

Village of Bolivar

Audited Financial Statements

December 31, 2003 and 2002



**Auditor of State
Betty Montgomery**

Members of Council
Village of Bolivar

We have reviewed the Independent Auditor's Report of the Village of Bolivar, Tuscarawas County, prepared by Rea & Associates, Inc. for the audit period January 1, 2002 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 12, 2004

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**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

DECEMBER 31, 2003 AND 2002

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

May 19, 2004

Mayor and Members of Council
Village of Bolivar
Bolivar, OH 44612

Independent Auditor's Report

We have audited the accompanying financial statements of the Village of Bolivar (the "Village") as of and for the years ended December 31, 2003 and 2002, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 audit 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 described 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Bolivar as of December 31, 2003 and 2002, 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 also have issued our report dated May 19, 2004 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.

This report is intended solely for the information and use of the Mayor, Village Council, management, 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.

Rea & Associates, Inc.

VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	General	Special Revenue	Capital Projects	(Memorandum Only) Total
CASH RECEIPTS:				
Taxes	\$ 43,911	\$ 166,197	\$ 0	\$ 210,108
Intergovernmental Revenue	87,209	52,122	0	139,331
Charges For Services	47,343	0	0	47,343
Fines, Licenses and Permits	5,632	50	0	5,682
Interest	3,494	0	0	3,494
Miscellaneous	18	271	0	289
Total Cash Receipts	187,607	218,640	0	406,247
CASH DISBURSEMENTS:				
Current:				
Security of Persons	90,031	5,959	0	95,990
Leisure Time Activities	12,122	0	0	12,122
Community Environment	4,726	0	0	4,726
Basic Utility Services	48,589	0	0	48,589
Transportation	3,548	67,948	0	71,496
General Government	48,348	17,787	0	66,135
Capital Outlay	0	48,637	32,726	81,363
Total Cash Disbursements	207,364	140,331	32,726	380,421
Total Cash Receipts Over (Under) Cash Disbursements	(19,757)	78,309	(32,726)	25,826
OTHER FINANCING RECEIPTS (DISBURSEMENTS):				
Transfers - In	40,873	0	29,195	70,068
Transfers - Out	0	(70,068)	0	(70,068)
Total Other Financing Receipts (Disbursements)	40,873	(70,068)	29,195	0
Total Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	21,116	8,241	(3,531)	25,826
FUND CASH BALANCES, January 1, 2003	59,947	157,012	38,620	255,579
FUND CASH BALANCES, December 31, 2003	\$ 81,063	\$ 165,253	\$ 35,089	\$ 281,405
RESERVE FOR ENCUMBRANCES	\$ 0	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Proprietary</u>	<u>Fiduciary</u>
	<u>Enterprise Funds</u>	<u>Nonexpendable Trust Fund</u>
OPERATING CASH RECEIPTS:		
Charges for services	\$ 110,308	\$ 0
Interest	0	0
Miscellaneous	349	143
Total Operating Cash Receipts	<u>110,657</u>	<u>143</u>
OPERATING CASH DISBURSEMENTS:		
Personal services	51,471	113
Contractual services	31,722	0
Material and supplies	7,504	0
Capital outlay	39,707	0
Total Operating Cash Disbursements	<u>130,404</u>	<u>113</u>
Operating Income	(19,747)	30
FUND CASH BALANCES, January 1, 2003	<u>237,447</u>	<u>9,010</u>
FUND CASH BALANCES, December 31, 2003	<u>\$ 217,700</u>	<u>\$ 9,040</u>
RESERVE FOR ENCUMBRANCES	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	General	Special Revenue	Capital Projects	(Memorandum Only) Total
CASH RECEIPTS:				
Taxes	\$ 44,628	\$ 157,906	\$ 0	\$ 202,534
Intergovernmental Revenue	73,568	47,204	0	120,772
Charges For Services	47,355	0	0	47,355
Fines, Licenses and Permits	6,062	0	0	6,062
Interest	4,642	290	0	4,932
Total Cash Receipts	176,255	205,400	0	381,655
CASH DISBURSEMENTS:				
Current:				
Security of Persons	80,299	4,439	0	84,738
Leisure Time Activities	12,051	0	0	12,051
Community Environment	7,501	0	0	7,501
Basic Utility Services	29,089	0	0	29,089
Transportation	1,615	71,579	0	73,194
General Government	73,598	17,766	0	91,364
Capital Outlay	0	5,329	775	6,104
Total Cash Disbursements	204,153	99,113	775	304,041
Total Cash Receipts Over (Under) Cash Disbursement	(27,898)	106,287	(775)	77,614
OTHER FINANCING RECEIPTS (DISBURSEMENTS):				
Transfers - In	36,809	0	27,711	64,520
Transfers - Out	0	(64,520)	0	(64,520)
Total Other Financing Receipts (Disbursements)	36,809	(64,520)	27,711	0
Total Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	8,911	41,767	26,936	77,614
FUND CASH BALANCES, January 1, 2002	51,036	115,245	11,684	177,965
FUND CASH BALANCES, December 31, 2002	\$ 59,947	\$ 157,012	\$ 38,620	\$ 255,579
RESERVE FOR ENCUMBRANCES	\$ 0	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements.

VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002

	Proprietary	Fiduciary
	Enterprise Fund	Nonexpendable Trust Fund
OPERATING CASH RECEIPTS:		
Charges for services	\$ 106,844	\$ 0
Fines, License and Permits	153	0
Interest	0	229
Total Operating Cash Receipts	106,997	229
OPERATING CASH DISBURSEMENTS:		
Personal services	46,495	369
Contractual services	30,555	0
Material and supplies	4,719	0
Total Operating Cash Disbursements	81,769	369
Operating Income	25,228	(140)
FUND CASH BALANCES, January 1, 2002	212,219	9,150
FUND CASH BALANCES, December 31, 2002	\$ 237,447	\$ 9,010
RESERVE FOR ENCUMBRANCES	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Bolivar, Tuscarawas County, (the Village) is a body politic and corporate 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 service. 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 to use. The Village classifies its funds into the following types:

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.

