



***VILLAGE OF LAURELVILLE
HOCKING COUNTY***

Regular Audit

**For the Years Ended
December 31, 2019 and 2018**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS



OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Laurelville
18751 Main Street
P. O. Box 393
Laurelville, Ohio 43135

We have reviewed the *Independent Auditor's Report* of the Village of Laurelville, Hocking County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2018 through December 31, 2019. 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 Laurelville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 10, 2020

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VILLAGE OF LAURELVILLE, HOCKING COUNTY

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Independent Auditor's Report

Village Council
Village of Laurelville
18751 Main Street
P.O. Box 393
Laurelville, OH 43135-0393

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 Laurelville, Hocking County, Ohio (the Village) as of and for the years ended December 31, 2019 and 2018.

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 statements misstatement, whether due to fraud or error. In assessing those risks, we consider internal controls 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 opinion.

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

As described in Note 2 of the December 31, 2019 and 2018 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 American (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, 2019 and 2018, or changes in financial position or cash flows thereof for the year 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 Laurelville, Hocking County as of December 31, 2019 and 2018, 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) permits, described in Note 2.

Emphasis of Matter

As discussed in Note 12 of the December 31, 2019 financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 4, 2020 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.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

August 4, 2020

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VILLAGE OF LAURELVILLE, HOCKING COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2019

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	
<u>Cash Receipts:</u>				
Property and Local Taxes	\$42,365	\$2,860	\$0	\$45,225
Intergovernmental	18,912	38,596	25,594	57,508
Charges for Service	17,788	205,699	0	223,487
Fines, Licenses, and Permits	128	0	0	128
Earnings on Investments	2,822	149	0	2,971
Miscellaneous	10,427	5,454	0	15,881
Total Cash Receipts	92,442	252,758	25,594	345,200
<u>Cash Disbursements:</u>				
<i>Current:</i>				
General Government	24,479	492	0	24,971
Security of Persons and Property	49,959	182,473	0	232,432
Leisure Time Activities	700	0	0	700
Community Environment	350	0	0	350
Basic Utility Service	9,568	0	0	9,568
Transportation	0	21,562	0	21,562
Capital Outlay	0	0	25,594	0
Debt Service:				
Principal	0	38,390	0	38,390
Interest and Fiscal Charges	0	1,234	0	1,234
Total Cash Disbursements	85,056	244,151	25,594	329,207
Cash Receipts Over/(Under) Cash Disbursements	7,386	8,607	0	15,993
Fund Cash Balances, January 1	54,631	318,527	23	373,181
Restricted	0	327,134	23	327,157
Unassigned	62,017	0	0	62,017
Fund Cash Balances, December 31	\$62,017	\$327,134	\$23	\$389,174

See accompanying notes to the financial statements.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Proprietary Fund Types and Similar Fiduciary Funds
For the Year Ended December 31, 2019

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	
	<u>Enterprise</u>	<u>Agency</u>	<u>Totals</u>
<u>Operating Cash Receipts:</u>			
Charges for Services	\$219,523	\$0	\$219,523
Fines, Licenses and Permits	0	3,351	3,351
Miscellaneous	6,590	0	6,590
Total Operating Cash Receipts	<u>226,113</u>	<u>3,351</u>	<u>229,464</u>
<u>Operating Cash Disbursements:</u>			
Personal Services	56,867	0	56,867
Employee Fringe Benefits	19,022	0	19,022
Contractual Services	92,180	0	92,180
Supplies and Materials	56,293	0	56,293
Other	5,900	3,071	8,971
Total Operating Cash Disbursements	<u>230,262</u>	<u>3,071</u>	<u>233,333</u>
Operating Income (Loss)	(4,149)	280	(3,869)
<u>Non-Operating Cash Receipts (Disbursements):</u>			
Principal Retirement	(8,498)	0	(8,498)
Interest and Other Fiscal Charges	(1,063)	0	(1,063)
Total Non-Operating Cash Receipts (Disbursements)	<u>(9,561)</u>	<u>0</u>	<u>(9,561)</u>
Net Change in Fund Cash Balances	(13,710)	280	(13,430)
Fund Cash Balances, January 1	<u>777,493</u>	<u>591</u>	<u>778,084</u>
Fund Cash Balances, December 31	<u><u>\$763,783</u></u>	<u><u>\$871</u></u>	<u><u>\$764,654</u></u>

See accompanying notes to the financial statements.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Laurelville, Hocking County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides road maintenance, police protection, water and sewer utilities, and refuse collection. The Village appropriates general fund money to support a volunteer fire department.

