)
Increase/(decrease) in accrued wages	2,542	-	2,542
Increase/(decrease) in compensated absences	37,146	-	37,146
Increase/(decrease) in pension obligation	(9,217)	-	(9,217)
Increase/(decrease) in intergov't payable	12,322	-	12,322
Total adjustments	695,622	-	695,622
Net cash provided by operating activities	\$ 1,233,477	\$ (987)	\$ 1,232,490

Reconciliation of cash and cash equivalents of Fiduciary Funds to balance sheet:

Cash and Cash Equivalents - All Fiduciary Funds

Cash and Cash Equivalents - Non-expendable trust funds	\$ 67,993
Cash and Cash Equivalents - Expendable trust funds	27,244
Cash and Cash Equivalents - Agency funds	616
Total Cash and Cash Equivalents	\$ 95,853

*See accompanying notes to the general purpose financial statements.*

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Bellevue, Ohio (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under the provisions of GASB No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the City has elected not to apply Financial Accounting Standards Board Statements and interpretations issued after November 30, 1989 to its proprietary activities. Election of this approach to accounting for proprietary activities by the City has required no change from prior years. The more significant of the City's accounting policies are described below.

**A. DESCRIPTION OF THE ENTITY**

The City of Bellevue is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The City operates under a council-mayor government. The City provides police protection within its boundaries, and fire protection to its citizens and adjacent townships. The City provides basic utilities in the form of water and wastewater treatment. The City constructs and maintains streets and sidewalks within the City. The City also operates and maintains parks.

This report includes all of the fund account groups of the City. It includes all activities considered by management to be part of the City by virtue of the Section 2100, of the Governmental Accounting Standards Board.

Section 2100 indicates that the reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. DESCRIPTION OF THE ENTITY (Continued)**

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the entity.

The financial statements of the reporting entity allow the users to distinguish between the primary government and its component units. Most component units are included in the financial reporting entity by discrete presentation (one or more columns separate from the financial data of the primary government). Some component units are so intertwined with the primary government that they are reported in a manner similar to the balances and transactions of the primary government itself (this method is known as blending).

Utilizing this criteria, the City has included in its Special Revenue Fund Type the revolving loan assets and operations of the Bellevue Development Corporation, a non-profit corporation which administers the revolving loan program for the City of Bellevue (See Note 14). The City has not included the City of Bellevue School District, as it has no control over the entity's operations.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. DESCRIPTION OF THE ENTITY (Continued)**

Management believes the financial statements included in this report represent all of the funds of the City over which the City has the ability to exercise direct operating control.

**B. FUND ACCOUNTING**

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided from outside parties (enterprise funds).

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. FUND ACCOUNTING (Continued)**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. When these assets are held under the terms of a formal trust agreement, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

**C. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. BASIS OF ACCOUNTING (Continued)**

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers income taxes as available if they are collected within 31 days after year-end. A thirty-one day period after year-end was also used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred to the extent it will be paid using current available resources. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, city income taxes, intergovernmental revenues, interest revenue and charges for services, billed and unbilled.

**D. BUDGETARY PROCESS**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established time-table. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All governmental and proprietary type funds are required to be budgeted and appropriated, however, only governmental type funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of Council.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. BUDGETARY PROCESS (Continued)**

Tax Budget:

A budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

Appropriations:

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by a resolution of Council.



*CITY OF BELLEVUE, OHIO*  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETARY PROCESS (Continued)

Several supplemental appropriation resolutions were legally enacted by Council during the year. The budget figures which appear in the statement of budgetary comparisons represent the final appropriation amounts including all amendments and modifications.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditures.

Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

Budgetary Basis of Accounting

Reporting financial position, results of operations and changes in fund balance is on the basis of generally accepted accounting principles (GAAP). The budgetary basis, as provided by law and described above, is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, All Governmental Fund Types and Similar Fiduciary Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. BUDGETARY PROCESS (Continued)**

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
- (d) Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis are as follows:

**Excess of Revenues and Other Sources Over  
(Under) Expenditures and Other Financing Uses**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
Budget Basis	\$(26,338)	\$(342,859)	\$(2,005,963)	\$(110,146)	\$1,064
Adjustments:					
Revenue					
Accruals	(53,087)	(7,914)	-	652	-
Expenditure					
Accruals	1,442	24,784	-	7,548	-
Reclass of capital expense	-	-	2,007,775	(2,007,775)	-
Encumbrances	<u>319,972</u>	<u>555,686</u>	<u>-</u>	<u>62,087</u>	<u>-</u>
GAAP Basis	<u>\$ 241,989</u>	<u>\$229,697</u>	<u>\$ 1,812</u>	<u>\$(2,047,634)</u>	<u>\$ 1,064</u>

