



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Bolivar
Tuscarawas County
P.O. Box 117
Bolivar, Ohio 44612

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Bolivar, Tuscarawas County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2021 and 2020, or the changes in financial position or, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 17 to the December 31, 2020 financial statements, during 2020, the Village adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types. As discussed in Note 3 to the financial statements, the Village restated the January 1, 2020 balances to account for the capital projects fund within the Capital Projects Fund Type. We did not modify our opinions regarding these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 17, 2024

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Village of Bolivar, Ohio*Tuscarawas County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2021*

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$52,269	\$94,822	\$0	\$147,091
Municipal Income Tax	196,134	42,540	32,305	270,979
Intergovernmental	44,077	209,915	0	253,992
Charges for Services	70,771	0	0	70,771
Fines, Licenses and Permits	11,290	0	0	11,290
Earnings on Investments	350	24	15	389
Miscellaneous	23,869	413	5,000	29,282
<i>Total Cash Receipts</i>	<u>398,760</u>	<u>347,714</u>	<u>37,320</u>	<u>783,794</u>
Cash Disbursements				
Current:				
Security of Persons and Property	171,920	161,454	0	333,374
Public Health Services	453	0	0	453
Leisure Time Activities	11,206	0	0	11,206
Community Environment	14,893	0	0	14,893
Basic Utility Services	64,845	0	0	64,845
Transportation	1,919	111,970	0	113,889
General Government	88,517	44,871	0	133,388
Capital Outlay	0	4,093	114,791	118,884
<i>Total Cash Disbursements</i>	<u>353,753</u>	<u>322,388</u>	<u>114,791</u>	<u>790,932</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>45,007</u>	<u>25,326</u>	<u>(77,471)</u>	<u>(7,138)</u>
Other Financing Receipts (Disbursements)				
Loans Issued	0	0	31,381	31,381
Sale of Capital Assets	0	0	10,000	10,000
Transfers In	0	0	58,455	58,455
Transfers Out	(58,455)	0	0	(58,455)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(58,455)</u>	<u>0</u>	<u>99,836</u>	<u>41,381</u>
Extraordinary Item	0	788	0	788
<i>Net Change in Fund Cash Balances</i>	(13,448)	26,114	22,365	35,031
<i>Fund Cash Balances, January 1</i>	<u>691,097</u>	<u>137,535</u>	<u>25,142</u>	<u>853,774</u>
<i>Fund Cash Balances, December 31</i>	<u>\$677,649</u>	<u>\$163,649</u>	<u>\$47,507</u>	<u>\$888,805</u>

See accompanying notes to the basic financial statements

Village of Bolivar, Ohio
Tuscarawas County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balance (Regulatory Cash Basis)
All Proprietary Fund Type
For the Year Ended December 31, 2021

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$234,361
Miscellaneous	25
<i>Total Operating Cash Receipts</i>	<u>234,386</u>
Operating Cash Disbursements	
Personal Services	68,475
Employee Fringe Benefits	16,111
Contractual Services	105,667
Supplies and Materials	13,062
<i>Total Operating Cash Disbursements</i>	<u>203,315</u>
<i>Operating Income (Loss)</i>	<u>31,071</u>
Non-Operating Receipts (Disbursements)	
Loans Issued	471,083
Capital Outlay	(414,438)
Principal Retirement	(2,000)
Interest and Other Fiscal Charges	(34)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>54,611</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	85,682
Extraordinary Item	653
<i>Net Change in Fund Cash Balances</i>	86,335
<i>Fund Cash Balances, January 1</i>	<u>263,477</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$349,812</u></u>

See accompanying notes to the basic financial statements

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 - Reporting Entity

The Village of Bolivar (the Village), Tuscarawas County, 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. A publicly-elected six-member Council directs the Village. The Village provides water and refuse utilities, park operations, and police service. The Village contracts with Lawrence Township through a joint contract for the Bolivar Volunteer Fire Department to provide fire protection services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in two jointly governed organizations; the Tuscarawas County Regional Planning Commission and the Lawrence Township Joint Recreation District. The Village's management believes these financial statements present all activities for which the Village is financially accountable. Note 12 to the financial statements describes these assets.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

State Highway Fund The state highway fund accounts for and reports seven and one half percent of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of state highways with the Village.