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

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. 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 contracted to be restricted.

Special Revenue Funds: These funds are used to account for proceeds from specific sources (other than 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 – The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

State Highway – The state highway fund accounts for and reports that portion of the State and county gasoline tax restricted for construction, maintenance and repair of streets with the Village.

Permissive Motor Vehicle License Tax – The permissive motor vehicle license tax fund accounts for and reports the portion of motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Fire Department Fund – This fund is used to account for receipts from fire contracts with neighboring townships for the operation of the fire department.

Mayor's Court Computer Fund – The Mayor's court computer fund accounts for and reports the portion of fines collected restricted for office supplies.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Enterprise Funds: These funds are used to 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 has the following significant Enterprise Fund:

Water Operating Fund - This fund receives charges for services from residents to cover water service costs.

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

Guaranteed Deposits - The guaranteed deposits fund accounts for deposits made for water and sanitary sewer services for residents within and outside the Village.

Waste Water Treatment Fund - This fund receives charges for services from residents of the Village of Adelphi to cover the cost of providing access to Laurelville's waste water treatment facility.

Agency Funds: These funds are used to account for custodial funds held by the Village acting as an agent for another government, organization, individual, or fund. The Village has the following significant agency fund:

Mayor's Court Fund – This agency fund is used to account for the activities of the Mayor's Court.

C. Basis of Accounting

The Village's financial statements follow the basis of accounting 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 basis of accounting. This method differs from generally accepted accounting principles because 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).

The 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.

D. Budgetary Process

The Ohio Revised Code requires that each Village 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 may not exceed estimated resources. Unencumbered appropriations lapse at year end.

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

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 2019 budgetary activity appears in Note 3.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

E. Capital Assets

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

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

G. Fund Balances

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:

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

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

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

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted or committed*. 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.

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.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Budgetary Basis of Accounting

The Village’s budgetary activity for the year ending December 31, 2019 was as follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$71,650	\$92,442	\$20,792
Special Revenue	219,830	252,743	32,913
Capital Improvements	500,000	25,594	(474,406)
Enterprise	206,000	226,111	20,111
<i>Total</i>	\$997,480	\$596,890	(\$400,590)

2019 Budgeted vs. Budgetary Disbursements			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Disbursements	
General	\$110,945	\$85,056	\$25,889
Special Revenue	468,543	244,136	224,407
Capital Improvements	500,000	25,594	474,406
Enterprise	921,700	239,823	681,877
<i>Total</i>	\$2,001,188	\$594,609	\$1,406,579

Note 4 – Cash and Investments

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Village had no investments at year end. The carrying amount of cash at year end was as follows:

	December 31, 2019
Demand Deposits	\$1,153,828
Total	\$1,153,828

Deposits are insured by the Federal Depository Insurance Corporation and collateralized through the Ohio Pooled Collateral System (OPCS).

Note 5- Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes area 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. The second half payment is due the following June 20.

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

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

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 – Risk Management

The Village is exposed to various risks of property and casualty losses, and injuries to employees. The Village insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

Then Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Financial Position

PEP’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2019 and 2018 (the latest information available):

Combined Coverage	<u>2019</u>	<u>2018</u>
Assets	\$54,973,597	\$49,921,998
Liabilities	<u>(16,440,940)</u>	<u>(14,676,199)</u>
Retained Earnings	<u>\$38,532,657</u>	<u>\$35,245,799</u>

The Casualty Coverage assets and retained earnings above include approximately \$13.7 million of unpaid claims to be billed to approximately 553 member governments in the future, as of December 31, 2019. PEP will collect these amounts in future annual contributions billings when PEP'S related liabilities are due for payment.

