



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF LEETONIA
COLUMBIANA COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Leetonia
Columbiana County
300 East Main Street
Leetonia, Ohio 44431

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 10 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may 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 our report dated December 2, 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.



Keith Faber
Auditor of State

Columbus, Ohio

December 2, 2020

Village of Leetonia
Columbiana County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts					
Property and Other Taxes	\$57,333	\$78,053			\$135,386
Municipal Income Tax	708,448				708,448
Intergovernmental	48,039	122,303			170,342
Charges for Services	27,921	128,445		\$88	156,454
Fines, Licenses and Permits	26,353	472			26,825
Earnings on Investments	19,034	1,397		5	20,436
Miscellaneous	10,962	19,530			30,492
<i>Total Cash Receipts</i>	<u>898,090</u>	<u>350,200</u>	<u>\$0</u>	<u>93</u>	<u>1,248,383</u>
Cash Disbursements					
Current:					
Security of Persons & Property	447,442	161,611			609,053
Public Health Services	6,663	55,366			62,029
Leisure Time Activities	5,573	432			6,005
Community Environment	15,089				15,089
Transportation		285,753			285,753
General Government	235,544	1,628			237,172
Capital Outlay	9,215	17,519			26,734
<i>Total Cash Disbursements</i>	<u>719,526</u>	<u>522,309</u>	<u>0</u>	<u>0</u>	<u>1,241,835</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>178,564</u>	<u>(172,109)</u>	<u>0</u>	<u>93</u>	<u>6,548</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets		410			410
Transfers In	25,500	225,500			251,000
Transfers Out	(220,000)	(31,000)			(251,000)
Advances In	30,500				30,500
Advances Out		(30,500)			(30,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(164,000)</u>	<u>164,410</u>	<u>0</u>	<u>0</u>	<u>410</u>
<i>Net Change in Fund Cash Balances</i>	14,564	(7,699)	0	93	6,958
<i>Fund Cash Balances, January 1</i>	<u>250,048</u>	<u>317,675</u>	<u>8,723</u>	<u>60,694</u>	<u>637,140</u>
Fund Cash Balances, December 31					
Nonspendable				60,121	60,121
Restricted		309,976	8,723	666	319,365
Assigned	193,096				193,096
Unassigned (Deficit)	71,516				71,516
<i>Fund Cash Balances, December 31</i>	<u>\$264,612</u>	<u>\$309,976</u>	<u>\$8,723</u>	<u>\$60,787</u>	<u>\$644,098</u>

See accompanying notes to the financial statements

Village of Leetonia
Columbiana County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2019

	Enterprise
Operating Cash Receipts	
Charges for Services	\$846,491
<i>Total Operating Cash Receipts</i>	846,491
 Operating Cash Disbursements	
Personal Services	219,954
Fringe Benefits	43,781
Contractual Services	393,222
Supplies and Materials	94,352
Other	11,670
<i>Total Operating Cash Disbursements</i>	762,979
 <i>Operating Income (Loss)</i>	83,512
 Non-Operating Receipts (Disbursements)	
Loans Issued	87,026
Sale of Capital Assets	1,564
Miscellaneous Receipts	4,125
Capital Outlay	(130,880)
Principal Retirement	(22,106)
Interest and Other Fiscal Charges	(4,824)
<i>Total Non-Operating Receipts (Disbursements)</i>	(65,095)
 <i>Net Change in Fund Cash Balance</i>	18,417
 <i>Fund Cash Balances, January 1</i>	568,008
 <i>Fund Cash Balances, December 31</i>	\$586,425

See accompanying notes to the financial statements

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Village of Leetonia (the Village), Columbiana County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, police service, fire and EMS services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in Public Entity Pool of Ohio. Note 6 to the financial statements provides additional information for this entity.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair – This fund is supported by Gas Tax, Motor Vehicle License and State Highway receipts for constructing, maintaining and repairing Village Streets.

Fire Fund – This fund receives property tax receipts and contracts with other entities to provide fire protection services.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had one capital project fund:

General Improvement Fund – This fund accounts for the local share of improvement projects.

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. The Village had the following significant permanent fund:

Cemetery Endowment Fund - This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Village's cemetery.

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 significant Enterprise Funds:

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

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

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. Unencumbered appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

The Village values certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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.

