

VILLAGE OF ATHALIA
LAWRENCE COUNTY
REGULAR AUDIT
FOR YEARS ENDED DECEMBER 31, 2003 AND 2002

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com



**Auditor of State
Betty Montgomery**

Village Council
Village of Athalia
Proctorville, Ohio

We have reviewed the *Independent Auditor's Report* of the Village of Athalia, Lawrence County, prepared by Balestra, Harr & Scherer CPAs, 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 Athalia is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

May 17, 2005

This Page is Intentionally Left Blank.

VILLAGE OF ATHALIA - LAWRENCE COUNTY
YEARS ENDING DECEMBER 31, 2003 AND DECEMBER 31, 2002
TABLE OF CONTENTS

TITLE	PAGE
Independent Auditors' Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Types – For the Year Ended December 31, 2003	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Fiduciary Fund Type – For the Year Ended December 31, 2003	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Types – For the Year Ended December 31, 2002	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Fiduciary Fund Type– For the Year Ended December 31, 2002	5
Notes to the Financial Statements	6-10
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	11-12
Schedule of Findings.....	13
Corrective Action Plan.....	15
Schedule of Prior Audit Findings.....	15

This Page is Intentionally Left Blank.

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditors' Report

Village Council
Village of Athalia
Lawrence County
14407 State Route 7
Proctorville, Ohio 45669

We have audited the accompanying financial statements of the Village of Athalia, Lawrence County, Ohio, (the Village) as of and for the years ended December 31, 2003 and December 31, 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 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 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 of the Village of Athalia, Lawrence County, Ohio, as of December 31, 2003 and December 31, 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 have also issued our report dated September 8, 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. 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 the audits.

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

Balestra, Harr & Scherer, CPAs, Inc.
Balestra, Harr & Scherer, CPAs, Inc.

September 8, 2004

VILLAGE OF ATHALIA
LAWRENCE COUNTY, OHIO

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	General	Special Revenue	
Revenues:			
Property and Local Taxes	\$3,571	\$0	\$3,571
Intergovernmental	18,163	7,740	25,903
Fines, Licenses and Permits	54,625	0	54,625
Miscellaneous	3,070	0	3,070
Total Revenues	79,429	7,740	87,169
Disbursements:			
Security of Persons and Property	59,931	0	59,931
Leisure Time Activities	15	0	15
Transportation	0	5,347	5,347
General Government	13,999	0	13,999
Debt Service:			
Principal	1,963	0	1,963
Interest	193	0	193
Total Disbursements	76,101	5,347	81,448
Excess of Cash Receipts Over/ (Under) Cash Disbursements	3,328	2,393	5,721
Fund Cash Balances, January 1, 2003	2,835	3,482	6,317
Fund Cash Balances, December 31, 2003	\$6,163	\$5,875	\$12,038

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

VILLAGE OF ATHALIA
LAWRENCE COUNTY

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

	<u>Agency</u>
Non-Operating Cash Receipts:	
Other Non-Operating Cash Receipts	<u>\$61,475</u>
Total Non-Operating Cash Receipts	<u>61,475</u>
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	<u>60,610</u>
Total Non-Operating Cash Disbursements	<u>60,610</u>
Net Receipts Over/(Under) Disbursements	865
Fund Cash Balances, January 1	<u>209</u>
Fund Cash Balances, December 31	<u><u>\$1,074</u></u>