The Pool uses reinsurance and excess risk sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk sharing pool; however, they do not discharge the Pool’s primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which, like PEP, is administered by York Risk Pooling Services, Inc. (York). APEEP provides the Pool with an excess risk sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2019 the Pool retained \$500,000 for casualty claims and \$250,000 for property claims). The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 – Defined Benefit Pension Plans (continued)

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14%, of participants’ gross salaries. The Village has paid all contributions required through December 31, 2019.

Retirement Rates	Year	Member Rate	Employer Rate
OPERS - Local	2018-2019	10%	14%

Social Security

Several elected Village officials contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 14 percent of their gross salaries. The Village contributed an amount equal to 10 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2019.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 1 percent of the employer contribution to fund these benefits.

Note 9 – Debt

A schedule of changes in long-term obligations of the Village during 2019 follows:

	Interest Rate	Principal Balance 12-31-18	Issued in 2019	Retired in 2019	Principal Balance 12-31-19
John Deere Equipment	4.50%	\$4,480	\$0	\$2,783	\$1,697
2012 Fire Truck Loan (4 Door)	3.02%	36,557	0	36,557	0
Zenner Automated Metering Units	3.35%	31,743	0	7,548	24,195
		\$72,780	\$0	\$46,888	\$25,892

The loans are supported by the full faith and credit of the Village and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

The Village entered into a Municipal Lease Purchase Agreement in 2015 through Government Capital Corporation for the purchase of 313 Zenner Automated Metering Units in the amount of \$53,112 for seven years. The Village will make monthly payments of \$8,611 over the life of the loan.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt(continued)

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

	Zenner Automated Metering Units		John Deere Equipment	
	Principal	Interest	Principal	Interest
2020	\$7,801	\$811	\$1,697	\$262
2021	8,062	549	0	0
2022	8,332	279	0	0
Total	\$24,195	\$1,639	\$1,697	\$262

Note 10 – Fund Cash Balances

As of December 31, 2019, fund balances are composed of the following:

	General	Special Revenue	Capital Projects	Total
<i>Restricted:</i>				
Emergency Medical Services	\$0	\$311	\$0	\$311
Police	0	2,441	0	2,441
Fire	0	271,854	0	271,854
Economic Development	0	9	23	32
Road Maintenance & Improvement	0	52,519	0	52,519
<i>Unassigned</i>	62,017	0	0	62,017
Total	\$62,017	\$327,134	\$23	\$389,174

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow.

The Village is currently involved in a dispute with the United States Environmental Protection Agency (EPA) concerning a grant received by the Village. The EPA has disallowed several of the expenses made by the Village with the grant funds and therefore, the EPA is asking the Village to refund a portion of the grant. The Village disagrees with this assessment and is currently in negotiations with the EPA in attempt to resolve the issue.

Note 12 – COVID 19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The investments of the pension and other employee benefit plan in which the Village participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2018

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	
<u>Cash Receipts:</u>				
Property and Local Taxes	\$37,850	\$2,807	\$0	\$40,657
Intergovernmental	18,787	59,877	0	78,664
Charges for Service	18,082	205,799	0	223,881
Fines, Licenses, and Permits	2,167	1,310	0	3,477
Earnings on Investments	2,699	142	0	2,841
Miscellaneous	8,536	2,657	0	11,193
Total Cash Receipts	<u>88,121</u>	<u>272,592</u>	<u>0</u>	<u>360,713</u>
<u>Cash Disbursements:</u>				
<i>Current:</i>				
General Government	29,882	800	0	30,682
Security of Persons and Property	32,947	133,466	0	166,413
Leisure Time Activities	877	0	0	877
Transportation	0	11,134	0	11,134
Community Environment	350	0	0	350
Basic Utility Service	12,509	0	0	12,509
<i>Debt Service:</i>				
Principal	0	72,798	0	72,798
Interest and Fiscal Charges	0	4,106	0	4,106
Total Cash Disbursements	<u>76,565</u>	<u>222,304</u>	<u>0</u>	<u>298,869</u>
Cash Receipts Over/(Under) Cash Disbursements	11,556	50,288	0	61,844
Fund Cash Balances, January 1	<u>43,075</u>	<u>268,239</u>	<u>23</u>	<u>311,337</u>
Restricted	0	318,527	23	318,550
Unassigned	<u>54,631</u>	<u>0</u>	<u>0</u>	<u>54,631</u>
Fund Cash Balances, December 31	<u><u>\$54,631</u></u>	<u><u>\$318,527</u></u>	<u><u>\$23</u></u>	<u><u>\$373,181</u></u>

