



***VILLAGE OF LAURELVILLE
HOCKING COUNTY***

Single Audit

**For the Years Ended
December 31, 2022**

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS



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OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
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Village Council
Village of Laurelville
18751 Main Street
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, 2022 through December 31, 2022. 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 cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 06, 2023

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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 Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Laurelville, Hocking County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2022 and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2022, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 10 to the financial statements, during 2022, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Members of Council
Village of Laurelville, Hocking County
Independent Auditor's Report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied to the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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

September 15, 2023

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, 2022

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	
<u>Cash Receipts:</u>				
Property and Local Taxes	\$39,316	\$38,853	\$0	\$78,169
Intergovernmental	21,371	87,988	2,427,249	2,536,608
Charges for Service	20,010	292,501	0	312,511
Earnings on Investments	1,137	60	0	1,197
Miscellaneous	6,909	7,594	0	14,503
Total Cash Receipts	88,743	426,996	2,427,249	2,942,988
<u>Cash Disbursements:</u>				
<i>Current:</i>				
General Government	24,056	538	0	24,594
Security of Persons and Property	27,000	790,125	0	817,125
Leisure Time Activities	6,987	0	0	6,987
Community Environment	350	0	0	350
Basic Utility Service	10,567	0	0	10,567
Transportation	0	28,140	0	28,140
Capital Outlay	0	0	2,416,451	2,416,451
Debt Service:				
Principal	0	46,740	0	46,740
Interest and Fiscal Charges	0	9,055	0	9,055
Total Cash Disbursements	68,960	874,598	2,416,451	3,360,009
Cash Receipts Over/(Under) Cash Disbursements	19,783	(447,602)	10,798	(417,021)
<u>Other Financing Receipts (Disbursements)</u>				
Loans Issued	0	216,571	0	216,571
Total Other Financing Receipts (Disbursements)	0	216,571	0	216,571
Net Change in Fund Cash Balance	19,783	(231,031)	10,798	(200,450)
Fund Cash Balances, January 1	77,496	597,770	26,368	701,634
Fund Cash Balances, December 31	\$97,279	\$366,739	\$37,166	\$501,184

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, 2022

	Proprietary Fund Type
	Enterprise
<u>Operating Cash Receipts:</u>	
Charges for Services	\$233,149
Fines, Licenses and Permits	0
Miscellaneous	405
	233,554
Total Operating Cash Receipts	233,554
<u>Operating Cash Disbursements:</u>	
Personal Services	45,578
Employee Fringe Benefits	15,644
Contractual Services	136,194
Supplies and Materials	45,853
Other	2,900
	246,169
Total Operating Cash Disbursements	246,169
Operating Income (Loss)	(12,615)
<u>Non-Operating Cash Receipts (Disbursements):</u>	
Other Debt Proceeds	18,516
Capital Contributions	30,206
Principal Retirement	(8,332)
Interest and Other Fiscal Charges	(279)
	40,111
Total Non-Operating Cash Receipts (Disbursements)	40,111
Net Change in Fund Cash Balances	27,496
Fund Cash Balances, January 1	850,096
	877,592
Fund Cash Balances, December 31	\$877,592

See accompanying notes to the financial statements.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2022

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, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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 has the following significant capital project funds:

OPWC GRANT-WWTP Ohio Public Works Commission - Ohio Small Government Capital Improvements Program, project named WWTP Improvements Phase I. Control #CT43W/CT44W

OPWA LOAN – WWTP Ohio Water Development Authority - Ohio Small Government Capital Improvements Program, project named WWTP Improvements EPA Loan #CS390508-0002

ARPA GRANT – WWTP American Rescue Plan Act – Coronavirus Local Fiscal Recovery Funds for Ohio Non-Entitlement Units of Local Government; WWTP Infrastructure

CDBG GRANT – WWTP US Dept. of Housing and Urban Development - “HUD” Community Development Block Grant Program – Program Residential Infrastructure Grant (RPIG)

ODOD GRANT – WWTP Ohio Department of Development – Coronavirus State Fiscal Recovery Fund (SLFRF)

ARC GRANT – WWTP Appalachian Regional Committee - through the Ohio Environmental Protection Agency (OEPA)

OPWC LOAN – WWTP Ohio Water Development Authority – Small Government Capital Improvements Program, project named WWTP Improvements Phase I. Control #CT43W/CT44W

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

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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 2022 budgetary activity appears in Note 3.