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

VILLAGE OF ATHALIA
LAWRENCE COUNTY, OHIO

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	General	Special Revenue	
Revenues:			
Property and Local Taxes	\$4,074	\$0	\$4,074
Intergovernmental	17,629	7,012	24,641
Fines, Licenses and Permits	44,950	0	44,950
Miscellaneous	5,997	0	5,997
Total Revenues	72,650	7,012	79,662
Disbursements:			
Security of Persons and Property	64,472	0	64,472
Leisure Time Activities	24	0	24
Transportation	0	7,178	7,178
General Government	18,828	0	18,828
Debt Service:			
Principal	1,890	0	1,890
Interest	266	0	266
Total Disbursements	85,480	7,178	92,658
Excess of Cash Receipts Over/ (Under) Cash Disbursements	(12,830)	(166)	(12,996)
Other Financing Sources/(Uses):			
Proceeds from Loan	8,000	0	8,000
Total Other Financing Sources/(Uses)	8,000	0	8,000
Excess Cash Receipts and Other Financing Sources Over/ (Under) Cash Disbursements and Other Financing Uses	(4,830)	(166)	(4,996)
Fund Cash Balances, January 1, 2002	7,665	3,648	11,313
Fund Cash Balances, December 31, 2002	\$2,835	\$3,482	\$6,317

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

VILLAGE OF ATHALIA
LAWRENCE COUNTY

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

	<u>Agency</u>
Non-Operating Cash Receipts:	
Other Non-Operating Cash Receipts	<u>\$56,081</u>
Total Non-Operating Cash Receipts	<u>56,081</u>
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	<u>56,504</u>
Total Non-Operating Cash Disbursements	<u>56,504</u>
Net Receipts Over/(Under) Disbursements	(423)
Fund Cash Balances, January 1	<u>632</u>
Fund Cash Balances, December 31	<u><u>\$209</u></u>

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

VILLAGE OF ATHALIA
LAWRENCE COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Village of Athalia, Lawrence County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including park operations (leisure time activities), maintenance of streets and general Village maintenance.

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.

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

C. 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.

2. Special Revenue Fund

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:

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

3. Fiduciary Fund

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results and operations. The Village had the following significant fiduciary fund:

Mayor's Court Fund - This fund is used to account for the activity of the Village's Mayor's Court.

VILLAGE OF ATHALIA
LAWRENCE COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object 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 individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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 when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2003</u>	<u>2002</u>
Deposits	<u>\$13,112</u>	<u>\$6,526</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

VILLAGE OF ATHALIA
LAWRENCE COUNTY

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

<u>2003 Budgeted vs. Actual Receipts</u>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$79,429	\$79,429
Special Revenue	0	7,740	7,740
Total	\$0	\$87,169	\$87,169

<u>2003 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$76,101	(\$76,101)
Special Revenue	0	5,347	(5,347)
Total	\$0	\$81,448	(\$81,448)

<u>2002 Budgeted vs. Actual Receipts</u>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$80,650	\$80,650
Special Revenue	0	7,012	7,012
Total	\$0	\$87,662	\$87,662

<u>2002 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$85,480	(\$85,480)
Special Revenue	0	7,178	(7,178)
Total	\$0	\$92,658	(\$92,658)

Contrary to Ohio law, expenditure of money was not certified prior to the commitment being made, nor were an appropriation resolution or amended certificate filed with the County Auditor.

VILLAGE OF ATHALIA
LAWRENCE COUNTY

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

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 accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

5. RETIREMENT SYSTEMS

The Village's Police Chief belongs to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost sharing, multiple-employee plans. These plans provide retirement benefits, including postretirement 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. The Village contributed an amount equal to 19.5% of their wages to OP&F. Members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2003.

6. RISK MANAGEMENT

The Village belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

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

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

7. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

VILLAGE OF ATHALIA
LAWRENCE COUNTY

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

8. DEBT

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
US Bank – Real Estate Acquisition and Renovation Bond	\$4,147	3.73%

The Village issued this bond for the purpose of purchasing and making improvements to property for use as a Village park. The bond was issued in January 2002 for \$8,000. Monthly principal and interest payments of \$180 are made to the US Bank. The debt balance is expected to mature by December 30, 2005.

