

VILLAGE OF LAURA

DAYTON REGION, MIAMI COUNTY

REGULAR AUDIT

JANUARY 1, 1998 THROUGH DECEMBER 31, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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Village Council
Village of Laura
P.O. Box 110
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We have reviewed the independent auditor's report of the Village of Laura, Miami County, prepared by Vanderhorst & Manning CPAs, LLC, for the audit period January 1, 1998 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Laura is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

September 7, 2000

**VILLAGE OF LAURA
MIAMI COUNTY**

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**VANDERHORST & MANNING CPAs, LLC
111 DELAWARE AVENUE
GREENVILLE, OH 45331**

REPORT OF INDEPENDENT AUDITORS'

Village Council
Village of Laura
P.O. Box 110
Laura, Ohio 45337

We have audited the accompanying financial statements of the Village of Laura, Miami County, (the Village), as of and for the years ended December 31, 1999, and 1998. 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.

Except as discussed in the following paragraphs, we conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contain in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

We were unable to obtain written representations from management.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the written representations referred to in the preceding paragraphs been furnished to us by management, the financial statements referred to in the first paragraph present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Village of Laura, Miami County, as of December 31, 1999, and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 14, 2000, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Vanderhorst & Manning CPAs, LLC
Greenville, Ohio
August 14, 2000

**VILLAGE OF LAURA
MIAMI COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Funds			Total (Memorandum Only)
	General	Special Revenue	Capital Project	
Cash Receipts:				
Taxes	\$ 13,560	\$ 5,983	\$ 0	\$ 19,543
Intergovernmental Receipts	31,968	29,767	0	61,735
Special Assessments	0	6,829	0	6,829
Fines, Licenses, and Permits	21,703	0	0	21,703
Interest	1,453	903	0	2,356
Miscellaneous	23,187	25	0	23,212
Total Cash Receipts	\$ 91,871	\$ 43,507	\$ 0	\$ 135,378
Cash Disbursements:				
General Government	\$ 29,635	\$ 0	\$ 0	\$ 29,635
Security of Persons and Property	29,381	16,572	0	45,953
Basic Utility Service	0	1,679	0	1,679
Community Environment	208	0	0	208
Transportation	15,803	12,544	0	28,347
Capital Outlay	12,021	0	0	12,021
Total Cash Disbursements	\$ 87,048	\$ 30,795	\$ 0	\$ 117,843
Total Receipts Over/ (Under) Disbursements	\$ 4,823	\$ 12,712	\$ 0	\$ 17,535
Other Financing Sources/(Uses)				
Transfers In	\$ 0	\$ 1,000	\$ 0	\$ 1,000
Transfers Out	(1,000)	0	0	(1,000)
Total Other Financing Sources/(Uses)	\$ (1,000)	\$ 1,000	\$ 0	\$ 0
Total Receipts Over/ (Under) Disbursements and Other Financing Sources/(Uses)	\$ 3,823	\$ 13,712	\$ 0	\$ 17,535
Fund Cash Balances, January 1, 1999	30,475	87,596	365	118,436
Fund Cash Balances, December 31, 1999	\$ 34,298	\$ 101,308	\$ 365	\$ 135,971

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF LAURA
MIAMI COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	PROPRIETARY FUND	FIDUCIARY FUNDS		Total (Memorandum Only)
	Enterprise Fund	Agency Fund	Expendable Trust Fund	
Operating Receipts:				
Charges for Services	\$ 127,338	\$ 0	\$ 0	\$ 127,338
Fines, Licenses, and Permits	0	28,097	0	28,097
Miscellaneous	0	0	7,500	7,500
Total Cash Receipts	\$ 127,338	\$ 28,097	\$ 7,500	\$ 162,935
Operating Disbursements:				
Personal Services - Salaries	\$ 16,515	\$ 0	\$ 0	\$ 16,515
Employee's Retirement and Insurance	2,438	0	0	2,438
Contractual Services	3,273	0	0	3,273
Supplies and Materials	37,381	0	0	37,381
Village of Laura	0	21,478	0	21,478
State of Ohio	0	6,619	0	6,619
Capital Outlay	0	0	7,204	7,204
Debt Service	63,741	0	0	63,741
Total Operating Disbursements	\$ 123,348	\$ 28,097	\$ 7,204	\$ 158,649
Operating Loss	\$ 3,990	\$ 0	\$ 296	\$ 4,286
Non-Operating & Disbursements				
Transfers In	\$ 6,693	\$ 0	\$ 0	\$ 6,693
Transfers Out	(6,693)	0	0	(6,693)
Total Other Financing Sources/(Uses)	\$ 0	\$ 0	\$ 0	\$ 0
Net Receipts Over/(Under) Disbursements	\$ 3,990	\$ 0	\$ 296	\$ 4,286
Fund Cash Balances, January 1, 1999	55,200	0	0	55,200
Fund Cash Balances, December 31, 1999	\$ 59,190	\$ 0	\$ 296	\$ 59,486