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.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 – Budgetary Basis of Accounting

The Village’s budgetary activity for the year ending December 31, 2022 was as follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$73,124	\$88,743	\$15,619
Special Revenue	590,508	643,567	53,059
Capital Improvements	3,020,358	2,427,249	(593,109)
Enterprise	235,500	282,276	46,776
<i>Total</i>	\$3,919,490	\$3,441,835	(\$477,655)

2022 Budgeted vs. Budgetary Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$74,254	\$68,960	\$5,294
Special Revenue	934,993	874,598	60,395
Capital Improvements	3,046,703	2,416,451	630,252
Enterprise	444,900	254,780	190,120
<i>Total</i>	\$4,500,850	\$3,614,789	\$886,061

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, 2022
Demand Deposits	\$1,378,776
Total	\$1,378,776

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Cash and Investments (continued)

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.

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. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The 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 Insurance Services Group, Inc. (York) 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 York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

The pool covers the following risks:

- General Liability and Casualty
- Public Official's Liability Vehicle and Property

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2022, PEP retained \$500,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

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, 2021 (the latest information available):

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 – Risk Management (continued)

Combined Coverage	<u>2021</u>
Assets	\$59,340,305
Liabilities	<u>(17,071,953)</u>
Retained Earnings	<u>\$42,268,352</u>

At December 31, 2021 the liabilities above include approximately 14.9 million of estimated incurred claims payable. The assets above also include approximately \$408,147 of unpaid claims to be billed. The Pool’s membership increased to 589 members in 2021. These amounts will be included in future contributions from members when the related claims are due for payment.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
<u>2022</u>	<u>2021</u>
\$21,776.00	\$20,183.00

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year’s contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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, 2022

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, 2022.

Retirement Rates	Year	Member Rate	Employer Rate
OPERS - Local	2022	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 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, 2022.

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 of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

A schedule of changes in long-term obligations of the Village during 2022 follows:

	Interest Rate	Principal Balance 12-31-22
2019 Pierce Fire Truck	4.50%	\$173,481
OWDA Loan - WWTP	0.00%	139,150
OPWC Loan - WWTP	0.00%	286,956
ODOC - Fire Marshall Fire Truck	0.00%	208,836
		\$808,423

The Ohio Water Development Authority (OWDA) loan relates to a waste water treatment plant improvement project the Ohio EPA mandated. The OWDA approved up to \$500,000.00 in loans to the Village for this project. The Village will repay the loan in semiannual installments at 0% interest over a 30-year period.

The Ohio Public Works Commission (OPWC) loan relates to a waste water treatment plant improvement project the Ohio EPA mandated. The OPWC approved up to \$500,000.00 in loans to the Village for this project. The Village will repay the loan in semiannual installments at 0% interest over a 30-year period.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (continued)

The Ohio Department of Commerce (ODOD), Division of State Fire Marshal Loan is a Revolving Loan Agreement whereas the borrower shall be responsible for making regular payments on the balance of the loan according to the schedule and limitations set forth in the agreement. The Loan shall be paid in full at the end of 2029; \$216,71.32 payable in 28 payments of \$7,734.69, paid by January1, April 1, July1 and October 1 of each of the respective years of the loan period.

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

	OWDA/OPWC WWWTP	General Obligation
	Principal	Principal
2023	\$14,204	\$79,000
2024	14,204	79,000
2025	14,204	79,000
2026	14,204	79,000
2027	14,204	52,502
2028 and after	355,086	54,141
Total	\$426,106	\$422,643

Note 10 – COVID 19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

VILLAGE OF LAURELVILLE, HOCKING COUNTY, FINANCIAL CONDITION
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2022

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal AL Number	Disbursements
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through the Ohio Department Services Agency's Program</i>			
<i>Community Development Block Grants:</i>			
Community Development Block Grants - State's Program	C-W-20-20N-1	14.228	143,874
Community Development Block Grants - State's Program	DEV-2021-180224	14.228	<u>1,337,864</u>
Total Community Development Block Grants			<u>1,481,738</u>
 Total U.S. Department of Housing and Urban Development			 <u>1,481,738</u>
 Total Federal Expenditures			 <u><u>\$1,481,738</u></u>