Income Tax Fund The income tax fund accounts for a portion of the monies received from the 1% municipal income tax levy. The first three months of receipts are posted to this fund to support operations. The remaining nine months are posted at the following rates: Capital Fund 14%, Street Fund 1%, and General Fund 85%.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Permissive Motor Vehicle License Fund This fund accounts for and reports motor vehicle registration fees restricted for maintenance and repair of state highways within the village.

American Rescue Plan Act The Village received \$50,806.57 in ARPA funds. The Village expects to receive another \$50,806.57 in 2022. These funds are restricted for use as defined by the US Treasury and will be expended accordingly.

Police Levy Fund The police levy fund receives tax levy monies for the purpose of maintaining police services.

Street Construction Fund This fund receives tax levy money for the purpose of maintaining roads and street improvements.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Capital Fund This fund receives tax monies as specified by village ordinance for capital projects. This fund also received grant monies that were restricted to the construction of the Canal Street Improvement.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds.

Water Operating The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Enterprise Improvement Fund The enterprise improvement fund accounts for the loan proceeds from the Ohio Water Development Authority restricted to the installation of water meters to all residential and commercial users within the Village.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03 (C) permit.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Budgetary Process

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

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. Appropriations lapse at year end.

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

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 re-appropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments in assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave subject to the guidelines listed in the village's policies and procedures manual. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Non-spendable The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes non-spendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$359,126	\$398,760	\$39,634
Special Revenue	254,688	348,502	93,814
Capital	96,965	137,156	40,191
Enterprise	779,534	706,122	(73,412)
Total	\$1,490,313	\$1,590,540	\$100,227

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$454,507	\$415,348	\$39,159
Special Revenue	347,136	325,769	21,367
Capital	119,836	114,791	5,045
Enterprise	745,623	694,421	51,202
Total	\$1,667,102	\$1,550,329	\$116,773

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2021
Demand deposits	\$856,330
STAR Ohio (Pooled)	104,090
Star Ohio (Non-pooled)	278,167
Total investments	\$382,257
Total deposits and investments	1,238,587
Cash on hand	30
Total	1,238,617

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the village is holding \$1,299 in unremitted employee payroll withholdings.

Deposits

Deposits are insured through the Federal Deposit Insurance Corporation; or, collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2021, \$168,717 of deposits were not insured or collateralized, due to reduced collateral approved at 50 to 60%.

Investments

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

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

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

Income Taxes

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

Note 6 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village of Bolivar's policy. The pool covers the following risks:

- General liability and Casualty
- Public Official's Liability
- Cyber
- Law Enforcement Liability
- Automobile Liability
- Vehicles
- Property Equipment Breakdown
- Errors and omissions.

The pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

Cash and Investments \$40,318,971
Actuarial Liabilities \$14,111.51

Self-Insurance

The Village is also self-insured for unemployment as reimbursing agency. No claims were experienced during this reporting period.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Ohio Police and Fire Retirement System

The Village's certified full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefit, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2021.

Social Security

The village elected/Appointed council members contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$4,068	0
Ohio Public Works Commission Loan (CN12U)	\$91,381	0
Ohio Water Development Authority Loan (9025)	\$973,168	0.37
 Total	 \$1,068,617	

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$20,170 in loans to the Village for this project with \$10,000 in loan forgiveness. The Village will repay the loans in semiannual installments of \$1,017 (principal only), over 5 years beginning in 2019. The scheduled payment amount below assumes an outstanding balance of \$4,068 of the \$10,170 borrowed, as of December 31, 2021. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC #CN12U) loan relates to the Canal Street Improvement Project that commenced in 2019. As of December, 31 2021, a total of \$91,380.99 was fully drawn down on the loan. The village will repay the loan in semiannual installments over a period of thirty (30) years at 0% interest. Awaiting the final loan process documents and amortization schedule upon the approved close out of the project. The village certified the completion of the project in December of 2021, but it has not been booked as debt in 2021.