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. CASH AND INVESTMENTS**

Cash received by the City is deposited into several bank accounts. Monies for all funds, including enterprise funds, are maintained in these accounts or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the City's records. During 2000, investments were limited to certificates of deposit, money market accounts, passbook accounts and Star Ohio, the State Treasurer's investment pool. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

During the year, all investment earnings were credited to the general fund, special revenue funds, capital project funds, and nonexpendable trust funds, on a specific identification basis.

The City has invested funds in the State Treasurer's Asset Reserve of Ohio (STAROhio) during the fiscal year 2000. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2000.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with an original maturity of three months or less are considered to be cash equivalents. Investments with an original maturity of more than three months are reported as investments.

The City has segregated bank accounts for monies held separate from the City's central bank accounts. These interest bearing deposit accounts are presented on the Combined Balance Sheet as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City's treasury.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. CASH AND INVESTMENTS (Continued)**

The City utilizes a financial institution to service bonded debt as principal and interest come due. The balances of these accounts are presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal and Escrow Agents" and represent deposits or short-term investments in certificates of deposit.

**F. INVENTORIES**

Inventories are valued at the lower of cost (first in, first out) or market. The costs of inventory items are recognized as expenditures in governmental funds when purchased and as expenses in the enterprise funds when used. Recorded inventories in the governmental fund types are equally offset by a fund balance reserve, which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

**G. PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond December 31, 2000 are recorded as prepaid items. Recorded prepaid items in the governmental fund types are equally offset by a fund balance reserve, which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

**H. NOTES RECEIVABLE**

Notes receivable represent the right to receive repayment for certain loans made by the City. The loans are based upon written agreements between the City and the various loan recipients.

**I. FIXED ASSETS**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. FIXED ASSETS (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Fixed assets associated with the enterprise funds' activities are accounted for in those funds. Depreciation is calculated using the straight line method over the assets' estimated useful lives. Depreciation expense on assets constructed or acquired through capital grants is closed to contributed capital. The assets of the enterprise funds are depreciated over the following estimated useful lives:

Buildings	40 years
Equipment	8-20 years
Vehicles	3-5 years
Infrastructure	80 years

Depreciation is not provided for the general fixed assets account group.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. The amount of capitalized interest was immaterial for 2000.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. COMPENSATED ABSENCES**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement 16 of the Governmental Accounting Standards Board, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**K. LONG-TERM OBLIGATIONS**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund type. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**L. FUND EQUITY**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources. Fund balances are reserved for encumbrances, debt service, inventory, prepaid items, perpetual care and community development.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**N. BOND DISCOUNTS/ISSUANCE COSTS**

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

**O. STATEMENT OF CASH FLOWS**

In September 1989, the Governmental Accounting Standards Board issued Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." For purposes of GASB Statement No. 9 "Cash and Cash Equivalents" refers to cash only. The City has presented on pages 16 and 17, a statement of cash flows for its proprietary funds.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**P. MEMORANDUM ONLY - TOTAL COLUMNS**

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 -- EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

Monies held by the City are classified by State Statute into three categories.

Active monies means an amount of public monies determined to be necessary to meet current demand upon the City treasury. Active monies must be maintained either as cash in the City treasury, in commercial accounts payable or 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 two 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 may be invested in the following obligations provided they mature or were redeemable within two years from the date of purchase:



**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 2 -- EQUITY IN POOLED CASH AND CASH EQUIVALENTS (Continued)**

1. U.S. treasury notes, bills, bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or 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 services shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase and reverse repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 2 -- EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (continued)**

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 City, and must be purchased with the expectation that it will be held to maturity.

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

Protection of the City'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.