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$942,882	\$923,590	(\$19,292)
Special Revenue	586,985	576,110	(10,875)
Enterprise	942,521	939,206	(3,315)
Permanent	0	93	93
Total	\$2,472,388	\$2,438,999	(\$33,389)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,097,657	\$939,526	\$158,131
Special Revenue	658,099	553,309	104,790
Enterprise	1,048,557	920,789	127,768
Total	\$2,804,313	\$2,413,624	\$390,689

Note 4 – Deposits and Investments

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

Demand deposits	2019 \$80,315
Certificates of deposit	69,400
Other time deposits (savings and NOW accounts)	1,080,808
Total deposits	\$1,230,523

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments (Continued)

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 5 – Taxes

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. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 - Risk Management

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 - Risk Management (Continued)

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2019</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$14,705,917

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some employees 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.

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.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F 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.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

Social Security

Several of the Village's employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Note 8- Postemployment Benefits

Both OPERS and OP&F offer 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. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
OPWC Grit Chamber	\$58,367	-
OWDA -Salem-Leetonia Waterline Project	320,519	1.00%
OWDA - Water Meters	290,153	1.02%
Total	\$669,039	

The Village has agreed to set water rates sufficient to cover the Ohio Water Development Authority Salem-Leetonia Waterline Project Note debt service requirements.

The Ohio Public Works Commission (OPWC) loan relates to the Grit Chamber. The OPWC approved a loan of \$66,078 for this project. The Village will repay the loan in semiannual installments of \$1,101.27 for thirty years.

The Village has agreed to set rate sufficient to cover the Ohio Water Development Authority Water Meter Note debt service requirements. The OWDA finalized a loan of \$294,000 in 2019. The Village will repay the loan in semiannual installments of \$5,707.23 for thirty years.

All other debt obligations are collateralized by the Village’s taxing authority and are anticipations of collections of current revenue in accordance with Ohio Revised Code Section 133.10(B),

Amortization

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

Year Ending December 31:	OWDA Loan	OPWC Grit Chamber	OWDA Water Meters
2020	\$19,021	\$2,203	\$11,414
2021	19,021	2,203	11,414
2022	19,021	2,203	11,414
2023	19,021	2,203	11,414
2024	19,021	2,203	11,414
2025-2029	95,103	11,012	57,072
2030-2034	95,105	11,012	57,072
2035-2039	66,572	11,012	57,072
2040-2044		11,012	57,072
2045-2049		3,304	57,072
Total	\$351,885	\$58,367	\$342,430

Note 10- Subsequent Events

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 continuing emergency measures may impact subsequent periods of the Village. 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.

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Village of Leetonia
Columbiana County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2018

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts					
Property and Other Taxes	\$45,701	\$68,023			\$113,724
Municipal Income Tax	795,764				795,764
Intergovernmental	41,509	116,346			157,855
Charges for Services	18,623	121,190		\$141	139,954
Fines, Licenses and Permits	29,809	384			30,193
Earnings on Investments	15,859	687		4	16,550
Miscellaneous	9,446	22,763			32,209
<i>Total Cash Receipts</i>	<u>956,711</u>	<u>329,393</u>	<u>\$0</u>	<u>145</u>	<u>1,286,249</u>
Cash Disbursements					
Current:					
Security of Persons & Property	413,763	181,711			595,474
Public Health Services	5,865	56,344		5	62,214
Leisure Time Activities	21,274	4,977			26,251
Community Environment	14,898				14,898
Transportation		230,851			230,851
General Government	264,617	782			265,399
Capital Outlay		5,136			5,136
<i>Total Cash Disbursements</i>	<u>720,417</u>	<u>479,801</u>	<u>0</u>	<u>5</u>	<u>1,200,223</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>236,294</u>	<u>(150,408)</u>	<u>0</u>	<u>140</u>	<u>86,026</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	300				300
Transfers In		240,000			240,000
Transfers Out	(240,000)				(240,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(239,700)</u>	<u>240,000</u>	<u>0</u>	<u>0</u>	<u>300</u>
Special Item	10,916				10,916
<i>Net Change in Fund Cash Balances</i>	<u>7,510</u>	<u>89,592</u>	<u>0</u>	<u>140</u>	<u>97,242</u>
<i>Fund Cash Balances, January 1</i>	<u>242,538</u>	<u>228,083</u>	<u>8,723</u>	<u>60,554</u>	<u>539,898</u>
Fund Cash Balances, December 31					
Nonspendable				60,121	60,121
Restricted		317,675	8,723	573	326,971
Assigned	154,775				154,775
Unassigned (Deficit)	95,273				95,273
<i>Fund Cash Balances, December 31</i>	<u>\$250,048</u>	<u>\$317,675</u>	<u>\$8,723</u>	<u>\$60,694</u>	<u>\$637,140</u>