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF LAURA
MIAMI COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	GOVERNMENTAL FUND TYPES			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>(Memorandum Only)</u>
Cash Receipts:				
Taxes	\$ 12,823	\$ 5,710	\$ 0	\$ 18,533
Intergovernmental Receipts	28,774	14,017	0	42,791
Special Assessments	0	6,760	0	6,760
Fines, Licenses, and Permits	6,538	0	0	6,538
Interest	2,435	1,534	0	3,969
Miscellaneous	2,996	0	0	2,996
	<u>53,566</u>	<u>28,021</u>	<u>0</u>	<u>81,587</u>
Total Cash Receipts	\$ 53,566	\$ 28,021	\$ 0	\$ 81,587
Cash Disbursements:				
General Government	\$ 31,218	\$ 0	\$ 0	\$ 31,218
Security of Persons and Property	19,864	5,577	0	25,441
Community Environment	779	0	0	779
Transportation	0	10,678	0	10,678
Capital Outlay	9,402	0	0	9,402
	<u>61,263</u>	<u>16,255</u>	<u>0</u>	<u>77,518</u>
Total Cash Disbursements	\$ 61,263	\$ 16,255	\$ 0	\$ 77,518
Total Receipts Over/(Under) Disbursements and Other Financing Sources/(Uses)	\$ (7,697)	\$ 11,766	\$ 0	\$ 4,069
Fund Cash Balances, January 1, 1998	<u>38,172</u>	<u>75,830</u>	<u>365</u>	<u>114,367</u>
Fund Cash Balances, December 31, 1998	<u><u>\$ 30,475</u></u>	<u><u>\$ 87,596</u></u>	<u><u>\$ 365</u></u>	<u><u>\$ 118,436</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF LAURA
MIAMI COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

	PROPRIETARY FUND	FIDUCIARY FUND	Total (Memorandum Only)
	Enterprise Fund	Agency Fund	
Operating Receipts:			
Charges for Services	\$ 125,896	\$ 0	\$ 125,896
Fines, Licenses, and Permits	<u>0</u>	<u>8,578</u>	<u>8,578</u>
Total Cash Receipts	\$ <u>125,896</u>	\$ <u>8,578</u>	\$ <u>134,474</u>
Operating Disbursements:			
Personal Services - Salaries	\$ 15,688	\$ 0	\$ 15,688
Employee's Retirement and Insurance	3,293	0	3,293
Contractual Services	3,133	0	3,133
Supplies and Materials	35,480	0	35,480
State of Ohio	0	2,040	2,040
Village of Laura	0	6,538	6,538
Debt Service	<u>61,908</u>	<u>0</u>	<u>61,908</u>
Total Operating Disbursements	\$ <u>119,502</u>	\$ <u>8,578</u>	\$ <u>128,080</u>
Operating Loss	\$ <u>6,394</u>	\$ <u>0</u>	\$ <u>6,394</u>
Non-Operating & Disbursements			
Transfers In	\$ 6,693	\$ 0	\$ 6,693
Transfers Out	<u>(6,693)</u>	<u>0</u>	<u>(6,693)</u>
Net Receipts Over/(Under) Disbursements	\$ 6,394	\$ 0	\$ 6,394
Fund Cash Balances, January 1, 1998	<u>48,806</u>	<u>0</u>	<u>48,806</u>
Fund Cash Balances, December 31, 1998	\$ <u><u>55,200</u></u>	\$ <u><u>0</u></u>	\$ <u><u>55,200</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF LAURA
MIAMI COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Laura of Miami County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, refuse service, park operations, leisure time activities, and police 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 basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates 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:

General Fund:

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds:

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

Street Construction Maintenance and Repair Fund – This fund receives intergovernmental revenues to maintain and repair streets.

State Highway Improvement Fund – This fund receives intergovernmental revenues to improve state routes in the Village.

**VILLAGE OF LAURA
MIAMI COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (continued)

Special Revenue Funds: (continued)

Street Lighting Fund – This fund receives special assessments charged for providing street lighting services.

Law Enforcement Education Fund – This fund receives funds for the education of law enforcement officers.

Capital Project Fund:

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

Ohio Water Development Authority Grant Fund – This fund receives funds from the Ohio Water Development Authority to make improvements to the waterworks system.

Enterprise Funds:

This fund accounts for an operation that is similar to a private business enterprise where management intends that the significant costs of providing the good or service will be recorded through user charges. The Village had the following enterprise fund:

Water Fund – This fund receives the revenue from water sales to Village residents on a per flat rate basis. Water system operating expenditures are charged to this fund.

Sewer Fund – This fund receives the revenue from sewer rates charged to Village residents based on water usage. Sewer system operating expenditures are charged to this fund.