The Ohio Water Development Authority (OWDA #9025) loan relates to a Water Supply Revolving Loan Account approved by the Ohio Environmental Protection Agency. The village of Bolivar’s loan for the Water Meter Installation Project has an interest rate of 0.37% for twenty (20) years and is conditional on the village meeting all WSRLA program requirements and actions by the Ohio water Development Authority (OWDA)Board. The total cost of borrowing is \$1,087,920 which includes principal (1,033,752.50) interest (\$40,211.50) and a loan application fee of 1.35% (\$13,956.00). The village will begin the loan repayment in semiannual installments of \$27,198.40 (principal and interest) over a period of twenty (20) years effective July 1, 2022. As of December 31, 2021, \$973,168 had been drawn down on the loan; with \$114,752 available to draw upon in 2022. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDDA debt service requirements.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending	OWDA Loan
December 31:	8246
2022	\$2,034
2023	2,034
Total	\$4,068

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Construction and Contractual Commitments

The water meter project commenced in 2020 and is in the final stages of completion as of December 31, 2021.

The canal street improvement project which commenced in 2019 was completed in 2021. The project was certified as complete and the village is waiting on the amortization schedule.

Note 11 – Contingent Liabilities

Litigation:

The Village has no current or ongoing litigation.

Note 12– Jointly Governed Organizations

Tuscarawas County Regional Planning Commission

The Village is associated with the Tuscarawas County Regional Planning Commission (the commission) as a Jointly Governed Organization. The Commission is a statutorily created political subdivision of the State. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes maps, plans recommendations and reports concerning physical, environmental, social, economical, and governmental characteristics, functions and services the county.

Lawrence Township Joint Recreational District

The Village is associated with the Lawrence Township Recreations District (the district) as a Jointly Governed Organization. The District is a statutorily created political subdivision of the State. The District is jointly governed by the Village of Bolivar, the Village of Zoar, and Lawrence Township. Each member's control over the operation of the District is limited to its representation on the board. The District provides maintenance and supervision of leisure time activities with Lawrence Township.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	3,139	3,381	6,520
<i>Total</i>	\$3,139	\$3,381	\$6,520

The fund balance of special revenue funds is either restricted or committed. The fund balance of the capital projects fund is restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 14– COVID - 19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2021, the Village received American Rescue Plan Act funding. These amounts will be reflected as general government expenditures in the American Rescue Plan Act Special Revenue Fund on the accompanying financial statements.

Note 15– Compliance

Contrary to Ohio Law the Village receipted the proceeds from the sale of a permanent improvement into the General Fund, instead of the Capital Projects Fund, resulting in adjustments.

Note 16– Subsequent Events

In 2024, the Village approved entering into a contract for the water supply revolving loan account (WSRLA) agreement for the planning and design phase of the 2024 waterline replacement project. Council also approved a contract proposal from GPD for the engineering/design phase of the project in the amount of \$174,458.

Village of Bolivar, Ohio*Tuscarawas County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2020*

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$50,868	\$91,313	\$0	\$142,181
Municipal Income Tax	179,036	34,173	24,906	238,115
Intergovernmental	37,365	218,415	274,014	529,794
Charges for Services	68,908	0	0	68,908
Fines, Licenses and Permits	12,185	0	0	12,185
Earnings on Investments	2,199	256	108	2,563
Miscellaneous	3,787	29	0	3,816
<i>Total Cash Receipts</i>	<u>354,348</u>	<u>344,186</u>	<u>299,028</u>	<u>997,562</u>
Cash Disbursements				
Current:				
Security of Persons and Property	133,147	124,059	0	257,206
Public Health Services	481	0	0	481
Leisure Time Activities	11,738	0	0	11,738
Community Environment	5,164	443	0	5,607
Basic Utility Services	57,737	0	0	57,737
Transportation	0	117,664	0	117,664
General Government	87,274	50,805	0	138,079
Capital Outlay	0	24,547	365,598	390,145
<i>Total Cash Disbursements</i>	<u>295,541</u>	<u>317,518</u>	<u>365,598</u>	<u>978,657</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>58,807</u>	<u>26,668</u>	<u>(66,570)</u>	<u>18,905</u>
Other Financing Receipts				
Loans Issued	0	0	60,000	60,000
<i>Total Other Financing Receipts</i>	<u>0</u>	<u>0</u>	<u>60,000</u>	<u>60,000</u>
Extraordinary Item	5,670	4,363	0	10,033
<i>Net Change in Fund Cash Balances</i>	64,477	31,031	(6,570)	88,938
<i>Fund Cash Balances, January 1</i>	<u>626,620</u>	<u>106,504</u>	<u>31,712</u>	<u>764,836</u>
<i>Fund Cash Balances, December 31</i>	<u>\$691,097</u>	<u>\$137,535</u>	<u>\$25,142</u>	<u>\$853,774</u>

See accompanying notes to the basic financial statements

Village of Bolivar, Ohio
Tuscarawas County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balance (Regulatory Cash Basis)
All Proprietary Fund Type
For the Year Ended December 31, 2020

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$223,039
<i>Total Operating Cash Receipts</i>	<u>223,039</u>
Operating Cash Disbursements	
Personal Services	63,921
Employee Fringe Benefits	16,264
Contractual Services	72,724
Supplies and Materials	12,616
<i>Total Operating Cash Disbursements</i>	<u>165,525</u>
<i>Operating Income</i>	<u>57,514</u>
Non-Operating Receipts (Disbursements)	
Loans Issued	502,084
Miscellaneous Receipts	11
Capital Outlay	(488,832)
Principal Retirement	(2,000)
Interest and Other Fiscal Charges	(34)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>11,229</u>
<i>Income before Extraordinary Item</i>	68,743
Extraordinary Item	2,468
<i>Net Change in Fund Cash Balances</i>	71,211
<i>Fund Cash Balances, January 1</i>	<u>192,266</u>
<i>Fund Cash Balances, December 31</i>	<u>\$263,477</u>

See accompanying notes to the basic financial statements

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 - Reporting Entity

The Village of Bolivar (the Village), Tuscarawas County, 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. A publicly elected six-member Council directs the Village. The Village provides general governmental services, including water and refuse utilities, park operations, and police service.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in two jointly governed organizations; the Tuscarawas County Regional Planning Commission and the Lawrence Township Joint Recreation District. Note 13 provides more detail.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types which are all organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Police Levy Fund This fund receives tax levy monies for the purpose of maintaining police services.

Street Construction Fund This fund receives tax levy money for the purpose of maintaining roads and street improvements.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Capital Fund This fund receives tax monies as specified by village ordinance for capital projects. This fund also received grant monies that were restricted to the construction of the Canal Street Improvement.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds.

Water Operating The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Enterprise Improvement Fund The enterprise improvement fund accounts for the loan proceeds from the Ohio Water Development Authority restricted to the installation of water meters to all residential and commercial users within the Village.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

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

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. Unencumbered appropriations lapse at year end.

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

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 re-appropriated in the subsequent year.

A summary of 2020 budgetary activity appears in Note 4.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Deposits and Investments

The Village's accounting basis includes investments in assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave subject to the guidelines listed in the village's policies and procedures manual. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Non-spendable The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes non-spendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 15.

Note 3 – Restatement of Fund Balance

The beginning balances of the Special Revenue Fund Type and the Capital Projects Fund Type were restated at January 1, 2020 as shown below due to the Village classifying the Capital Projects Fund as a Special Revenue Fund instead of a Capital Projects Fund Type:

	Special Revenue Fund Balance	Capital Projects Fund Balance
Beginning Balance, January 1, 2020	\$ 138,216	\$ -
Adjustment	<u>(31,712)</u>	<u>31,712</u>
Restated January 1, 2020 Balance	<u>\$ 106,504</u>	<u>\$ 31,712</u>

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$354,576	\$360,018	\$5,442
Special Revenue	295,627	348,549	52,922
Capital	336,900	359,028	22,128
Enterprise	741,988	727,602	(14,386)
Total	<u>\$1,729,091</u>	<u>\$1,795,197</u>	<u>\$66,106</u>

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$360,866	\$306,943	\$53,923
Special Revenue	324,649	322,444	2,205
Capital	397,764	365,598	32,166
Enterprise	730,481	660,377	70,104
Total	<u>\$1,813,760</u>	<u>\$1,655,362</u>	<u>\$158,398</u>

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 5 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2020
Demand deposits	\$720,497
STAR Plus	253,028
Total deposits	973,525
STAR Ohio	\$143,565
Total deposits and investments	1,117,090
Cash on hand	30
Total	1,117,120

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the village is holding \$8,036. in unremitted employee payroll withholdings.