See accompanying notes to the financial statements

Village of Leetonia
Columbiana County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2018

	Enterprise	Agency	Totals (Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$841,961		\$841,961
Licenses, Permits and Fees		\$4,282	4,282
<i>Total Operating Cash Receipts</i>	<u>841,961</u>	<u>4,282</u>	<u>846,243</u>
Operating Cash Disbursements			
Personal Services	207,366		207,366
Fringe Benefits	40,068		40,068
Contractual Services	386,106		386,106
Supplies and Materials	88,882		88,882
Other	10,711	4,282	14,993
<i>Total Operating Cash Disbursements</i>	<u>733,133</u>	<u>4,282</u>	<u>737,415</u>
<i>Operating Income (Loss)</i>	<u>108,828</u>	<u>0</u>	<u>108,828</u>
Non-Operating Receipts (Disbursements)			
Loans Issued	204,360		204,360
Miscellaneous Receipts	3,920		3,920
Capital Outlay	(336,117)		(336,117)
Principal Retirement	(17,744)		(17,744)
Interest and Other Fiscal Charges	(3,479)		(3,479)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(149,060)</u>	<u>0</u>	<u>(149,060)</u>
<i>Net Change in Fund Cash Balance</i>	(40,232)	0	(40,232)
<i>Fund Cash Balances, January 1</i>	<u>608,240</u>	<u>0</u>	<u>608,240</u>
<i>Fund Cash Balances, December 31</i>	<u>\$568,008</u>	<u>\$0</u>	<u>568,008</u>

See accompanying notes to the financial statements

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Village of Leetonia (the Village), Columbiana County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, police service, fire and EMS services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in Public Entity Pool of Ohio. Note 7 to the financial statements provides additional information for this entity.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair – This fund is supported by Gas Tax, Motor Vehicle License and State Highway receipts for constructing, maintaining and repairing Village Streets.

Fire Fund – This fund receives property tax receipts and contracts with other entities to provide fire protection services.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had one capital project fund:

General Improvement Fund – This fund accounts for the local share of improvement projects.

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. The Village had the following significant permanent fund:

Cemetery Endowment Fund - This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Village's cemetery.

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 significant Enterprise Funds:

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

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

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for Mayor's court fines and fees, which was closed in 2018.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

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. Unencumbered appropriations lapse at year end.

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 4.

Deposits and Investments

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

The Village values certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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.

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

Note 3 – Compliance

Contrary to Ohio law, the Village's appropriations exceeded the amount certified as available by the budget commission in the General, Street Construction Maintenance & Repair, Fire Levy and EMS funds by \$188,892, \$214,602, \$55,908 and \$1,875, respectively, for the year ended December 31, 2018.

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$801,217	\$967,927	\$166,710
Special Revenue	373,945	569,393	195,448
Enterprise	793,000	1,050,241	257,241
Agency	25,000	4,282	(20,718)
Permanent	0	145	145
Total	\$1,993,162	\$2,591,988	\$598,826

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,123,790	\$960,484	163,306
Special Revenue	751,153	479,882	271,271
Enterprise	1,055,690	1,090,602	(34,912)
Agency	0	4,282	(4,282)
Permanent	0	5	(5)
Total	\$2,930,633	\$2,535,255	\$395,378

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 5 – Deposits and Investments

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

	<u>2017</u>
Demand deposits	\$21,207
Certificates of deposit	74,400
Other time deposits (savings and NOW accounts)	<u>1,109,541</u>
Total deposits	<u><u>\$1,205,148</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 6 – Taxes

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. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 - Risk Management

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some employees 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.

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.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F 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.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2018.

Social Security

Several of the Village's employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 8 - Defined Benefit Pension Plans (Continued)

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Note 9– Postemployment Benefits

Both OPERS and OP&F offer 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. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Note 10 – Debt

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
OPWC Grit Chamber	\$60,570	-
OWDA -Salem-Leetonia Waterline Project	336,217	1.00%
Total	\$396,787	

The Village has agreed to set water rates sufficient to cover the Ohio Water Development Authority Salem-Leetonia Waterline Project Note debt service requirements.

The Ohio Public Works Commission (OPWC) loan relates to the Grit Chamber. The OPWC approved a loan of \$66,078 for this project. The Village will repay the loan in semiannual installments of \$1,101.27 for thirty years.