See accompanying notes to the financial statements.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Proprietary Fund Types and Similar Fiduciary Funds
For the Year Ended December 31, 2018

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	
	<u>Enterprise</u>	<u>Agency</u>	<u>Totals</u>
<u>Operating Cash Receipts:</u>			
Charges for Services	\$233,828	\$0	\$233,828
Fines, Licenses and Permits	0	2,425	2,425
Miscellaneous	528	0	528
Total Operating Cash Receipts	<u>234,356</u>	<u>2,425</u>	<u>236,781</u>
<u>Operating Cash Disbursements:</u>			
Personal Services	56,440	0	56,440
Employee Fringe Benefits	21,202	0	21,202
Contractual Services	80,253	0	80,253
Supplies and Materials	70,996	0	70,996
Other	6,550	3,032	9,582
Total Operating Cash Disbursements	<u>235,441</u>	<u>3,032</u>	<u>238,473</u>
Operating Income (Loss)	(1,085)	(607)	(1,692)
<u>Non-Operating Cash Receipts (Disbursements):</u>			
Principal Retirement	(8,253)	0	(8,253)
Interest and Other Fiscal Charges	(1,308)	0	(1,308)
Total Non-Operating Cash Receipts (Disbursements)	<u>(9,561)</u>	<u>0</u>	<u>(9,561)</u>
Net Change in Fund Cash Balances	(10,646)	(607)	(11,253)
Fund Cash Balances, January 1	<u>788,139</u>	<u>1,198</u>	<u>789,337</u>
Fund Cash Balances, December 31	<u><u>\$777,493</u></u>	<u><u>\$591</u></u>	<u><u>\$778,084</u></u>

See accompanying notes to the financial statements.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Laurelville, Hocking County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides road maintenance, police protection, water and sewer utilities, and refuse collection. The Village appropriates general fund money to support a volunteer fire department.

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

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. 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 contracted to be restricted.

Special Revenue Funds: These funds are used to account for proceeds from specific sources (other than 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 – The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

State Highway – The state highway fund accounts for and reports that portion of the State and county gasoline tax restricted for construction, maintenance and repair of streets with the Village.

Permissive Motor Vehicle License Tax – The permissive motor vehicle license tax fund accounts for and reports the portion of motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Fire Department Fund – This fund is used to account for receipts from fire contracts with neighboring townships for the operation of the fire department.

Mayor's Court Computer Fund – The Mayor's court computer fund accounts for and reports the portion of fines collected restricted for office supplies.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

Enterprise Funds: These funds are used to 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 has the following significant Enterprise Fund:

Water Operating Fund - This fund receives charges for services from residents to cover water service costs.

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

Guaranteed Deposits - The guaranteed deposits fund accounts for deposits made for water and sanitary sewer services for residents within and outside the Village.

Waste Water Treatment Fund - This fund receives charges for services from residents of the Village of Adelphi to cover the cost of providing access to Laurelville's waste water treatment facility.

Agency Funds: These funds are used to account for custodial funds held by the Village acting as an agent for another government, organization, individual, or fund. The Village has the following significant agency fund:

Mayor's Court Fund – This agency fund is used to account for the activities of the Mayor's Court.

C. Basis of Accounting

The Village's financial statements follow the basis of accounting 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 basis of accounting. This method differs from generally accepted accounting principles because 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).

The 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.

D. Budgetary Process

The Ohio Revised Code requires that each Village 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 may not exceed estimated resources. Unencumbered appropriations lapse at year end.