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

Deposits. At year-end, the carrying amount of the City's deposits was \$9,391,950 and the bank balance was \$9,595,449. \$400,000 of the bank balance was covered by federal depository insurance. \$9,195,449 was uncollateralized and uninsured. Although the securities were held by the pledging financial institutions trust department or agent in the City's name and all state statutory requirements for the investment of money had been followed, noncompliance with federal requirements would potentially subject the City to a successful claim by the FDIC.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 2 -- EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (continued)**

Investments. GASB Statement No. 3 requires the City to categorize investments to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counter party's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the City's name. The carrying value of deposits and investments are presented in the combined balance sheet as equity in pooled cash and cash equivalents. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Carrying Value	Fair Value
STAR Ohio	\$625,351	\$625,351
Total Investments	\$625,351	\$625,351

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. Cash equivalents are defined as investments with original maturities of three months or less.

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

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 2 -- EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (continued)**

	Cash and Cash Equivalents/ <u>Deposits</u>	<u>Investments</u>
GASB Statement 9	\$2,417,301	\$7,600,000
Investments:		
Star Ohio	(625,351)	625,351
Certificates of Deposit over 90 days	<u>7,600,000</u>	<u>(7,600,000)</u>
GASB Statement 3	<u>\$9,391,950</u>	<u>\$625,351</u>

Amounts above include balances of the Bellevue Development Corporation in the amount of \$1,017,568. There are no statutory guidelines regarding the deposit and investment of funds by the not-for-profit organization.

**NOTE 3 -- LOCAL INCOME TAXES**

This locally levied tax of 1.5 percent applied to gross salaries, wages and other personal service compensation earned by residents both in and out of Bellevue and to earnings of non residents (except certain transients) earned in the government. It also applies to net income to business organizations conducted within Bellevue. Tax receipts are credited to the City and amounted to \$3,500,149 in 2000.

**NOTE 4 -- INSURANCE**

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90 percent coinsured. See Note 15 for further description.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 5 -- PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the City. Real property taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value. Real property taxes are collected in and intended to finance the year following the year in which they are levied.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property taxes attach as a lien and are levied January 1 of the current year, the same year in which collections are made.

The assessed value upon which the 2000 taxes were collected was \$134,308,610. The full tax rate for all City operations applied to real property for fiscal year ended December 31, 2000 was \$6.10 per \$1,000 of assessed valuation.

After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$4.56 for Huron County and \$4.57 for Sandusky County per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$5.67 for Huron County and \$5.68 for Sandusky County per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 5 -- PROPERTY TAXES (Continued)**

Real Property - 1999 Valuation:

	<u>Sandusky Co.</u>	<u>Huron Co.</u>
Residential/Agricultural	\$39,004,470	\$27,229,850
Public Utilities	11,040	424,420
Commercial/Industrial	<u>10,225,610</u>	<u>11,490,840</u>
Total Real Property	49,241,120	39,145,110

Tangible Personal Property - 1999 Valuation:

General	11,082,710	28,785,470
Public Utilities	2,111,020	3,943,180
Total Personal Property	<u>13,193,730</u>	<u>32,728,650</u>
Total Assessed Valuation	<u>\$62,434,850</u>	<u>\$71,873,760</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

Accrued property taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable as of December 31, 2000. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not intended to finance 2000 operations. The receivable is therefore offset by a credit to deferred revenue.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 6 -- RECEIVABLES**

Receivables at December 31, 2000, consisted of taxes, interest, accounts (billings for user charged services, including unbilled utility services) and intergovernmental receivables arising from grants, entitlement and shared revenues. All receivables are considered collectable in full, including accounts receivable which, if delinquent, may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

A summary of the receivables follows:

<u>General Fund</u>	<u>Amount</u>
Accrued Property Taxes	\$ 257,720
Accrued City Income Taxes	<u>227,486</u>
Total Taxes Receivable	<u>485,206</u>
Accounts Receivable	<u>273</u>
Due from Other Funds	<u>11,530</u>
Interfund Receivable	<u>4,182</u>
Accrued Interest Receivable	<u>35,923</u>
Total General Fund	<u>537,114</u>
<u>Special Revenue Funds</u>	
Taxes Receivable	\$ <u>412,350</u>
Notes Receivable	<u>728,414</u>
Due from Other Governments	<u>14,056</u>
Total Special Revenue Funds	<u>1,154,820</u>
<u>Capital Projects Fund</u>	
Accounts Receivable	\$ <u>652</u>
Total Capital Projects Fund	<u>652</u>
<u>Enterprise Fund</u>	
Accounts Receivable	\$ <u>192,633</u>
Total Enterprise Funds	<u>192,633</u>
Total Receivables	<u>\$1,885,219</u>