See accompanying notes to the schedule of federal awards expenditures.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
FINANCIAL CONDITION
Notes to the Schedule of Federal Awards Expenditures
For the year ended December 31, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of Laurelville (the Village's), Hocking County, under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position or changes in net position of the Village.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following either the cost principles contained in OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Village has elected not to use the 10- percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – MATCHING REQUIREMENTS

Certain Federal programs require the Village to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**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, Hocking County
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 Village of Laurelville, Perry County, Ohio (the Village), as of and for the year ended December 31, 2022, and the related notes to the financial statements and have issued our report thereon dated September 15, 2023, 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 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 misstatement, 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings, we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness. We consider finding 2022-001 to be a material weakness.

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 grants, 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Findings

The Village's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

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

September 15, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for the Major Federal Programs

Opinion on the Major Federal Programs

We have audited Village of Laurelville's (the Village), Hocking County, compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Village's major federal program for the year ended December 31, 2022. The Village's major federal programs are identified in the Summary of Auditor's Results section of the accompanying schedule of findings.

In our opinion, the Village complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Programs

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal programs. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Village's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's federal programs.

Village of Laurelville
Hocking County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Programs and on Internal Control Over Compliance
and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of the major federal programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Village of Laurelville
Hocking County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Programs and on Internal Control Over Compliance
and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

J. L. Uhrig and Associates, Inc.

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

September 15, 2023

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Schedule of Findings
For the Year Ended December 31, 2022

A. SUMMARY OF AUDITOR'S RESULTS

1.	<i>Type of Financial Statement Opinion</i>	Unmodified
2.	<i>Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?</i>	Yes
3.	<i>Were there any other significant internal control deficiency reported at the financial statement level (GAGAS)?</i>	No
4.	<i>Was there any material noncompliance reported at the financial statement level (GAGAS)?</i>	No
5.	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
6.	<i>Were there any other significant internal control deficiency reported for major federal programs?</i>	No
7.	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
8.	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
9.	<i>Major Programs (list):</i>	CFDA #14.228 CDBG
10.	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: All Other Programs
11.	<i>Low Risk Auditee under 2 CFR §200.520 ?</i>	No

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

Finding Number 2022-001

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.

VILLAGE OF LAURELVILLE, HOCKING COUNTY
Schedule of Findings
For the Year Ended December 31, 2022

<i>Finding Number 2022-001 (Continued)</i>

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

In 2022:

- General Fund revenues were misclassified, intergovernmental revenue was improperly recorded as taxes revenue in the amount of \$9,475.
- Special Revenue Fund revenues were misclassified, so reclassification entries were made to the property and local taxes, intergovernmental revenues, and miscellaneous revenue.

The Fiscal Officer made classification errors in posting of revenues and expenditures. This caused the mispostings and unrecorded revenues and expenditures as noted above. Intergovernmental revenue was improperly recorded as taxes revenue in the amount of \$338; intergovernmental revenue was improperly recorded as miscellaneous revenue in the amount of \$420; and taxes revenue was improperly recorded as miscellaneous revenue in the amount of \$36,400.

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

Brent Ebert, Mayor Don Kempton Jr., Council Pres. Darcy Tisdale, Fiscal Officer
Council: Robert Platz Colleen Rife Aniko Nagy Sue Ann Hinton Derrick Addington

Corrective Action Plan
2 CFR § 200.511(c)
For the Year Ended December 31, 2022

Finding Number	Planned Corrective Action	Anticipated Completion Date	Contact Person
2022-001			

I, the Fiscal Officer, will refer to the Village's Officer's Handbook for guidance on the incorrect line items posted in 2022 for various receipts of the Village and to ensure future line items are accurate and the Village's financial statements are complete and accurate.



Darcy A. Tisdale
Fiscal Officer

18751 Main St. – PO Box 393 Laurelville, OH 43135
740/332-9101

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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 12/19/2023

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