



**Auditor of State
Betty Montgomery**

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

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**Auditor of State
Betty Montgomery**

Village of Uniopolis
Auglaize County
71 E. Ohio Street
P.O. Box 67
Uniopolis, Ohio 45888

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 a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government 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 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.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

May 9, 2005

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Village of Uniopolis
Auglaize County
71 E. Ohio Street
P.O. Box 67
Uniopolis, Ohio 45888

To the Village Council:

We have audited the accompanying financial statements of Village of Uniopolis, Auglaize County, (the "Village"), as of and for the years ended December 31, 2004 and 2003. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village 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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Government does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, 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.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above 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, 2004, or its changes in financial position or cash flows for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 May 9, 2005, 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 testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. 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.



Betty Montgomery
Auditor of State

May 9, 2005

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>			Totals
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
Cash Receipts:				
Property Tax and Other Local Taxes	\$4,758			\$4,758
Intergovernmental Receipts	73,473	\$11,216	36,252	120,941
Earnings on Investments	2,234	70		2,304
Miscellaneous	2,426			2,426
Total Cash Receipts	82,891	11,286	36,252	130,429
Cash Disbursements:				
Current:				
Security of Persons and Property	19,000			19,000
Leisure Time Activities	3,336			3,336
Basic Utility Services	20,291			20,291
Transportation		3,879		3,879
General Government	36,577			36,577
Capital Outlay			36,252	36,252
Total Cash Disbursements	79,204	3,879	36,252	119,335
Total Receipts Over Disbursements	3,687	7,407		11,094
Fund Cash Balances, January 1	168,317	20,179		188,496
Fund Cash Balances, December 31	<u>\$172,004</u>	<u>\$27,586</u>	<u>\$0</u>	<u>\$199,590</u>

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

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

Operating Cash Receipts:

Charges for Services	\$24,114
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Operating Cash Disbursements:

Personal Services	4,680
Fringe Benefits	649
Contractual Services	20,200
Supplies and Materials	<u>7,192</u>

Total Operating Cash Disbursements	<u>32,721</u>
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Operating (Loss)	(8,607)
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Non-Operating Cash Disbursements:

Debt Service	<u>705</u>
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Net Receipts (Under) Disbursements	(9,312)
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Fund Cash Balance, January 1	<u>59,137</u>
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Fund Cash Balance, December 31	<u><u>\$49,825</u></u>
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The notes to the financial statements are an integral part of this statement.

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

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

	<u>Governmental Fund Types</u>		Totals
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property Tax and Other Local Taxes	\$4,973		\$4,973
Intergovernmental Receipts	78,374	\$9,542	87,916
Fines, Licenses, and Permits	59		59
Earnings on Investments	2,387	63	2,450
Miscellaneous	2,457		2,457
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	88,250	9,605	97,855
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Security of Persons and Property	22,123		22,123
Leisure Time Activities	6,847		6,847
Basic Utility Services	9,774		9,774
Transportation		5,342	5,342
General Government	35,796		35,796
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	74,540	5,342	79,882
	<hr/>	<hr/>	<hr/>
Total Receipts Over Disbursements	13,710	4,263	17,973
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	154,607	15,916	170,523
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u><u>\$168,317</u></u>	<u><u>\$20,179</u></u>	<u><u>\$188,496</u></u>

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

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

Operating Cash Receipts:

Charges for Services	\$27,775
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Operating Cash Disbursements:

Personal Services	4,480
Fringe Benefits	628
Contractual Services	23,297
Supplies and Materials	<u>3,265</u>

Total Operating Cash Disbursements	<u>31,670</u>
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Operating (Loss)	(3,895)
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Non-Operating Cash Disbursements:

Debt Service	<u>705</u>
--------------	------------

Net Receipts (Under) Disbursements	(4,600)
------------------------------------	---------

Fund Cash Balance, January 1	<u>63,737</u>
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Fund Cash Balance, December 31	<u><u>\$59,137</u></u>
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The notes to the financial statements are an integral part of this statement.

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

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 Uniopolis, Auglaize County, (the "Village"), as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides sewer utilities, park operations, and police services. The Village contracts with the Uniopolis Volunteer Fire Department to fire protection services and ambulance services.

The Village provides general governmental services including sewer utilities, park operations (leisure time activities), and police services. The Village contracts with Uniopolis Volunteer Fire Department to provide fire protection and ambulance services.

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

B. Basis of Accounting

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis 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 adequately disclose material matters the Auditor of State prescribes.

C. Cash and Investments

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

The Village's checking account, savings account, and certificate of deposit are valued at cost.

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 Fund

These funds account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following Capital Projects Fund:

Issue II Fund – This fund is used to account for resources received on behalf of the Village from the Ohio Public Works Commission and are used for Village improvements. In 2004, it was used for the storm sewer replacement project.

4. 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 Enterprise Fund:

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

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. Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2004 and 2003B 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.