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 7 -- FIXED ASSETS**

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance 1/1/00	<u>Additions</u>	<u>Deletions</u>	Balance 12/31/00
Land	\$ 712,894	-	-	\$ 712,894
Buildings	2,679,145	\$2,701,375	-	5,380,520
Land Im- provements	94,703	3,043	-	97,746
Vehicles	2,221,436	-	-	2,221,436
Machinery and Equipment	<u>1,423,702</u>	<u>252,839</u>	<u>-</u>	<u>1,676,541</u>
Total Assets	<u>\$7,131,880</u>	<u>\$2,957,257</u>	<u>-</u>	<u>\$10,089,137</u>

The following is a summary of proprietary fund-type fixed assets at December 31, 2000:

**ENTERPRISE**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
Land	\$ 3,474,890	\$ 58,060	\$ 3,532,950
Buildings	2,863,047	6,421,868	9,284,915
Buildings-Contr. Cap.	741,783	-	741,783
Vehicles	135,132	79,432	214,564
Equipment, Machinery	1,218,705	2,396,503	3,615,208
Equip/Mach-Contr. Cap.	180,250	20,521	200,771
Infrastructure	4,562,676	2,497,739	7,060,415
Infrastructure-Cont.Cap.	<u>237,770</u>	<u>177,957</u>	<u>415,727</u>
Total Fixed Assets	13,414,253	11,652,080	25,066,333
Less: Accumulated Depreciation	5,393,642	6,061,000	11,454,642
Net Fixed Assets	<u>\$ 8,020,611</u>	<u>\$5,591,080</u>	<u>\$13,611,691</u>



**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 8 -- DEBT OBLIGATIONS**

	<u>Balance</u> <u>1/01/00</u>	<u>Additions</u>	<u>Retire</u>	<u>Balance</u> <u>12/31/00</u>
<u>General Long-Term Debt:</u>				
S.A. Street Improvement (West Main Street) 4.85%, Issued 9/1/84	\$ 4,000	-	-	\$ 4,000
Municipal Building Bonds 3.9%-5.8%, Issued 1999	2,000,000	-	\$60,000	1,940,000
Bellevue Development Corporation Note 8.5%	-	\$250,000	-	250,000
<u>Other Debt:</u>				
Compensated Absences	438,938	41,188	-	480,126
Pension Obligations	<u>101,222</u>	<u>92,493</u>	<u>101,222</u>	<u>92,493</u>
Total General Long-Term Debt	\$2,544,160	\$383,681	\$161,222	\$ 2,766,619
<u>Enterprise Debt:</u>				
O.W.D.A. Loan	3,644,150	-	197,313	3,446,837
Sewer System Refunding & Impr. Mortgage Revenue, 2.65-4%, 10/14/93	<u>165,000</u>	<u>-</u>	<u>55,000</u>	<u>110,000</u>
Total Enterprise Debt	<u>\$3,809,150</u>	<u>-</u>	<u>\$252,313</u>	\$ <u>3,556,837</u>
Total Debt	<u>\$6,353,310</u>	<u>\$ 383,681</u>	<u>\$413,535</u>	\$ <u>6,323,456</u>

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 8 -- DEBT OBLIGATIONS (Continued)**

Outstanding general obligation bonds consist of water and sewer improvement issues. General obligation bonds are direct obligations of the City of Bellevue for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the City.

The Bellevue Development Corporation note is payable over five years and was issued for the purpose of acquiring land.

Outstanding special assessment bonds consist of street improvements which are payable from the proceeds of tax assessments against individual property owners.

The annual requirements to amortized all bonded debts outstanding as of December 31, 2000, including total interest payments of \$2,648,078 are as follows:

<u>Year Ending December 31</u>	<u>Mortgage Revenue Bonds</u>	<u>OWDA Loan</u>	<u>Special Assessment Bonds</u>	<u>General Obligation Bonds</u>	<u>BDC Notes Payable</u>
2001	\$ 60,005	374,743	2,506	169,591	41,250
2002	57,530	374,979	1,404	166,829	39,550
2003	-	375,226	1,300	168,969	37,850
2004	-	375,484	-	170,819	36,150
2005	-	375,756	-	167,350	184,450
2006 - 2010	-	1,917,341	-	842,590	-
2011 - 2015	-	948,223	-	836,730	-
2016 - 2019	-	-	-	672,290	-
	<u>\$117,535</u>	<u>\$4,741,752</u>	<u>\$ 5,210</u>	<u>\$3,195,168</u>	<u>\$339,250</u>

