



**VILLAGE OF UNIONVILLE CENTER
UNION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007-2008



Mary Taylor, CPA
Auditor of State

VILLAGE OF UNIONVILLE CENTER
UNION COUNTY

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Mary Taylor, CPA
Auditor of State

Village of Unionville Center
Union County
106 Main Street
Unionville Center, Ohio 43077

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Village to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 4, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Unionville Center
Union County
106 Main Street
Unionville Center, Ohio 43077

To the Village Council:

We have audited the accompanying financial statements of the Village of Unionville Center, Union County, Ohio (the Village) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Unionville Center, Union County, Ohio as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 7, for the year ended December 31, 2007, the Village changed its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* to the accounting practices the Auditor of State Prescribes or permits.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2009, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

December 4, 2009

**UNIONVILLE CENTER VILLAGE
UNION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Funds</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property and Local Taxes	\$ 7,123	\$ -	\$ 7,123
Intergovernmental	6,529	16,858	23,387
Fines, Licenses and Permits	1,387	-	1,387
Earnings on Investments	50	360	409
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	15,089	17,218	32,307
Cash Disbursements:			
Current:	-	-	-
Security of Persons & Property	2,694	-	2,694
Basic Utility Services	140	-	140
Transportation	-	8,790	8,790
General Government	13,068	218	13,287
Capital Outlay	-	5,289	5,289
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	15,903	14,297	30,200
Total Receipts Over/(Under) Disbursements	(813)	2,921	2,107
Fund Cash Balance, January 1	<hr/> 12,081	<hr/> 47,068	<hr/> 59,149
Fund Cash Balance, December 31	<hr/> <u>\$ 11,268</u>	<hr/> <u>\$ 49,988</u>	<hr/> <u>\$ 61,256</u>
Reserve for Encumbrances, December 31	<hr/> <u>\$ 1,204</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 1,204</u>

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

**UNIONVILLE CENTER VILLAGE
UNION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Funds</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property and Local Taxes	\$ 5,692	\$ -	\$ 5,692
Intergovernmental	6,608	13,462	20,070
Fines, Licenses and Permits	1,695	-	1,695
Earnings on Investments	341	661	1,002
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	14,336	14,123	28,459
Cash Disbursements:			
Current:			
Security of Persons & Property	3,042	-	3,042
Leisure Time Activities	124	-	124
Basic Utility Services	173	86	259
Transportation	-	5,430	5,430
General Government	11,032	352	11,384
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	14,724	5,516	20,239
Total Receipts Over/(Under) Disbursements	(388)	8,607	8,219
Fund Cash Balance, January 1	12,469	38,461	50,930
Fund Cash Balance, December 31	<u>\$ 12,081</u>	<u>\$ 47,068</u>	<u>\$ 59,149</u>
Reserve for Encumbrances, December 31	<u>\$ 1,391</u>	<u>\$ -</u>	<u>\$ 1,391</u>

**VILLAGE OF UNIONVILLE CENTER
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Unionville Center, Union County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services. The Village contracts with the Union County Sheriff's department to provide security of persons and property.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village 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 Auditor of State prescribes or permits.

C. Deposits and Investments

The Village's accounting basis includes investments as 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.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose 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.

**VILLAGE OF UNIONVILLE CENTER
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, department and 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 carried over, and need not be reappropriated. The Village did not encumber all commitments required by Ohio law.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

2. Equity in Pooled Deposits and Investments

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

	<u>2008</u>	<u>2007</u>
Demand deposits	\$45,892	\$38,894
STAR Ohio	15,364	20,255
Total deposits and investments	<u>\$61,256</u>	<u>\$59,149</u>

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

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

**VILLAGE OF UNIONVILLE CENTER
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$15,145	\$15,089	(\$56)
Special Revenue	23,730	17,218	(6,512)
Total	\$38,875	\$32,307	(\$6,568)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$20,923	\$17,107	\$3,816
Special Revenue	20,930	14,297	6,633
Total	\$41,853	\$31,404	\$10,449

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$14,414	\$14,336	(\$78)
Special Revenue	13,930	14,123	193
Total	\$28,344	\$28,459	\$115

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$24,329	\$16,115	\$8,214
Special Revenue	23,731	5,516	18,215
Total	\$48,060	\$21,631	\$26,429

4. Property Tax

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 homestead and rollback deductions. The financial statements include homestead and rollback 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.

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.

**VILLAGE OF UNIONVILLE CENTER
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. Property Tax (Continued)

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 officials belong to either the Ohio Public Employees Retirement System (OPERS) or Social Security. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan's retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 and 9.5%, respectively, of their gross salaries and the Village contributed an amount equaling 14% and 13.85%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2008.

6. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Errors and omissions.

7. Change in Basis of Accounting

For the year ended December 31, 2007, the Village changed its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* to the accounting practices the Auditor of State prescribes or permits. This change did not result in a restatement of the fund balances.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Unionville Center
Union County
106 Main Street
Unionville, Ohio 43077

To the Village Council:

We have audited the financial statements of the Village of Unionville Center, Union County, (the Village) as of and for the year ended December 31, 2008 and 2007, and have issued our report thereon dated December 4, 2009, wherein we noted the Village changed their financial presentation and followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also note the Village used the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(B) and 115.56 mandate the Auditor of State of audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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We consider findings 2008-001 and 2008-002 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We believe findings 2008-001 and 2008-002 are also material weaknesses.