All other debt obligations are collateralized by the Village's taxing authority and are anticipations of collections of current revenue in accordance with Ohio Revised Code Section 133.10(B),

Village of Leetonia, Ohio
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 – Debt (Continued)

Amortization

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

Year Ending December 31:	OWDA Loan	OPWC Grit Chamber
2019	\$19,021	\$2,203
2020	19,021	2,203
2021	19,021	2,203
2022	19,021	2,203
2023	19,021	2,203
2024-2028	95,105	11,012
2029-2033	95,105	11,012
2034-2038	85,592	11,012
2036-2043		11,012
2044-2046		5,507
Total	\$370,907	\$60,570



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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Leetonia
Columbiana County
300 East Main Street
Leetonia, Ohio 44431

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 Leetonia, Columbiana County, (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 December 2, 2020 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and also noted the Village included a disclosure regarding the potential financial impact of COVID-19 and the continuing emergency measures.

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 opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village’s internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village’s financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2019-002 through 2019-003 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. 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 matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2019-001.

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 Government's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Government's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

December 2, 2020

**VILLAGE OF LEETONIA
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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1. Ohio Rev. Code § 5705.39 – Appropriations Exceeding Estimated Resources

FINDING NUMBER 2019-001

NONCOMPLIANCE

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission. No appropriation measure shall become effective until the county auditor files a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

On December 31, 2019 the Village's appropriations exceeded the amount certified as available by the budget commission in the EMS fund by \$3,736. On December 31, 2018 the Village's appropriations exceeded the amount certified as available by the budget commission in the General, Street Construction Maintenance & Repair, Fire Levy and EMS funds by \$188,892, \$214,602, \$55,908 and \$1,875, respectively.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Council to reduce the appropriations.

Official's Response: We did not receive a response from Officials to this finding.

2. Financial Reporting

FINDING NUMBER 2019-002

MATERIAL WEAKNESS

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Village did not always properly report fund balances in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, due to not having policies and procedures in place. In 2018, the General fund assigned fund balance was understated by \$218,388 out of the total General Fund fund balance of \$250,048, at the time of filing. The reclassification of \$154,775, as of year end, has been made to the accompanying financial statements. In 2019, the General fund assigned fund balance was understated by \$92,581 out of the total General Fund balance of \$264,612, at the time of filing. The reclassification of \$193,096, as of the opinion date, has been made to the accompanying financial statements. In 2018 and 2019, fund balances in five trust funds were classified entirely as restricted instead of reporting the principle amounts \$60,121 as nonspendable. These reclassifications have been made to the accompanying financial statements.

Additionally, the notes to the financial statements had the following errors and omissions which have been corrected:

- In 2018, appropriation authority were misstated in the General, Special Revenue, Enterprise and Agency funds by (\$57,195), (\$67,005), \$418,210 and \$4,282, respectively.
- In 2018, budgeted receipts were overstated for the General, Special Revenue and Enterprise funds by \$172,800, \$220,118 and \$328,000, respectively. Budgeted receipts for the Agency fund were understated by \$20,718.
- In 2019, budgeted receipts were understated in the General fund by \$33,998 and overstated in the Special Revenue funds by \$30,500.

The Village should establish procedures to ensure all fund balances are properly reported in accordance GASB 54; and, notes to the financial statements are complete and accurate.

Official's Response: We did not receive a response from Officials to this finding.

3. Budgetary Amounts Not Recorded in Accounting System

FINDING NUMBER 2019-003

MATERIAL WEAKNESS

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Council are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

Final 2019 Certificate of Estimated Resources did not agree to the UAN accounting system for the following funds:

	Final Certificate	Budgeted Receipts	
Fund	of Estimated Resources	in UAN	Variance
General (1000)	942,882	908,884	33,998
EMS (2907)	43,202	68,202	(25,000)

Final 2018 Certificate of Estimated Resources did not agree to the UAN accounting system for the following funds:

	Final Certificate	Budgeted Receipts	
Fund	of Estimated Receipts	in UAN	Variance
General (1000)	801,217	974,017	(172,800)
Street Construction Maint & Repair (2011)	130,150	270,150	(140,000)
EMS (2907)	40,000	85,000	(45,000)

Final 2018 Appropriations did not agree to the UAN accounting system for the following funds:

	Appropriations	Appropriations	
	Approved	in UAN	Variance
	by Board		
General (1000)	1,122,100	1,064,905	57,195
Street Construction Maint & Repair (2011)	368,100	291,205	76,895
Fire Levy (2901)	193,450	139,450	54,000
EMS (2907)	51,250	62,250	(11,000)

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Council were not properly posted to the accounting system. Additionally, the approved Certificates of Estimated Resources (and/or amendments thereof) were not properly posted to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances.