Deposits

Deposits are insured through the Federal Deposit Insurance Corporation; or, collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2020, \$167,581 of deposits were not insured or collateralized, due to reduced collateral through OPCS approved at 50%.

Investments

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

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

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

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Income Taxes

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

Note 7 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village of Bolivar's policy. The pool covers the following risks:

- General liability and Casualty
- Public Official's Liability
- Cyber
- Law Enforcement Liability
- Automobile Liability
- Vehicles
- Property
- Equipment Breakdown

The pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2019 (the latest information available):

Cash and Investments \$38,432,610

Actuarial Liabilities \$14,705,917

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Ohio Police and Fire Retirement System

The Village’s certified full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefit, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members’ wages. The Village has paid all contributions required through December 31, 2020.

Social Security

The village elected/Appointed council members contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2020.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members is the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 10 – Debt

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan (#8246)	\$6,102	0
Ohio Public Works Commission Loan (CN12U)	\$60,000	0
Ohio Water Development Authority Loan (#9025)	\$502,084	0.37
Total	<u>\$568,186</u>	

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Ohio Water Development Authority (OWDA #8246) loan relates to an Asset Management Plan the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$20,170 in loans to the Village for this project with \$10,000 in loan forgiveness. The Village will repay the loans in semiannual installments of \$1,017 (principal only), over 5 years beginning in 2019. The scheduled payment amount below assumes an outstanding balance of \$6,102 of the \$10,170 borrowed, as of December 31, 2020. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC #CN12U) loan relates to the Canal Street Improvement Project that commenced in 2019. As of December 31, 2020, a total of \$60,000 was drawn down on the loan. The village will repay the loan in semiannual installments over a period of thirty (30) years at 0% interest. Awaiting the final loan process documents and amortization schedule upon the approved close out of the project. Payments will commence in either January or July upon close out; whichever is sooner.

The Ohio Water Development Authority (OWDA #9025) loan relates to a Water Supply Revolving Loan Account approved by the Ohio Environmental Protection Agency. The Village of Bolivar’s loan for the Water Meter Installation Project has an interest rate of 0.37% for twenty (20) years and is conditional on the village meeting all WSRLA program requirements and actions by the Ohio Water Development Authority (OWDA) Board. The total cost of borrowing is \$1,087,920 which includes principal (1,033,752.50) interest (\$40,211.50) and a loan application fee of 1.35% (\$13,956.00). The village will begin the loan repayment in semiannual installments of \$27,198.40 (principal and interest) over a period of twenty (20) years effective July 1, 2022. As of December 31, 2020, \$502,084 had been drawn down on the loan; with \$545,680 available to draw upon in 2021. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDDA debt service requirements.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending	OWDA Loan
<u>December 31:</u>	<u>8246</u>
2021	\$2,034
2022	2,034
2023	2,034
Total	<u><u>\$6,102</u></u>

Note 11 – Construction and Contractual Commitments

The Canal Street Improvement Project which commenced in 2019 reached completion in 2020. Awaiting final project close out and loan amortization.

The Water Meter Project commenced in 2020 and will reach completion in 2021.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 12 – Contingent Liabilities

A. Grants:

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

B. Litigation:

The Village has no current or ongoing litigation.

Note 13– Jointly Governed Organizations

Tuscarawas County Regional Planning Commission

The Village is associated with the Tuscarawas County Regional Planning Commission (the commission) as a Jointly Governed Organization. The Commission is a statutorily created political subdivision of the State. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes maps, plans recommendations and reports concerning physical, environmental, social, economical, and governmental characteristics, functions and services the county. In 2020, \$159 was paid to the Commission by the Village.

Lawrence Township Joint Recreational District

The Village is associated with the Lawrence Township Recreations District (the district) as a Jointly Governed Organization. The District is a statutorily created political subdivision of the State. The District is jointly governed by the Village of Bolivar, the Village of Zoar, and Lawrence Township. Each member's control over the operation of the District is limited to its representation on the board. The District provides maintenance and supervision of leisure time activities with Lawrence Township.

