



**VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013**



**Dave Yost • Auditor of State**



VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report .....	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2014 .....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2013 .....	4
Notes to the Financial Statements .....	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11
Schedule of Findings .....	13

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of Unionville Center  
Union County  
P.O. Box 5  
Unionville Center, Ohio 43077

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Unionville Center, Union County, Ohio (the Village) as of and for the years ended December 31, 2014 and 2013.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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* paragraph, the financial statements referred to above 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, 2014 and 2013, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Unionville Center, Union County, Ohio as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2016, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 14, 2016

**VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 7,051	\$ -	\$ 7,051
Intergovernmental	4,516	14,499	19,015
Charges for Services	200	-	200
Fines, Licenses and Permits	2,461	-	2,461
Earnings on Investments	2	3	5
Miscellaneous	98	-	98
<i>Total Cash Receipts</i>	<u>14,328</u>	<u>14,502</u>	<u>28,830</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	3,340	-	3,340
Basic Utility Services	218	584	802
Transportation	-	26,986	26,986
General Government	9,429	-	9,429
<i>Total Cash Disbursements</i>	<u>12,987</u>	<u>27,570</u>	<u>40,557</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,341</u>	<u>(13,068)</u>	<u>(11,727)</u>
<b>Other Financing Disbursements</b>			
Other Financing Uses	(282)	-	(282)
<i>Net Change in Fund Cash Balances</i>	1,059	(13,068)	(12,009)
<i>Fund Cash Balances, January 1</i>	<u>15,122</u>	<u>101,699</u>	<u>116,821</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	88,631	88,631
Assigned	6,028	-	6,028
Unassigned (Deficit)	10,153	-	10,153
<i>Fund Cash Balances, December 31</i>	<u>\$ 16,181</u>	<u>\$ 88,631</u>	<u>\$ 104,812</u>

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

**VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 7,802	\$ -	\$ 7,802
Intergovernmental	4,796	14,874	19,670
Charges for Services	320	-	320
Fines, Licenses and Permits	1,556	-	1,556
Earnings on Investments	3	3	6
Miscellaneous	128	-	128
<i>Total Cash Receipts</i>	<u>14,605</u>	<u>14,877</u>	<u>29,482</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	3,244	-	3,244
Leisure Time Activities	1,500	-	1,500
Community Environment	488	-	488
Basic Utility Services	278	-	278
Transportation	-	1,732	1,732
General Government	10,860	168	11,028
<i>Total Cash Disbursements</i>	<u>16,370</u>	<u>1,900</u>	<u>18,270</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,765)	12,977	11,212
<i>Fund Cash Balances, January 1</i>	<u>16,887</u>	<u>88,722</u>	<u>105,609</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	101,699	101,699
Assigned	8,645	-	8,645
Unassigned (Deficit)	6,477	-	6,477
<i>Fund Cash Balances, December 31</i>	<u>\$ 15,122</u>	<u>\$ 101,699</u>	<u>\$ 116,821</u>

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



**VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**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 participates in the Pleasant Valley Joint Fire District, a jointly governed organization. Note 7 to the financial statements provides additional information for this entity.

Jointly Governed Organization:

The Pleasant Valley Joint Fire District provides fire protection and rescue services within the District and by contract to areas outside the District.

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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Council 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(D) permit.

**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 accounts for and reports all financial resources not accounted for and reported in another fund.

VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

D. **Fund Accounting (Continued)**

2. **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 Fund:

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

E. **Budgetary Process**

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

1. **Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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.

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 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.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

F. **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:

1. **Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

2. 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.

3. 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.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. 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.

G. 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.

**VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**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:

	2014	2013
Demand deposits	\$89,357	\$101,372
STAR Ohio	15,455	15,450
Total deposits and investments	\$104,812	\$116,821

**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.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

**2014 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$13,655	\$14,328	\$673
Special Revenue	11,005	14,502	3,497
Total	\$24,660	\$28,830	\$4,170

**2014 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$22,300	\$14,269	\$8,031
Special Revenue	66,100	28,770	37,330
Total	\$88,400	\$43,039	\$45,361

**2013 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$13,655	\$14,605	\$950
Special Revenue	11,005	14,877	3,872
Total	\$24,660	\$29,482	\$4,822

**2013 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$23,800	\$16,370	\$7,430
Special Revenue	67,600	1,900	65,700
Total	\$91,400	\$18,270	\$73,130

**VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**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.

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 multi-employer plan. The Ohio Revised Code prescribed the plan benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribed the contribution rates. For 2014 and 2013, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. All employees not otherwise covered by OPERS have an option to choose Social Security. As of December 31, 2014, certain employees of the Village have elected Social Security. The Village's liability is 6.2% of wages paid. The Village was not properly remitting retirement payments of \$632.44 and \$447.24 in Social Security and Medicare during 2013 and 2014 respectively. Additionally, the Village was charged late fees by OPERS and had \$36 outstanding as of December 31, 2014. They have since paid all contributions required through December 31, 2014.

**6. Risk Management**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

**7. Jointly Governed Organizations**

The Village is a participant, along with Canaan Township, Darby Township (Madison County), Darby Township (Union County), and the Village of Plain City, in the Pleasant Valley Joint Fire District, which provides fire protection and rescue services within the District and by contract to areas outside the District. The District possesses its own budgeting and taxing authority. The degree of the control exercised by the Village is limited to its representation on the Board. Financial Information can be obtained from the Pleasant Valley Joint Fire District.

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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 Unionville Center  
Union County  
P.O. Box 5  
Unionville Center, Ohio 43077

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Unionville Center, Union County, Ohio, (the Village) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated July 14, 2016, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2014-001 and 2014-002 to be material weaknesses.

***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, opining 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 we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-003.

***Entity's Response to Findings***

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.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 14, 2016



VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013

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

FINDING NUMBER 2014-001

**Financial Reporting**  
**Material Weakness**

Sound financial reporting is the responsibility of the Treasurer and the Village Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. Additionally, Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", requires the classification of fund balance as non-spendable, restricted, committed, assigned, or unassigned based on the constraints placed upon the uses of resources.

The following audit adjustments and reclassifications were made to the December 31, 2014 financial statements and accounting records:

- Adjustment of \$179 in Motor Vehicle License Tax receipts from Property Tax Receipts in the General Fund to Intergovernmental Receipts in the Special Revenue Fund.
- Adjustment of \$711 in Gasoline Excise/Highway Tax receipts from Intergovernmental Receipts in the General Fund to Intergovernmental Receipts in the Special Revenue Fund.
- Adjustment of \$252 for a Local Government Receipt that was recorded twice in the General Fund.
- Adjustment of \$232 in Local Government receipts from Intergovernmental Receipts in the Special Revenue Fund to Intergovernmental Receipts in the General Fund.
- Adjustment of \$776 in Homestead and Rollback Tax receipts from Intergovernmental Receipts in the Special Revenue Fund to Intergovernmental Receipts in the General Fund.
- Adjustment of \$362 in Gasoline Excise/Highway Tax receipts from Miscellaneous Receipts in the General Fund to Intergovernmental Receipts in the Special Revenue Fund.
- Reclassification of \$776 in Homestead and Rollback Tax receipts from Property Tax receipts to Intergovernmental receipts in the General Fund.
- Adjustment of \$171 for Motor Vehicle License Tax receipt that was recorded twice in the Special Revenue Fund.
- Reclassification of \$2,388 in Property Tax Receipts from Intergovernmental Receipts to Property Taxes in the General Fund.
- Reclassification of \$6,028 from Unassigned Fund Balance to Assigned Fund Balance in the General Fund.
- Adjustment of \$338 in Other Financing Uses in the Special Revenue Fund to General Government expenditures in the General Fund.

The following reclassification was made to the December 31, 2013 financial statements and accounting records:

- Reclassification of \$6,249 from Unassigned Fund Balance to Assigned Fund Balance in the General Fund.

VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013  
(Continued)

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

FINDING NUMBER 2014-001 (Continued)

**Financial Reporting (Continued)**  
**Material Weakness**

The following reclassifications/adjustments were inconsequential to the overall financial statements of the Village and were not posted to the December 31, 2014 financial statements:

- Reclassification of \$125 Charges for Services receipts and \$22 Miscellaneous receipts to Fines, License, and Permits in the General Fund.
- Reclassification of \$282 Other Financing Uses to General Government in the General Fund.
- Adjustment of \$460 to General Government expense and Property Tax receipts in the General Fund to record receipts at gross.