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

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 2018 budgetary activity appears in Note 3.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

E. Capital Assets

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

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

G. Fund Balances

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:

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

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

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

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted or committed*. 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.

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.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 – Budgetary Basis of Accounting

The Village’s budgetary activity for the year ending December 31, 2018 was as follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$79,650	\$88,121	\$8,471
Special Revenue	221,890	271,733	49,843
Enterprise	199,600	234,356	34,756
<i>Total</i>	\$501,140	\$594,210	\$93,070

2018 Budgeted vs. Budgetary Disbursements			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Disbursements	
General	\$120,000	\$76,545	\$43,455
Special Revenue	459,270	221,445	237,825
Enterprise	705,250	245,002	460,248
<i>Total</i>	\$1,284,520	\$542,992	\$741,528

Note 4 – Cash and Investments

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Village had no investments at year end. The carrying amount of cash at year end was as follows:

	December 31, 2018
Demand Deposits	\$1,151,265
Total	\$1,151,265

Deposits are insured by the Federal Depository Insurance Corporation and collateralized through the Ohio Pooled Collateral System (OPCS).

Note 5- Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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. The second half payment is due the following June 20.

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

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

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 – Risk Management

The Village is exposed to various risks of property and casualty losses, and injuries to employees. The Village insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

Then Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Financial Position

PEP’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2018 and 2017 (the latest information available):

Combined Coverage	2018	2017
Assets	\$49,921,998	\$44,452,326
Liabilities	(14,676,199)	(13,004,011)
Retained Earnings	\$35,245,799	\$31,448,315

The Casualty Coverage assets and retained earnings above include approximately \$11.8 million of unpaid claims to be billed to approximately 538 member governments in the future, as of December 31, 2018. PEP will collect these amounts in future annual contributions billings when PEP'S related liabilities are due for payment.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool’s primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc. (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2018 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 – Defined Benefit Pension Plans (continued)

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14%, of participants’ gross salaries. The Village has paid all contributions required through December 31, 2018.

Retirement Rates	Year	Member Rate	Employer Rate
OPERS - Local	2017-2018	10%	14%

Social Security

Several elected Village officials contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 14 percent of their gross salaries. The Village contributed an amount equal to 10 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2018.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 1 percent of the employer contribution to fund these benefits.

Note 9 – Debt

A schedule of changes in long-term obligations of the Village during 2018 follows:

	Interest Rate	Principal Balance 12-31-17	Issued in 2018	Retired in 2018	Principal Balance 12-31-18
John Deere Equipment	4.50%	\$7,141	\$0	\$2,661	\$4,480
2012 Fire Truck Loan (4 Door)	3.02%	71,209	0	34,652	36,557
2012 Fire Truck Loan (2 Door)	3.52%	36,435	0	36,435	0
Zenner Automated Metering Units	3.35%	39,046	0	7,303	31,743
		\$153,831	\$0	\$81,051	\$72,780

The loans are supported by the full faith and credit of the Village and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

The Village entered into a Municipal Lease Purchase Agreement in 2015 through Government Capital Corporation for the purchase of 313 Zenner Automated Metering Units in the amount of \$53,112 for seven years. The Village will make monthly payments of \$8,611 over the life of the loan.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt (continued)

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

	Fire Truck Loan (4 Door)		Zenner Automated Metering Units		John Deere	Equipment
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$36,557	\$218	\$7,548	\$1,063	\$2,783	\$155
2020	0	0	7,801	810	1,697	33
2021	0	0	8,062	549	0	0
2022	0	0	8,332	279	0	0
Total	\$36,557	\$218	\$31,743	\$2,701	\$4,480	\$188

Note 10 – Fund Cash Balances

As of December 31, 2018, fund balances are composed of the following:

	General	Special Revenue	Capital Projects	Total
<i>Restricted:</i>				
Emergency Medical Services	\$0	\$311	\$0	\$311
Police	0	2,933	0	2,933
Fire	0	274,359	0	274,359
Economic Development	0	9	23	32
Road Maintenance & Improvement	0	40,915	0	40,915
<i>Unassigned</i>	54,631	0	0	54,631
Total	\$54,631	\$318,527	\$23	\$373,181

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow.