This led to the notes to the financial statements being reported incorrectly, see Finding Number 2019-002 (Financial Reporting).

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Official's Response: We did not receive a response from Officials to this finding.

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Village of Leetonia

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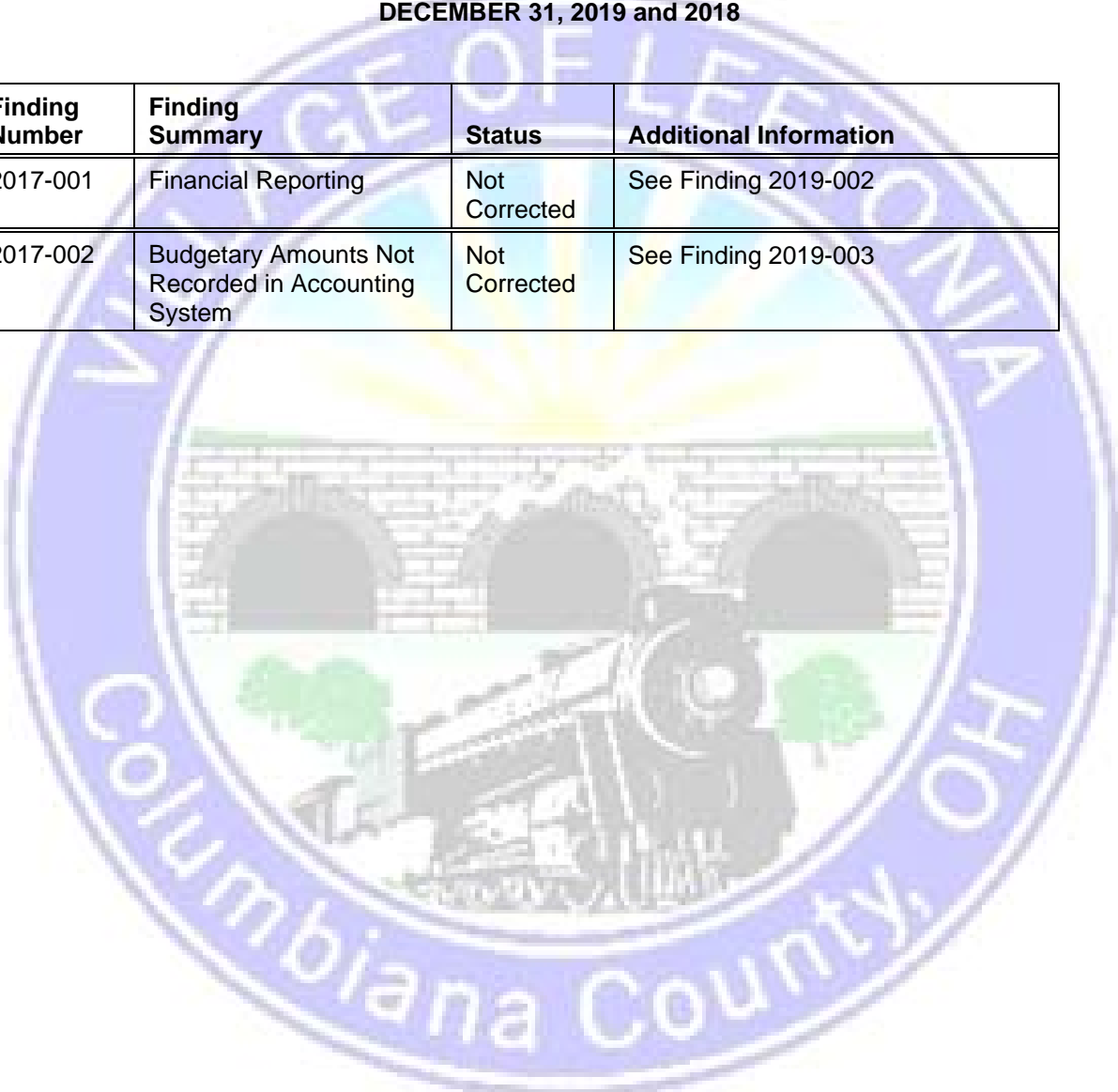
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2019 and 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Financial Reporting	Not Corrected	See Finding 2019-002
2017-002	Budgetary Amounts Not Recorded in Accounting System	Not Corrected	See Finding 2019-003



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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF LEETONIA

COLUMBIANA 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 12/15/2020

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