The following adjustment was inconsequential to the overall financial statements of the Village and was not posted to the December 31, 2013 financial statements:

- Adjustment of \$166 to General Government expenditures and Property Tax receipts in the General Fund to record receipts at gross.

By not recording transactions properly, the Village is not accurately reporting their financial activity. The adjustments and reclassifications identified above should be reviewed by the Treasurer and Village Council to ensure that similar errors are not reported on financial statements in subsequent years. In addition, the Village should develop procedures for the periodic review of the activity posted to the accounting records, as well as for the review of the financial statement information to ensure it accurately reflects the Village's activity and is in accordance with GASB Statement No. 54..

**Officials' Response:**

The village has put measures in place to ensure these things do not happen in the future. All bank reconciliations and reports are done right after the first of the month. These are presented at every council meeting. Transactions are being posted to the appropriate accounts and steps are taken to make sure these are correct. Also, all bank deposits are done right after we receive any checks to be deposited.

VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013  
(Continued)

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

FINDING NUMBER 2014-002

**Timely Deposits and Posting of Transactions / Monthly Bank Reconciliations / Council Monitoring  
Material Weakness**

Receipts and expenditures should be posted to the accounting system in a timely manner to allow for monitoring and accurate reporting of the Village's financial activity. Additionally, monthly bank reconciliations should be performed by the Fiscal Officer to determine if all receipts and disbursements have been properly posted. Reconciling items should be investigated at the time of the reconciliation and resolved in a timely manner. Once completed, the reconciliation should be reviewed for accuracy by the Council.

The Village's former Fiscal Officer did not post all receipts or expenditures to the accounting ledgers during the period from January 2014 through November 2014, and consequently the Council did not review financial reports for these months. Additionally, checks received from the Marysville Municipal Court from December 2013 to August 2014 were not deposited until September 2014.

When transactions are not deposited and/or posted timely and bank reconciliations are not performed, the Council does not have accurate knowledge of the financial status of the Village. Also, lack of monitoring of monthly financial reports and bank reconciliations may lead to errors, irregularities, or misappropriation of the Village's assets as well as misstated financial statements, such as those misstatements identified in Finding 2014-001.

We recommend the Fiscal Officer post all receipt and expenditure transactions to the accounting ledgers in the proper period and in a timely manner to aid in the reconciliation process. Additionally, the Fiscal Officer should deposit all receipts within a reasonable period of time. Monthly bank to book reconciliations should be performed that properly account for all transactions during the respective month as well as all reconciling items. We further recommend the Fiscal Officer provide the Council monthly system-generated financial reports, including detailed revenue and expenditure transaction reports, budget versus actual revenue and expenditure reports, bank reconciliation report, and fund balance reports. These reports should be reviewed by the Council and appropriate follow-up should be made regarding any unusual balances or transactions.

**Officials Response:**

The village has put measures in place to ensure these things do not happen in the future. All bank reconciliations and reports are done right after the first of the month. These are presented at every council meeting. Transactions are being posted to the appropriate accounts and steps are taken to make sure these are correct. Also, all bank deposits are done right after we receive any checks to be deposited.

VILLAGE OF UNIONVILLE CENTER  
UNION COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013  
(Continued)

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

FINDING NUMBER 2014-003

**Medicare and Social Security  
Material Noncompliance**

26 U.S.C. Section 3102 states that Medicare and Social Security Tax shall be collected by the employer of the taxpayer, by deducting the amount of the tax from the wages as and when paid. Furthermore, 26 U.S.C. Section 3403 states that the employer shall be liable for the payment of the tax required to be deducted and withheld.

During 2014 and 2013, the Village withheld Medicare and Social Security from its employees at the appropriate rate, totaling \$447.24 in 2014 and \$632.44 in 2013. However, the Village did not remit the employee withholdings or employer share of the tax to the Internal Revenue Service.

Failure to remit employee withholdings and employer's share of Medicare and Social Security tax to the IRS could result in the assessment of fines and penalties.

We recommend that the Village remit employee and employer share of Medicare and Social Security to the Internal Revenue Service.

**Officials Response:**

The village has put measures in place to ensure these things do not happen in the future. All bank reconciliations and reports are done right after the first of the month. These are presented at every council meeting. Transactions are being posted to the appropriate accounts and steps are taken to make sure these are correct. Also, all bank deposits are done right after we receive any checks to be deposited.



# Dave Yost • 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  
AUGUST 30, 2016