The Village is currently involved in a dispute with the United States Environmental Protection Agency (EPA) concerning a grant received by the Village. The EPA has disallowed several of the expenses made by the Village with the grant funds and therefore, the EPA is asking the Village to refund a portion of the grant. The Village disagrees with this assessment and is currently in negotiations with the EPA in attempt to resolve the issue.

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards***

Village Council
Village of Laurelville
18751 Main Street
P.O. Box 393
Laurelville, OH 43135-0393

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 Laurelville, Hocking County, Ohio (the Village), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated August 4, 2020, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods of the Village.

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 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 identified certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider findings 2019-001 and 2019-002 to be material weaknesses.

Village Council
Village of Laurelville, Hocking County
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*

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 2019-001.

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.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Chillicothe, Ohio

August 4, 2020

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Schedule of Findings
For the Years Ended December 31, 2019 and 2018

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

Finding Number 2019-001

Noncompliance/Material Weakness

Ohio Rev. Code 733.28 requires village fiscal officers to maintain the books of the Village and exhibit accurate statements of all monies received and expended.

Ohio Admin. Code 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Using these accounting records will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

The Village utilized the UAN accounting system which provided all of the required journals and ledgers. The UAN software also included a monthly reconciliation process to assist the Fiscal Officer in the monthly book to bank reconciliation. Although the monthly reconciliation were included in the accounting records, there were other adjusting factors noted during testing which indicated the underlying accounting records were inaccurate. These inaccuracies also resulted in significant adjustments to the financial statements as follows:

- In 2018, Mayor's Court activities from the bank statement were never recorded in the accounting system.

Due to the errors noted above, the financial statements provided to the Village Council did not represent a true picture of the financial position of the Village.

We recommend the Fiscal Officer prepare the monthly book-to-bank reconciliation in a timely manner. We also recommend the Fiscal Officer immediately follow-up on any discrepancies noted in the reconciliation process. This will allow the Village to maintain accurate records which the Village Council can rely on for budgeting and planning purposes.

Officials' Response: The current Fiscal Officer was not trained to record Mayor's Court activity from their respective statements in UAN, but will do so now that she has been made aware of the requirement.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Schedule of Findings
For the Years Ended December 31, 2019 and 2018

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

Finding Number 2019-002

Material Weakness

Sound financial reporting is the responsibility of the Fiscal Officer and Village Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

As a result of the audit procedures performed, the financial statements had the following errors that required audit adjustments or reclassifications.

In 2018:

- Mayor's Court Fund other non-operating receipts of \$2,425 was unrecorded;
- Mayor's Court Fund other non-operating disbursements of \$3,032 was unrecorded.
- General Fund revenues were misclassified, so reclassification entries were made to the Property and Local Taxes and Intergovernmental Revenues.
- Some adjustments were made to the notes to the financial statements.

In 2019:

- General Fund revenues were misclassified, so reclassification entries were made to the Property and Local Taxes and Intergovernmental Revenues.
- Some adjustments were made to the notes to the financial statements.

The Fiscal Officer made classification errors in posting of revenues and expenditures. This caused the mispostings and unrecorded revenues and expenditures as noted above.

The audited financial statements and the Village's UAN accounting system have been adjusted for the issues noted above.

We recommend the Fiscal Officer review the Village Officer's Handbook for guidance on the correct line items to post various receipts and disbursements of the Village to ensure the Village's financial statements are complete and accurate.

Officials' Response: The current Fiscal Officer will review the amounts provided and review current line items to ensure future postings are accurate.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Schedule of Prior Audit Findings
For the Years Ended December 31, 2019 and 2018

Finding Number	Description	Status	Comments
<i>Government Auditing Standards:</i>			
2017-001	Noncompliance/Material Weakness – recording Mayor’s Court activity in the accounting system.	Partially Corrected	Reissued as 2019-001
2017-002	Material Weakness – Classification errors in posting of revenues and expenditures.	Not Corrected	Reissued as 2019-002

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF LAURELVILLE

HOCKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/24/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov