



**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001-2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Bolivar
Tuscarawas County
109 North Central Avenue
Bolivar, Ohio 44612

To the Village Council:

We have audited the accompanying financial statements of the Village of Bolivar, Tuscarawas County, Ohio, (the Village) as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Bolivar, Tuscarawas County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2002 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 audits.

This report is intended solely for the information and use of the management, Village Council and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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Jim Petro
Auditor of State

March 15, 2002

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**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Property Tax and Other Local Taxes	\$41,586	\$64,151	\$0	\$121,836	\$227,573
Intergovernmental	87,423	42,677			130,100
Charges for Services	50,401				50,401
Fines, Licenses, and Permits	5,741				5,741
Interest	5,471	421			5,892
Miscellaneous	2,448				2,448
Total Cash Receipts	193,070	107,249	0	121,836	422,155
Cash Disbursements:					
Current:					
Security of Persons and Property	82,646	29,315			111,961
Public Health Services	84				84
Leisure Time Activities	11,084		775		11,859
Community Environment	8,364				8,364
Basic Utility Services	38,357				38,357
Transportation	3,831	63,195			67,026
General Government	44,002	1,091	36,265	16,226	97,584
Debt Service:					
Principal	13,694				13,694
Capital Outlay		75,058			75,058
Total Cash Disbursements	202,062	168,659	37,040	16,226	423,987
Total Cash Receipts Over/(Under) Cash Disbursements	(8,992)	(61,410)	(37,040)	105,610	(1,832)
Other Financing Receipts/(Disbursements):					
Transfers-In	36,825	42,085	26,303		105,213
Transfers-Out				(105,213)	(105,213)
Total Other Financing Receipts/(Disbursements)	36,825	42,085	26,303	(105,213)	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	27,833	(19,325)	(10,737)	397	(1,832)
Fund Cash Balances, January 1	23,203	134,012	22,421	161	179,797
Fund Cash Balances, December 31	\$51,036	\$114,687	\$11,684	\$558	\$177,965
Reserves for Encumbrances, December 31	\$0	\$0	\$0	\$0	\$0

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$105,872		\$105,872
Interest		\$531	531
Miscellaneous	216		216
	<u>106,088</u>	<u>531</u>	<u>106,619</u>
Operating Cash Disbursements:			
Personal Services	37,647	399	38,046
Contractual Services	30,787		30,787
Supplies and Materials	5,498		5,498
Capital Outlay	3,040		3,040
	<u>76,972</u>	<u>399</u>	<u>77,371</u>
Operating Income	<u>29,116</u>	<u>132</u>	<u>29,248</u>
Fund Cash Balances, January 1	<u>183,103</u>	<u>9,018</u>	<u>192,121</u>
Fund Cash Balances, December 31	<u>\$212,219</u>	<u>\$9,150</u>	<u>\$221,369</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Property Tax and Other Local Taxes	\$39,849	\$57,924	\$0	\$100,743	\$198,516
Intergovernmental	34,279	41,445			75,724
Charges for Services	50,244				50,244
Fines, Licenses, and Permits	5,692				5,692
Miscellaneous	6,046	364			6,410
Total Cash Receipts	136,110	99,733	0	100,743	336,586
Cash Disbursements:					
Current:					
Security of Persons and Property	72,904	30,980			103,884
Public Health Services	363				363
Leisure Time Activities	10,345				10,345
Community Environment	1,242				1,242
Basic Utility Services	38,384				38,384
Transportation	2,486	54,955			57,441
General Government	53,095	945		16,262	70,302
Debt Service:					
Principal	2,622				2,622
Capital Outlay	25,997	26,405	19,999		72,401
Total Cash Disbursements	207,438	113,285	19,999	16,262	356,984
Total Cash Receipts Over/(Under) Cash Disbursements	(71,328)	(13,552)	(19,999)	84,481	(20,398)
Other Financing Receipts/(Disbursements):					
Transfers-In	29,647	33,921	21,236		84,804
Transfers-Out				(84,804)	(84,804)
Total Other Financing Receipts/(Disbursements)	29,647	33,921	21,236	(84,804)	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(41,681)	20,369	1,237	(323)	(20,398)
Fund Cash Balances, January 1	64,884	113,643	21,184	484	200,195
Fund Cash Balances, December 31	\$23,203	\$134,012	\$22,421	\$161	\$179,797
Reserves for Encumbrances, December 31	\$0	\$0	\$0	\$0	\$0

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$97,935		\$97,935
Interest		\$733	733
Miscellaneous	80		80
	<u>98,015</u>	<u>733</u>	<u>98,748</u>
Operating Cash Disbursements:			
Personal Services	37,596	802	38,398
Contractual Services	29,825		29,825
Supplies and Materials	6,558		6,558
	<u>73,979</u>	<u>802</u>	<u>74,781</u>
Operating Income/(Loss)	<u>24,036</u>	<u>(69)</u>	<u>23,967</u>
Fund Cash Balances, January 1	<u>159,067</u>	<u>9,087</u>	<u>168,154</u>
Fund Cash Balances, December 31	<u>\$183,103</u>	<u>\$9,018</u>	<u>\$192,121</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Bolivar, Tuscarawas County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and refuse utilities, park operations (leisure time activities), and police services. The Village contracts with the Bolivar Volunteer Fire Department to provide fire protection services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

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

Investments in Star Ohio are recorded at share values reported by the fund.