Principal payments to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal Amount</u>
2004	\$ 2,035
2005	<u>2,112</u>
	\$ 4,147

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit Performed in Accordance with *Government Auditing Standards*

Village Council
Village of Athalia
Lawrence County
14407 State Route 7
Proctorville, Ohio 45669

We have audited the accompanying financial statements of the Village of Athalia, Lawrence County, Ohio, (the Village) as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated September 8, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings as items 2003.002, 2003.003, 2003.004 and 2003.005. We also noted certain immaterial instances of noncompliance which we have reported to the management of the Village in a separate letter dated September 8, 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2003.001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

Village of Athalia
Lawrence County
Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards
Page 2

We also noted other matters involving the internal control over financial reporting that we have reported to the management of the Village in a separate letter dated September 8, 2004.

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

Balestra, Harr & Scherer, CPAs, Inc.
Balestra, Harr & Scherer, CPAs, Inc.

September 8, 2004

VILLAGE OF ATHALIA
LAWRENCE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND DECEMBER 31, 2002

Finding Number	2003.001
----------------	----------

Reportable Condition – Municipal Court

The Village's Municipal Court does not maintain cashbook balances, reconcile bank statements, or reconcile duplicate receipts to deposits made. Not performing these functions can cause errors to go undetected and does not allow for proper management of funds. Cash book balances should be maintained for the court. Banks statements for the mayor's court account should be reconciled monthly to the mayor's court cashbook balances. Reconciliations should also be prepared between duplicate receipts and deposits made.

Finding Number	2003.002
----------------	----------

Noncompliance Citation – ORC 5705.36

Ohio Revised Code Section 5705.36 states that on or about the first day of each fiscal year the fiscal officers of subdivisions and other taxing units are to certify to the county auditor the total amounts from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that exist at the end of the preceding year. The Village failed to file the required documents with the county auditor for both years of the audit period.

Finding Number	2003.003
----------------	----------

Noncompliance Citation – ORC 5705.38

Ohio Revised Code Section 5075.38 states that on or about the first day of each fiscal year an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until April 1. The Village passed its temporary appropriations measure for fiscal year 2002 in accordance with the Ohio Revised Code but did not pass a final appropriations measure. The Village did not pass a temporary appropriations measure for fiscal year 2003 and passed its final appropriations in March of 2003. None of the appropriations measures passed in 2002 or 2003 were certified to the County Auditor.

Finding Number	2003.004
----------------	----------

Noncompliance Citation – ORC 5705.39

Ohio Revised Code Section 5705.39 states that the appropriations from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimated or amended official estimate. The Village failed to file its appropriation measures with the county auditor for both years of the audit period.

VILLAGE OF ATHALIA
LAWRENCE COUNTY

SCHEDULE OF FINDINGS (Continued)
DECEMBER 31, 2003 AND DECEMBER 31, 2002

Finding Number	2003.005
----------------	----------

Noncompliance Citation – ORC 5705.41(B) & (D)

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. Furthermore, Ohio Revised Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The Village's appropriation measures were not valid as they were not filed with the county auditor as required, therefore 100% of expenditures exceeded appropriations and even though purchase orders were utilized, were not valid since the funds were not lawfully appropriated.

VILLAGE OF ATHALIA
LAWRENCE COUNTY

CORRECTIVE ACTION PLAN
DECEMBER 31, 2003 AND DECEMBER 31, 2002

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2003.001	The Village Clerk will prepare reconciliations for bank statements.	12/31/04	Angela Backley, Village Clerk
2003.002	The Village Clerk and Council will monitor the budget more closely.	12/31/04	Angela Backley, Village Clerk
2003.003	The Village Clerk and Council will monitor the budget more closely.	12/31/04	Angela Backley, Village Clerk
2003.004	The Village Clerk and Council will monitor the budget more closely.	12/31/04	Angela Backley, Village Clerk
2003.005	The Village Clerk and Council will monitor the budget more closely.	12/31/04	Angela Backley, Village Clerk

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND DECEMBER 31, 2002

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2001-30744-001	Ohio Revised Code 5705.41 (D) Expenditures were made prior to money being appropriated.	No	Not corrected – See current year finding 2003.005



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

VILLAGE OF ATHALIA

LAWRENCE 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 31, 2005**