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2004	2003
Demand deposits	\$53,822	\$44,212
Savings deposits	165,593	173,421
Certificates of deposit	30,000	30,000
Total deposits	<u>\$249,415</u>	<u>\$247,633</u>

Deposits: Deposits are insured either by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$86,597	\$82,891	(\$3,706)
Special Revenue	9,925	11,286	1,361
Capital Projects	36,252	36,252	0
Enterprise	24,000	24,114	114
Total	<u>\$156,774</u>	<u>\$154,543</u>	<u>(\$2,231)</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$254,914	\$79,204	\$175,710
Special Revenue	28,104	3,879	24,225
Capital Projects	36,252	36,252	0
Enterprise	83,137	33,426	49,711
Total	<u>\$402,407</u>	<u>\$152,761</u>	<u>\$249,646</u>

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$95,300	\$88,250	(\$7,050)
Special Revenue	9,700	9,605	(95)
Enterprise	24,000	27,775	3,775
Total	<u>\$129,000</u>	<u>\$125,630</u>	<u>(\$3,370)</u>

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$249,907	\$74,540	\$175,367
Special Revenue	25,615	5,342	20,273
Enterprise	87,737	32,375	55,362
Total	<u>\$363,259</u>	<u>\$112,257</u>	<u>\$251,002</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts 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 State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment 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.

Property owners assess tangible personal property tax. They must file a list of tangible property to the County by each April 30. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on the Village's behalf.

5. DEBT

Debt outstanding at December 31, 2004 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	\$12,330	0.00%

The Ohio Public Works Commission loan was obtained for a sewer plant project that was mandated by the Ohio Environmental Protection Agency. The loan will be repaid in semiannual installments of \$352.29 over 20 years. The loan is uncollateralized. The debt will be repaid from sewer revenues.

Amortization of the above debt, including interest, follows:

2005	\$352
2006	705
2007	705
2008	705
2009	705
2010-2014	3,522
2015-2019	3,522
2020-2022	2,114
Total	<u>\$12,330</u>

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

6. RETIREMENT SYSTEMS

A. Public Employees Retirement System

The Village's employees and most elected officials belong to the Ohio Public Employees Retirement System (OPERS). 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 2004 and 2003, OPERS members contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2004.

B. Social Security System

Effective July 1, 1991, all employees and officials not otherwise covered by the Public Employees Retirement System have an option to choose Social Security or the Public Employees Retirement System. As of December 31, 2004, four elected officials have elected Social Security. The Village's liability is 6.2 percent of wages paid.

7. RISK MANAGEMENT

Risk Pool Membership

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio governments ("Members").

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

The Plan issues its own policies and reinsures with A-VII or better rated carriers, except for a 5% portion the Plan retains. With policies effective September 1, 2003 and after, the Plan pays the lesser of 5% or \$25,000 for casualty losses up to the coverage limit and the lesser of 5% or \$50,000 for property losses up to the coverage limit. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2003 and 2002 (the latest information available):

	<u>2003</u>	<u>2002</u>
Assets	\$5,402,167	\$5,584,592
Liabilities	(1,871,123)	(2,441,793)
Members' Equity	<u>\$3,531,044</u>	<u>\$3,142,799</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

8. SUBSEQUENT EVENTS

In January 2005, the Village, along with most of the region, experienced a severe ice storm that resulted in vast power outages and massive amounts of fallen trees and tree limbs. The Governor of the State of Ohio declared Auglaize County a disaster area. This declaration allowed for all entities in the County, including the Village, to become eligible for Federal and State disaster relief funds. As of the report date, the Village has not received final approval on the amount of Federal and/or State funds it may receive. The costs incurred by the Village for clean up services were not significant to the General Fund.



Auditor of State Betty Montgomery

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

Village of Uniopolis
Auglaize County
71 E. Ohio Street
P.O. Box 67
Uniopolis, Ohio 45888

To the Village Council:

We have audited the financial statements of the Village of Uniopolis (the Village) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated May 9, 2005, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the Village uses 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 because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Village's management dated May 9, 2005, we reported other matters involving internal control over financial reporting.

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 we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2004-001. In a separate letter to the Village's management dated May 9, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the management, and the Village Council. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The script is cursive and fluid, with the first letters of the first and last names being capitalized and prominent.

Betty Montgomery
Auditor of State

May 9, 2005

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003**

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

FINDING NUMBER 2004-001

Noncompliance

Ohio Rev. Code Section 731.16 states that when it becomes necessary in the opinion of the legislative authority of a village, in the prosecution of any work under contract, to make alterations or modifications in such contract, such alterations or modifications shall be made only by the legislative authority by resolution, but such resolution or written modification shall be of no effect until the price to be paid for the work and material, or both, under the altered or modified contract, has been agreed upon in writing and signed by the contractor, and by the mayor. No contractor shall recover anything for work or material because of any alteration or modification, unless such contract is made as provided by this section, nor shall he recover for such work or material, or either, more than the agreed price.

The March 24, 2004 contract for the Storm Sewer Replacement Project, in the amount of \$38,107, had three change orders totaling \$15,938. The Village Council (legislative authority) only approved one of these change orders in the amount of \$328. The remaining change orders in the amount of \$15,610 were only approved by the Mayor.

When it has been determined that a contract must be modified/altered, the Village Council should formally approve the modifications and document such approval in the minutes.

**VILLAGE OF UNIOPOLIS
AUGLAIZE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2002-30206-001	ORC Sec. 5705.41(D) – Failure to prior certify expenditures	Yes	
2002-30206-002	The Mayor failed to sign a check	Yes	



**Auditor of State
Betty Montgomery**

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VILLAGE OF UNIOPOLIS

AUGLAIZE 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
JUNE 21, 2005**