D. Fund Accounting

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

1. General Fund

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

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

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

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

Street Construction Levy Fund - This fund provides revenues to help maintain and repair streets within the Village.

Fire Levy Fund - This fund receives revenues to provide basic fire protection services.

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village has the following significant Capital Projects Funds:

Construction Fund - This fund receives revenues to pay for the construction of a library in the Village.

Capital Fund- This fund receives revenue to pay for general construction projects within the Village.

4. Enterprise Fund

This fund accounts for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village has the following Enterprise Fund:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

5. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Income Tax Fund - This fund is used to record the collection of self assessed taxes, the cost of collecting such tax and the distribution to various other funds in accordance with Village ordinances.

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

5. Fiduciary Funds (Trust and Agency Funds) (Continued)

Roy Parks Nonexpendable Trust Fund - This fund uses the interest earned from funds maintained in the nonexpendable trust account for maintaining and preserving the Roy Parks Park.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2001</u>	<u>2000</u>
Demand deposits	\$ 344,360	\$ 319,129
Cash on hand	<u>30</u>	<u>30</u>
Total deposits	<u>344,390</u>	<u>319,159</u>
STAR Ohio	<u>54,944</u>	<u>52,759</u>
Total deposits and investments	<u><u>\$ 399,334</u></u>	<u><u>\$ 371,918</u></u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 216,993	\$ 229,895	\$ 12,902
Special Revenue	134,653	149,334	14,681
Capital Projects	21,500	26,303	4,803
Enterprise	91,010	106,088	15,078
Fiduciary	<u>96,505</u>	<u>122,367</u>	<u>25,862</u>
Total	<u><u>\$ 560,661</u></u>	<u><u>\$ 633,987</u></u>	<u><u>\$ 73,326</u></u>

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 240,193	\$ 202,062	\$ 38,131
Special Revenue	268,665	168,659	100,006
Capital Projects	43,922	37,040	6,882
Enterprise	274,112	76,972	197,140
Fiduciary	96,683	121,838	(25,155)
Total	<u>\$ 923,575</u>	<u>\$ 606,571</u>	<u>\$ 317,004</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 168,762	\$ 165,757	\$ (3,005)
Special Revenue	128,571	133,654	5,083
Capital Projects	21,250	21,236	(14)
Enterprise	89,487	98,015	8,528
Fiduciary	88,948	101,476	12,528
Total	<u>\$ 497,018</u>	<u>\$ 520,138</u>	<u>\$ 23,120</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 233,646	\$ 207,438	\$ 26,208
Special Revenue	242,212	113,285	128,927
Capital Projects	42,434	19,999	22,435
Enterprise	248,554	73,979	174,575
Fiduciary	89,519	101,868	(12,349)
Total	<u>\$ 856,365</u>	<u>\$ 516,569</u>	<u>\$ 339,796</u>

Contrary to Ohio law, certain expenditures were honored without the prior certification of the availability of funds.

4. PROPERTY TAX

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

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. PROPERTY TAX (Continued)

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

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

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

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income tax of residents earned outside the Village.

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

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participants wages. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced employer contributions to 8.13% effective July 1, 2000 through December 31, 2000. The Village has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Commercial inland marine
- General liability
- Public officials' liability
- Employer liability
- Employee benefits liability

The Village also provides health insurance and vision coverage to full-time employees through Tuscarawas County's benefit plan.

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

8. JOINTLY GOVERNED ORGANIZATION

The Village participates in the Lawrence Township Joint Recreational District which is a jointly governed organization between Lawrence Township, the Village of Zoar, and the Village of Bolivar. The District provides swimming and recreational activities for the residents of the participating communities.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Bolivar
Tuscarawas County
109 North Central Avenue
Bolivar, Ohio 44612

To the Village Council:

We have audited the accompanying financial statements of the Village of Bolivar, Tuscarawas County, Ohio, (the Village) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 15, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 Village'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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2001-31279-001.

We also noted other immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 15, 2002.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Village'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 do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 15, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

March 15, 2002

VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000

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

FINDING NUMBER 2001-31279-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) requires that no subdivision or taxing unit make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two "exceptions" to the above requirements:

1. Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
2. If the amount involved is less than \$1,000, the Village Clerk may authorize payment through a Then and Now Certificate without affirmation of Village Council, if such expenditure is otherwise valid.

During our testing, 20% of expenditures were not certified by the Village Clerk prior to incurring the obligation. It was also found that neither of the two exceptions above were utilized for the items found to be in non-compliance. The Village should certify the availability of funds for all expenditures and should inform all Village employees of the requirements of Ohio Rev. Code Section 5705.41(D). The Village should implement the use of so called Then and Now certificates and Blanket Certificates as further permitted by Ohio Rev. Code Section 5705.41.

A similar comment was made in the prior audit Management Letter.



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF BOLIVAR

TUSCARAWAS 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
MAY 28, 2002**