**NOTE 9 -- PENSION AND RETIREMENT PLANS**

The employees of the City are covered by either the Public Employees Retirement System of Ohio or the Police and Fireman's Disability and Pension Fund. The State of Ohio accounts for the activities of the retirement systems and the amounts of these funds are not reflected in the accompanying financial statements.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 9 -- PENSION AND RETIREMENT PLANS (Continued)**

**Public Employees Retirement System (PERS)** - All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For calendar year 2000, PERS instituted a temporary employer rate rollback for state and local governments. The 2000 employer pension contribution rate for the City was 6.54 percent of covered payroll, reduced from 9.35 percent in 1999. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were \$231,691, \$278,933, and \$245,332, respectively. The full amount has been contributed for 1999 and 1998. 80 percent has been contributed for 2000 with the remainder being reported as a liability in the general long-term debt account group.

**Ohio Police and Fire Pension Fund (OP&F)** - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer public employee retirement system administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 9 -- PENSION AND RETIREMENT PLANS (Continued)**

Police and firefighters are required to contribute 10 percent of their annual salary to fund pension obligations and the City is required to contribute 12.25 percent for police and 16.75 percent for firefighters. For 1999, the City contributions were 12.5 percent for police and 17 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters for the years ending December 31, 2000, 1999, and 1998 were \$184,596, \$177,706, and \$161,698 respectively. The full amount has been contributed for 1999 and 1998. 77 percent has been contributed for 2000 with the remainder being reported as a liability in the general long-term debt account group.

**NOTE 10 -- POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Public Employees Retirement System** - The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2000 employer contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2000. For 1999, the contribution rate was 13.55 percent of covered payroll; 4.20 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 1999, the latest information available, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually assuming no change in the number of active employees) and an additional increase in total payroll of between .54 and 5.1 percent based on additional pay increases. Health care premiums were assumed to increase 4.75 percent annually.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 10 -- POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS -  
(Continued)**

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 401,339. The City's actual contributions for 2000 which were used to fund postemployment benefits were \$9,963. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 1999, (the latest information available) were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$12,473.6 million and \$1,668.1 million, respectively.

For 2000, PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

**Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.25 percent of covered

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 10 -- POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS -  
(Continued)**

payroll was applied to the postemployment health care program during 2000. For 1999, the percent used to fund healthcare was 7 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2000 that were used to fund postemployment benefits were \$38,488 for police and \$24,502 for fire. The OP&F's total health care expenses for the year ended December 31, 1999, (the latest information available) were \$95,004,633, which was net of member contributions of \$5,518,098. The number of OP&F participants eligible to receive health care benefits as of December 31, 1999, was 12,467 for police and 9,807 for fire.

**NOTE 11 -- COMPENSATED ABSENCES**

The City accrues unpaid vacation as it is earned and certain portions of sick leave pay as payment become probable. Sick leave accumulates at the rate of .0575 hours of sick leave for each hour of work completed with a maximum of 80 hours per pay period. Each November 1st, employees may choose to convert sick leave to cash to be paid at ninety percent, up to 40 hours per year, provided the total accrued and unused sick leave hours does not fall below a certain minimum hours specified in the union contract. Employees, other than police patrolmen, who have one year of service, are entitled to receive pay for all accrued but unused sick leave upon resignation or retirement at ninety per cent of the value. At December 31, 2000, the maximum vested long-term liability to the City for accumulated unpaid sick leave, assuming the City would have to paid all accumulated sick leave if the City ceased operations approximated \$799,334.

A liability has been recognized in the accompanying financial statements for sick leave for employees (other than police officers) who have one year of service at 90% of the current value of the sick leave earned.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 11 -- COMPENSATED ABSENCES (Continued)**

A liability for accrued vacation for \$140,770 has been recognized. Vacation is accumulated based upon length of service as follows:

<u>Employee Service</u>	<u>Vacation Credit</u>
After 1 year	2 weeks
After 8 years	3 weeks
After 15 years	4 weeks
After 22 years	5 weeks

Vacation leave must be used within the current calendar year unless the employee is unable to use his vacation due to the operational needs of the Employer. Without this, such excess leave is eliminated from the employee's leave balance. In the case of death, termination, or retirement, an employee (or his estate) is paid for the unused vacation.