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 had the following significant Special Revenue Funds:

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Street Construction, Maintenance and Repair Fund – This fund receives gasoline taxes 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.

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. This fund was classified as an expendable trust fund in 2001, however, is reclassified as a special revenue fund in accordance with the revised Village Officer's Handbook-2004. The cash balance at December 31, 2001 was \$558.

Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except for 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.

Enterprise Fund

This fund is used to account 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 had the following Enterprise Fund:

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

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 non-expendable trust fund. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village has no agency funds. The Village has the following fiduciary fund:

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2003 and 2002 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

In certain circumstances, such as leaving employment, employees are entitled to cash payments for unused vacation and sick 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, 2003 AND 2002**

NOTE 2: EQUITY IN POOLED CASH AND INVESTMENTS

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

	2003	2002
Demand deposits	\$ 451,555	\$ 446,068
Cash on hand	30	30
Total deposits	451,585	446,098
STAR Ohio	56,560	55,938
Total deposits and investments	\$ 508,145	\$ 502,036

Deposits

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) 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.

NOTE 3: BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2003 and 2002 is as follows:

2003 Budgeted vs. Actual Receipts

<u>Fund Type</u>	Budgeted Receipts	Actual Receipts	Variance
General	\$ 226,994	\$ 228,480	\$ 1,486
Special Revenue	234,047	218,640	(15,407)
Capital Projects	27,500	29,195	1,695
Enterprise	91,087	110,657	19,570
Fiduciary	0	143	143
Total	\$ 579,628	\$ 587,115	\$ 7,487

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

NOTE 3: BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 285,741	\$ 207,364	\$ 78,377
Special Revenue	390,069	210,399	179,670
Capital Projects	66,122	32,726	33,396
Enterprise	328,536	130,404	198,132
Fiduciary	0	113	(113)
Total	<u>\$ 1,070,468</u>	<u>\$ 581,006</u>	<u>\$ 489,462</u>

2002 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 207,601	\$ 213,064	\$ 5,463
Special Revenue	209,294	205,400	(3,894)
Capital Projects	22,625	27,711	5,086
Enterprise	95,753	106,997	11,244
Fiduciary	0	229	229
Total	<u>\$ 535,273</u>	<u>\$ 553,401</u>	<u>\$ 18,128</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 258,026	\$ 204,153	\$ 53,873
Special Revenue	324,085	163,633	160,452
Capital Projects	34,311	775	33,536
Enterprise	307,972	81,769	226,203
Fiduciary	0	369	(369)
Total	<u>\$ 924,394</u>	<u>\$ 450,699</u>	<u>\$ 473,695</u>

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

NOTE 4: PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 financial statements as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semi-annual payments, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

NOTE 5: LOCAL INCOME TAX

The Village levies a municipal income tax of 1% 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.

Income tax revenue is recorded in the Income Tax Special Revenue Fund and the net revenue is distributed by way of transfer to the General Fund, Street Fund, and the Capital Fund in accordance with Ordinance #1996-615 Section 14. \$46,713 of transfers to the Street Fund are not reflected in the combined financial statements. Transfers made between special revenue funds are reported at net. However, the transfers are included in Note 3, Budgetary Activity.

NOTE 6: RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Firemen's Disability and 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, multi-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 2003 and 2002 members of OP&F contributed 10% of their wages to the OP&F. The Village contributed an amount equal to 13.55% of participant's gross salaries. The Village has paid all contributions required through December 31, 2003.

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

NOTE 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
- Employers liability
- Employee benefits liability

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

NOTE 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.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

May 19, 2004

Village Council
Village of Bolivar
Bolivar, OH 44612

Report of Independent Accountant's on Compliance and on Internal Control Required by *Government Auditing Standards*

We have audited the financial statements of the Village of Bolivar (the Village) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated May 19, 2004. 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 are required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2003-001.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 19, 2004.

Internal Control over Financial Reporting

In planning and performing our audits, we considered the 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 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 the management of the Village in a separate letter dated May 19, 2004.

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

Rea & Associates, Inc.

VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2003

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

FINDING NUMBER	2003 – 001
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*Ohio Rev. Code Section 5705.41(D) states that no subdivision or taxing unit shall 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 a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

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

- A. Then and Now Certificate - 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.
- B. If the amount involved is less than three thousand dollars, the Village Clerk may authorize it to be paid without the affirmation of council upon the completion of a "then and now" certificate, if such expenditure is otherwise valid.

During our testing, 25% 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 "then and now" certificates and blanket certificates as further permitted by Ohio Rev. Code Section 5705.41.

* Also reported in the prior audit schedule of findings

VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2001-31279-001	A noncompliance citation was issued under Ohio Rev. Code Section 5705.41(D) stating that no subdivision or taxing unit shall 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.	No	Not corrected; Expenditures of money were still processed without prior certification from the Village Clerk that the necessary appropriations were available before the expenditure occurred.

VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2003

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2003-001	The Village Clerk plans to implement procedures to ensure that purchase orders provide for the Village Clerk's certification of available funds and to ensure that funds be certified and encumbered prior to incurring obligations.	12/31/04	Michelle Crowe, Village Clerk



**Auditor of State
Betty Montgomery**

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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
JULY 27, 2004**