We also noted certain internal control matters that we reported to the Village's management in a separate letter dated December 4, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-003.

We also noted certain noncompliance or other matters that we reported to the Village's management in a separate letter dated December 4, 2009.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the management and Village Council. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

December 4, 2009

VILLAGE OF UNIONVILLE CENTER
UNION COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007

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

Finding Number	2008-001
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Material Weakness – Financial Reporting

The Village utilizes UAN for their accounting records but with limited monitoring over cash transactions. The Clerk uses UAN to file required annual financial statements on the cash basis permitted by the Auditor of State.

In 2007 five audit adjustments and reclassifications were needed to accurately reflect receipts and expenditures on the 2007 financial statements. These adjustments ranged in dollar amount from \$6.00 to \$2,048.96. In 2008 nine audit adjustments and reclassifications were needed to accurately reflect receipts and expenditures on the 2008 financial statements. These adjustments ranged from \$49.69 to \$5,300. The adjustments and reclassifications included intergovernmental revenue, reclassification of expenditures, and cash reconciliations. See finding 2008-002.

The Village has posted the adjustments and reclassifications to their accounting records and financial statements.

We recommend the Village implement additional internal control procedures to ensure the accuracy and completeness of transactions and the annual financial reports. The internal control procedures can include additional review of financial statements, revenue ledgers, and expenditures ledgers by an outside party and/or using analytical reviews for comparison of current year to prior year numbers.

Finding Number	2008-002
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**Material Weakness
Bank Reconciliations and Monitoring**

The Village Clerk should perform monthly bank to book reconciliations to ensure all receipts and expenditures are accounted for and properly recorded in the accounting system. Reconciling items, including outstanding checks, deposits in transit, and other reconciling items should be evaluated with the reconciliation for accuracy purposes to ensure financial statements information is presented to Village Council's review is accurate.

**VILLAGE OF UNIIONVILLE CENTER
UNION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number	2008-002 (Continued)
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**Material Weakness
Bank Reconciliations and Monitoring –(Continued)**

During the audit period the Clerk did perform monthly reconciliations. However, for 20 of the 24 months there are unexplained adjusting factors included on the reconciliation; this required the auditors to perform a proof of cash. During the proof of cash testing we noted the following significant issues:

- We noted State receipts for the months of April and September 2008 were not posted to the Village’s accounting system resulting in an adjustment of \$1,471 to intergovernmental receipts.
- We noted four checks which were voided on the Village’s accounting system; however, these checks had actually cleared the bank and were for actual expenditures. This resulted an increase of General Government expenditures in the amount of \$878 in 2008.
- We noted the Village posted \$5,300 in interest receipts that were never posted to the bank in 2008
- In addition, in 2008 we noted eight receipts that were posted to the Village’s accounting records 2 to 3 months before the Clerk deposited the amounts into the bank. Some of these were shown as deposits in transits at year end and we noted they cleared bank in 2009.
- In 2007 we noted a \$472 state receipt that was not posted to the Village’s accounting system.
- In addition, in 2007 we noted 10 receipts that were deposited into the bank but not posted to the Village’s accounting system for up to 6 months. The Clerk made a large adjustment at year end to post these receipts to the Village’s accounting system.

Failure to record required accounting adjustments and preparation/review of formal bank reconciliations by management can lead to misappropriation of Village funds. This could also lead the Council to make improper financial decisions.

The Village has posted the adjustments and reclassifications to their accounting records and financial statements, see finding 2008-001.

We recommend the Village complete formal bank reconciliations , if there are reconciling items the Clerk should determine the accuracy of these items and update the accounting records timely. The Clerk should update the accounting system timely so that the Council can properly monitor the Village’s financial position and make sound decisions. In addition, the Clerk should deposit monies timely so the Village can receive the maximum amount of return on their investments. Reconciliations should be reviewed by the governing body on a monthly basis and formally approved attesting to their accuracy and completeness.

VILLAGE OF UNIIONVILLE CENTER
UNION COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)

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

Finding Number	2008-003
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Material Non-compliance – Prior Certification of Funds

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

**VILLAGE OF UNIIONVILLE CENTER
UNION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number	2008-003 (Continued)
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Material Non-compliance – Prior Certification of Funds (Continued)

Twenty seven percent of expenditures tested for 2008 were not certified by the Clerk at the time the commitment was incurred. Sixty percent of expenditures tested for 2007 were not certified by the Clerk at the time the commitment was incurred. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village’s funds exceeding budgetary spending limitations, we recommend that the accounting department certify that the funds are or will be available prior to obligation by the Village.

We recommend the Village certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The department head should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The accounting department should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Official’s Response for Findings 2008-001 through 2008-003:

The Village of Unionville Center recognizes the results from the State Auditor for the most recent audit completed. The Village council will do all within reason to amend, correct and compensate for any recommendations that were cited in this report.

VILLAGE OF UNIONVILLE CENTER
UNION COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Financial Reporting	No	Repeated in Finding 2008-001



Mary Taylor, CPA
Auditor of State

VILLAGE OF UNIONVILLE CENTER
UNION 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
FEBRUARY 9, 2010