Note 14 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 15 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	11,402	4,926	16,328
<i>Total</i>	\$11,402	\$4,926	\$16,328

The fund balance of special revenue funds is either restricted or committed. The fund balance of the capital projects fund is restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 16– COVID - 19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding totaling \$77,262. Of the amounts received \$10,201 was sub-granted to local service businesses and organizations within the village. These amounts are reflected as general governmental expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

Note 17– Change in Accounting Principles

For 2020, the Village has made changes to their cash basis reporting. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types. The effect of this change did not include restated beginning cash balance.

Village of Bolivar, Ohio
Tuscarawas County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 18– Subsequent Events

In 2021 the Village anticipates finalizing the Canal Street Improvement project and the Water Meter Project.

In 2024, the Village approved entering into a contract for the water supply revolving loan account (WSRLA) agreement for the planning and design phase of the 2024 waterline replacement project. Council also approved a contract proposal from GPD for the engineering/design phase of the project in the amount of \$174,458.

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OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Bolivar
Tuscarawas County
P.O. Box 117
Bolivar, Ohio 44612

To the Village Council:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type combined total as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Bolivar, Tuscarawas County (the Village), and have issued our report thereon dated June 17, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We noted the Village adopted a change in accounting principle in 2020 and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types. We also noted the Village restated the January 1, 2020 balances to account for the capital projects fund within the Capital Projects Fund Type.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2021-001 and 2021-002 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2021-001.

Village's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the Findings identified in our audit and described in the accompanying Schedule of Findings. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 17, 2024

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2021-001

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.10(F) states, in part, that if a permanent improvement of the subdivision is sold, the amount received from the sale shall be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements.

In 2021 the Village sold a 1998 Ingersoll Rand 185 Prestige Series compressor for \$10,000, with \$5,000 posted to the General Fund and \$5,000 posted to the Capital Projects Fund. As the Village determined the asset to be a capital asset, with an expectant life exceeding 5 years, the entire receipt of the proceeds from the sale should have been posted to the Capital Projects Fund instead of the General Fund.

This misposting was agreed up by management, and the financial statements have been adjusted accordingly.

The Village should implement procedures for review of financial transactions to reduce the risk of financial statement mispostings.

Officials' Response

I posted the proceeds of the sale back to the proposed "original" purchase method which is what I had been taught to do. I didn't realize until we spoke that it should have been posted to capital due to the length of time. Controls are currently being implemented to prevent this from occurring in the future.

FINDING NUMBER 2021-002

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs A14 & A16.

As a result of audit procedures performed, the following errors were noted in the Village's financial statements that required an audit reclassification.

- The Village's Capital Projects fund was misclassified as a Special Revenue Fund. This resulted in the Special Revenue Fund Type activity to be overstated by the following and Capital Projects Fund Type to be understated by the same:
 - 2021 Municipal Income Tax Revenue of \$30,991, Earnings on Investment of \$15, Transfers In of \$58,455, Extraordinary Item of \$10,000, Capital Outlay Expenditures of \$83,410, Opening Balance of \$24,490 and Closing Balance of \$40,541.
 - 2020 Municipal Income Tax Revenue of \$24,254, Intergovernmental Revenue of \$222,788, Earnings on Investment of \$108, Loans Issued of \$60,000, Capital Outlay Expenditures of \$314,372, Opening Balance of \$31,712 and Closing Balance of \$314,372.

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2021-002 (Continued)

Material Weakness (Continued)

- Village on-behalf activity was not properly posted as follows:
 - Fire levy monies levied for the Village which were collected by Tuscarawas County and distributed by Lawrence Township on the Village's behalf were omitted resulting in an understatement of both Intergovernmental Revenue and Security of Persons & Property Expenditures within the Fire Fund of \$81,900 and \$59,011 for 2021 and 2020, respectively.
 - Activity for projects undertaken under the Ohio Department of Transportation and the Ohio Public Works Commission for 2021 was not reflected, resulting in Loan Proceeds and Capital Outlay Expenditures being understated by \$31,381.
 - Activity for the Ohio Department of Transportation project for 2020 was not reflected, resulting in Intergovernmental Revenue and Capital Outlay Expenditures being understated in the Capital Projects Fund by \$51,226.
- A grant from the Attorney General's Office of \$7,135 (Intergovernmental Revenue) along with various Miscellaneous Receipts of \$25,057 were improperly classified as Extraordinary Items in the General Fund in 2021.
- Miscellaneous Revenue of \$5,000 and Sale of a Capital Asset of \$5,000 were misclassified within the Capital Project Fund as Extraordinary Items in 2021.
- We also identified related errors and omissions in the footnotes that have been adjusted.