Sewer Replacement Fund – This fund receives revenue from the Sewer fund to be used for replacement of major parts and equipment when needed.

Fiduciary Funds: (Trust and Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds.

Mayor's Court Agency Fund – This fund records the activity of the Village Mayor's Court receipts and disbursements.

Carroll Expendable Trust Fund – This fund received a donation for the purpose of erecting and maintaining a Veterans Memorial.

**VILLAGE OF LAURA
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

**VILLAGE OF LAURA
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	1999	1998
Certificates of Deposit	\$ 5,475	\$ 5,369
Demand Deposits	<u>189,982</u>	<u>168,267</u>
Total Deposits and Investments	<u>\$195,457</u>	<u>\$173,636</u>

Deposits:

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool or (3) specific collateral.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 1999, and 1998 was as follows:

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 74,863	\$ 91,871	\$ 17,008
Special Revenue	43,521	44,507	986
Capital Projects	0	0	0
Enterprise	<u>132,589</u>	<u>134,031</u>	<u>1,442</u>
Total	<u>\$ 250,973</u>	<u>\$270,409</u>	<u>\$ 19,436</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 99,969	\$ 88,048	\$ 11,921
Special Revenue	115,618	30,795	84,823
Capital Projects	365	0	365
Enterprise	<u>187,789</u>	<u>130,041</u>	<u>57,748</u>
Total	<u>\$403,741</u>	<u>\$248,884</u>	<u>\$154,857</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 53,566	\$ 53,566	\$ 0
Special Revenue	28,021	28,021	0
Capital Project	0	0	0
Enterprise	<u>132,589</u>	<u>132,589</u>	<u>0</u>
Total	<u>\$214,176</u>	<u>\$214,176</u>	<u>\$ 0</u>

**VILLAGE OF LAURA
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

4. BUDGETARY ACTIVITY (continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 82,341	\$ 61,263	\$ 21,078
Special Revenue	99,608	16,255	83,353
Capital Project	365	0	365
Enterprise	<u>177,342</u>	<u>126,195</u>	<u>51,147</u>
Total	<u>\$359,656</u>	<u>\$203,713</u>	<u>\$155,943</u>

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

**VILLAGE OF LAURA
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

6. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest
OWDA – Water Improvement	\$ 33,287	8.19%
OWDA – Sewer Improvement	\$ 544,274	7.5%

All debt was issued for the improvement of the water and sewer systems. OWDA payments vary with interest being paid semiannually for both. Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31,	Water Improvement Loan	Sewer Improvement Loan
2000	\$ 6,742	\$ 56,873
2001	6,742	56,873
2002	6,742	56,873
2003	6,742	56,873
2004	6,742	56,873
2005-2009	10,113	284,366
2010-2014	0	284,367
2015-2017	<u>0</u>	<u>142,177</u>
Total	<u>\$ 43,823</u>	<u>\$ 995,275</u>

7. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries.

8. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- General Liability
- Auto Liability & Auto Physical Damage
- Public Officials Liability
- Property Coverage

**VANDERHORST & MANNING CPAs, LLC
111 DELAWARE AVENUE
GREENVILLE, OH 45331**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Village Council
Village of Laura
P.O. Box 110
Laura, Ohio 45337

We have audited the financial statements of the Village of Laura, Miami County (the Village), as of and for the years ended December 31, 1999, and 1998, and have issued our report thereon dated August 14, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of other matters involving internal control that we have reported to the management of the Village in a separate letter dated August 14, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 1999-30355-001 and 1999-30355-002.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above are material weaknesses.

In addition, we noted certain other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated August 14, 2000.

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

Vanderhorst & Manning CPAs, LLC
Greenville, Ohio

August 14, 2000

**VILLAGE OF LAURA
MIAMI COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

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

Finding Number 1999-30355-001

Phone Log

The Village did not maintain a log of long distance phone calls made from the Village phones or on Village credit cards. This condition could result in the Village paying for unauthorized or personal phone calls. Village Council should develop a written policy regarding long distance phone calls. The policy should require that all long distance phone calls made from Village phones or charged to Village credit cards be recorded on a phone log. A monthly comparison of the phone log and phone/credit card bills should be performed. Long distance calls which appear on the bills but do not appear on the log should be investigated. The policy should also address employee reimbursement of personal calls.

Finding Number 1999-30355-002

Monitoring of Expenditures

Although Council did approve all expenditures, there is no indication that Council or department heads review invoices and other supporting documentation of the expenditures. Such a review is necessary to ensure the goods or services received agree to the original order and to ensure Village funds are being spent for purposes which benefit the Village. Council or department heads should review supporting documentation of expenditures and investigate any questionable items prior to a payment.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF LAURA

MIAMI 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
SEPTEMBER 26, 2000**