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# CITIZENS SUMMARY

## Findings in the audit of the Village of Luray

### Internal Controls, Records, and Procedures

The Board of Trustees has not segregated accounting duties and there is not adequate independent oversight of the work performed by the village clerk. The village does not maintain a current fund ledger showing the beginning balance, monthly receipts by source and disbursements by type, and ending balance. Additionally, the village has not established separate accounting for motor vehicle-related revenues received from the state, and does not monitor the use of these funds to ensure compliance with state law. The village clerk does not perform bank reconciliations for the village's general, wastewater and ballpark accounts and does not maintain cumulative book balances for these accounts. The village has not prohibited the practice of making checks payable to cash. No records of ballpark concession stand purchases, sales or inventories are maintained, and no reconciliations of concession stand purchases to the amount sold are performed. The village clerk is not bonded, as required by state law.

### Disbursements

The board's review and approval of disbursements was not adequately documented. The village did not maintain adequate supporting documentation for some disbursements. The village does not have a written contract with the wastewater manager. The village did not file a 1099-MISC form with the Internal Revenue Service for payments made to the wastewater manager in 2014.

### Wastewater System Controls and Procedures

Wastewater receipts were not always properly recorded and the method of payment was not always documented as cash or check on the wastewater ledger. The village does not have a written policy regarding partial payments by customers who have delinquent accounts, and customers are allowed to make partial payments without board approval. The village does not perform monthly reconciliations of total billings, payments received and amounts remaining unpaid for wastewater services. The village does not have a way to discontinue wastewater services, as the water lines are currently limited to one shut-off valve, which limits the recourse the village has to address delinquent accounts. Accounting records documenting wastewater receipts prior to October 2014, were not adequately retained.

### Budgets and Financial Reporting

The village does not prepare annual budgets for village funds as required by state law. The village does not publish or post semiannual financial statements, file annual financial reports with the State Auditor's Office or obtain annual audits of its sewer system, as required by state law.

Ordinances and Sunshine Law  
Issues

Minutes for some board meetings were not prepared or had not been retained, and there is no evidence a public hearing on the village's proposed property tax rate was held in 2014 or the board approved the tax rate. The village has not adopted a written policy regarding public access to village records as required by state law. In addition, village ordinances are not complete or up to date.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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