The adjustments and reclassifications above were agreed to by management, and the financial statements and notes have been adjusted accordingly.

In addition, other immaterial misstatements were noted related to mispostings of revenues, expenditures, and fund balances ranging from \$85 to \$12,57.

Sound financial reporting is the responsibility of the Village and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. Failure to properly report financial activity could result in material misstatements occurring and remaining undetected and fail to provide management with an accurate picture of the Village's financial position and operations.

The Village should take the necessary steps to ensure that all revenues and expenditures are properly presented and disclosed in the Village's financial statements.

Officials' Response

In regards to Capital projects vs special revenue; since the time I first became a Council member in 2003, Capital projects had always been referred to as a special revenue account. When I was first appointed to the fiscal position in 2013, again, Capital projects was considered a special revenue account. The county auditor never questioned it and both independent auditors (Varney Fink & Associates and Wilson, Phillips and Agin) never provided any guidance. I had been through a couple full audits and a few AUP's. Had I known this was "incorrect", I would have immediately resolved this from the beginning. In addition, I distinctly recall (once Hinkle was enacted) sending my Notes to WP&A for review prior to submission each year (as applicable) and again, there was no mention of funds needing corrected. This is very unfortunate since we, as Fiscal Officers, rely on the guidance of our auditors to put us in the right direction; especially when specifically asking for their review of the Notes. The Capital Fund has been corrected, renumbered and is no longer listed under the 2900 series. Thank you for bringing this to our attention so we could resolve the issue moving forward.

**VILLAGE OF BOLIVAR
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2021-002 (Continued)

Material Weakness (Continued)

Officials' Response (Continued)

Re: Fire Levy monies: Our IPA in 2014 (re: 2012/2013 audit) noted in the audit report (previously attached) that I shouldn't pay the fire dept; that the township should pay the dept since they collected the money. No further instructions or recommendations were provided. The audit was essentially approved by AOS as such.

Re: Activity for projects undertaken under the Ohio Department of Transportation and the Ohio Public Works Commission for 2021 was not reflected, resulting in Loan Proceeds and Capital Outlay Expenditures being understated by \$31,381. The additional OPWC loan was applied for after the fact due to unforeseen paving expenses. I believe it was submitted at the end of 2019; approved in 2020. However, through the time I resigned in 2021, ODOT could not provide the necessary information to show the expenditures. I have documentation, recordings and witnesses that can substantiate my extensive efforts to get answers from ODOT. I expressed great concern numerous times of their dereliction of duty to provide accurate (or any) financial information so we could balance our projects books. To this day, I don't know the status.

Re: Activity for the Ohio Department of Transportation project for 2020 was not reflected, resulting in Intergovernmental Revenue and Capital Outlay Expenditures being understated in the Capital Projects Fund by \$51,226. Refer to previous response for OPWC for details.

Re: A grant from the Attorney General's Office of \$7,135 (Intergovernmental Revenue) along with various Miscellaneous Receipts of \$25,057 were improperly classified as Extraordinary Items in the General Fund in 2021. I had always been advised to categorize to "extraordinary" income when a proper revenue didn't exist. Absent spending an exhaustive amount of time trying to retrieve emails and/or other documentation, I will note it as a learning curve. For future purposes, I will be sure to print out my questions when asking LGS and /or our independent auditor and place it in my audit file. Controls are being implemented to prevent this from occurring again.

Re: Miscellaneous Revenue of \$5,000 and Sale of a Capital Asset of \$5,000 were misclassified within the Capital Project Fund as Extraordinary Items in 2021. See previous response; In years past, I had been told to use "extraordinary" if there wasn't a clear designation. This is being corrected moving forward.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BOLIVAR

TUSCARAWAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/2/2024

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This report is a matter of public record and is available online at
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