**NOTE 12 -- SEGMENT INFORMATION - ENTERPRISE FUNDS**

The City's enterprise fund consists of two individual funds that provide water and treatment of sewage services. The table is not segregated by funds since that information has not been separated through the years during the GAAP conversion process. The key financial information for the year ended December 31, 2000 for this enterprise activity is as follows:

	<u>Enterprise</u>
Operating Revenues	\$ 3,230,371
Operating Expenses	
less depreciation	\$ 2,040,417
Depreciation	\$ 652,099
Operating Income	\$ 537,855
Interest and fiscal charges	\$ (186,137)
Net Income (Loss)	\$ 351,718
Fixed Assets	\$13,611,691
Asset Additions	\$ 110,398
Total Assets	\$17,240,947
Long Term Debt	\$ 3,556,837
Net Working Capital	\$ 3,513,819
Contributed Capital	\$ 731,661
Total Equity	\$13,188,780

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 13 -- CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

**Note 14 -- BELLEVUE DEVELOPMENT CORPORATION**

Bellevue Development Corporation is a non-profit organization who primary efforts are to attract out-of area companies to the City of Bellevue to increase the number of firms and employees working in the City. Incentives are in the form of low interest revolving loans, deferred loan payments and interest and tax abatements which are offered to attract prospective firms. As part of its normal operation, the Corporation administers for the City the revolving loan program and loans money for the purchase or improvement of industrial sites. The following notes receivable are secured by mortgages on the property. Balances outstanding at December 31, 2000 were as follows:

Erie Industries	5%	Matures 2003	\$ 6,893
Erie Industries	5%	Matures 2002	26,067
Autoplas, Inc.	5%	Matures 2004	145,196
KMH Properties	5%	Matures 2005	129,111
Windsor Mold Ohio, Inc.	6%	Matures 2005	306,380
Woodard Photographic	5%	Matures 2005	<u>114,767</u>
<b>Total Notes Receivable</b>			<b><u>\$728,414</u></b>



**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 15 -- RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2000, the City has entered into contracts with various insurance agencies the following types of insurance:

<u>Coverage</u>	<u>Limits</u>	<u>Deductible</u>
Auto physical	Comp. - ACV	\$250/500
Damage	Coll. - ACV	500/1,000
Auto liability	\$ 1,000,000 CSL	NIL
General liability	1,000,000 CSL	NIL
Blanket property	17,768,929	250
Inland marine	609,843	Various
Boiler & machinery	2,000,000	250
Umbrella	2,000,000	NIL
Public off. liab.	2,000,000	5,000
Police liability	500,000	2,500

All employees of the City are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The City 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.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Also, the City did not reduce its insurance coverages significantly during the year.

**CITY OF BELLEVUE, OHIO**  
**Notes to the General Purpose Financial Statements**  
**For the Year Ended December 31, 2000**

**NOTE 16 - RESTATEMENT OF PRIOR YEAR BUDGET BASIS FUND BALANCE**

The component unit (Bellevue Development Corporation) was not included in the City's budget basis fund balance in the prior year. The following change brings the balance onto the books:

	<u>Special Revenue</u>
Fund balance, Dec. 31, 2000	\$ 1,131,262
Beginning BDC fund balance	<u>895,575</u>
Restated fund balance, Jan.1, 2000	<u>\$ 2,026,837</u>

*Charles E. Harris & Associates, Inc.*  
*Certified Public Accountants*

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

The Honorable Mayor and Members of City Council  
City of Bellevue  
Bellevue, Ohio

We have audited the financial statements of the City of Bellevue (the City) as of and for the year ended December 31, 2000, and have issued our report thereon dated September 14, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated September 14, 2001.

**Internal Controls Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City in a separate letter dated September 14, 2001.**

**This report is intended for the information and use of the Mayor, Members of City Council, and management, and is not intended to be and should not be used by anyone other than these specified parties.**

*Charles E. Harris & Associates, Inc.*  
**September 14, 2001**

**STATUS OF PRIOR AUDIT'S CITATION AND RECOMMENDATIONS**

The prior audit report, as of December 31, 1999 included no material citations or recommendations.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CITY OF BELLEVUE**

**HURON 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  
NOVEMBER 8, 2001**