

**VILLAGE OF LOCKBOURNE
FRANKLIN COUNTY, OHIO**

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2024 & 2023**



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Columbus, Ohio 43215
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800-282-0370

Members of Council and Mayor
Village of Lockbourne
85 Commerce St
Lockbourne, OH 43137

We have reviewed the *Independent Auditor's Report* of the Village of Lockbourne, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2024. 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 Lockbourne is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 28, 2025

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**VILLAGE OF LOCKBOURNE
FRANKLIN COUNTY, OHIO**

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Independent Auditor's Report

Village of Lockbourne
Franklin County
85 Commerce Street
P.O. Box 95
Lockbourne, OH 43137

To the Members of the Village Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Village of Lockbourne, Franklin County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinions 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 and proprietary fund type of the Village of Lockbourne, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), as 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 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 of Lockbourne, as of December 31, 2024 and 2023, or changes in financial position or, where applicable, cash flows 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 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 of Lockbourne 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 the Village of Lockbourne 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 a basis of accounting 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 GAAP, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 misstatements, 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 of Lockbourne'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 generally accepted auditing standards and *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 generally accepted auditing standards 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.
- 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 of Lockbourne'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 of Lockbourne's ability to continue as a going concern for a reasonable period of time.

Village of Lockbourne
Franklin County
Independent Auditor's Report

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2025 on our consideration of the Village of Lockbourne's internal control over financial reporting and on 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 of Lockbourne'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 of Lockbourne's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 25, 2025

Village of Lockbourne
Franklin 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, 2024

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$ 22,833	\$ -	\$ 22,833
Municipal Income Tax	113,448	-	113,448
Intergovernmental	30,566	18,695	49,261
Licenses, Permits and Fees	18,227	-	18,227
Earnings on Investments	27,334	1,993	29,327
Miscellaneous	21,049	-	21,049
<i>Total Cash Receipts</i>	<u>233,457</u>	<u>20,688</u>	<u>254,145</u>
Cash Disbursements			
Current:			
Leisure Time Activities	33,237	-	33,237
Community Environment	1,250	-	1,250
Basic Utility Services	5,589	14,386	19,975
Transportation	2,203	12,634	14,837
General Government	172,321	-	172,321
Debt Service:			
Principal Retirement	-	4,839	4,839
<i>Total Cash Disbursements</i>	<u>214,600</u>	<u>31,859</u>	<u>246,459</u>
<i>Net Change in Fund Cash Balances</i>	18,857	(11,171)	7,686
<i>Fund Cash Balances, January 1</i>	<u>687,512</u>	<u>86,122</u>	<u>773,634</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 706,369</u>	<u>\$ 74,951</u>	<u>\$ 781,320</u>

See accompanying notes to the basic financial statements

Village of Lockbourne
Franklin 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, 2024

<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$ 21,773</u>
<i>Total Operating Cash Receipts</i>	<u>21,773</u>
Operating Cash Disbursements	
Contractual Services	<u>2,819</u>
<i>Total Operating Cash Disbursements</i>	<u>2,819</u>
<i>Net Change in Fund Cash Balances</i>	<u>18,954</u>
<i>Fund Cash Balances, January 1</i>	<u>266,621</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 285,575</u>

See accompanying notes to the basic financial statements

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of Lockbourne (the Village), Franklin 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 general government, water and sewer utilities (basic utility services), park operations (leisure time activities). The Village contracts with the Franklin County Sheriff's department to provide security of persons and property. The Village contracts with Hamilton Township to receive fire protection services. The Village's jointly governed organization is with the Regional Income Tax Agency (RITA).

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

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 fund types.

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 receives gasoline tax money for constructing, maintaining and repairing Village streets.

Permissive Motor Vehicle License Tax- This fund receives motor vehicle license tax money for constructing, maintaining and repairing Village streets.

American Recovery Act Fund- This fund receives money from the Federal Government due to the COVID-19 pandemic and has guidelines to follow on what it can be spent on.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Village 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 (C) 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 object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year-end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 2024 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 had no investments in 2024.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

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.

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$57,332	\$233,457	\$176,125
Special Revenue	18,705	20,688	1,983
Enterprise	36,397	21,773	(14,624)
Total	<u>\$112,434</u>	<u>\$275,918</u>	<u>\$163,484</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$597,050	\$214,600	\$382,450
Special Revenue	97,249	31,859	65,390
Enterprise	125,000	2,819	122,181
Total	<u>\$819,299</u>	<u>\$249,278</u>	<u>\$570,021</u>

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	2024
<i>Cash Management Pool:</i>	
Demand deposits	\$707,989
Other time deposits (savings and NOW accounts)	<u>364,512</u>
Total deposits	<u>1,072,501</u>
Total Deposits and Investments	<u><u>\$1,072,501</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the village is holding \$0 in unremitted employee payroll withholdings.

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.

At December 31, 2024, \$0 of deposits were not insured or collateralized.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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 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. The Village utilizes the Regional Income Tax Agency (RITA) for the collection of income taxes on its behalf.

The Village had several companies paying into their income tax that should not have been in prior years. RITA refunded the monies back to the companies and instead of requiring the Village to pay RITA back the entire amount up front, the Village and RITA agreed to utilize the current incoming taxes to cover the payback.

Note 6 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. 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.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Village's Mayor and 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Social Security

The Village Council Members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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, 2024.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan CT07F	\$7,259	0%
Total	<u><u>\$7,259</u></u>	

The Ohio Public Works Commission (OPWC) loan relates to the Mechanics Street reconstruction project. The loan will be repaid in semi-annual installments over 20 years. There is no interest rate on this loan.

Amortization

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

Year Ending December 31:	OPWC Loan CT07F
2025	\$4,839
2026	2,420
Total	<u><u>\$7,259</u></u>

The OPWC debt covenant between the Village of Lockbourne and the Ohio Public Works Commission (OPWC) requires the Village to maintain insurance for the project and that any such insurance policy shall be written or endorsed to the OSGCIC (Ohio Small Government Capital Improvement Commission). The Village maintained liability insurance in 2024 and the OSGCIC was named in the policy.

Note 10 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were \$0 for all funds.

The fund balance of special revenue funds is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Jointly Governed Organizations

Regional Income Tax Agency

RITA is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection of income taxes on behalf of each member. RITA currently has approximately 374 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. Financial information can be obtained by contacting RITA at 10107 Brecksville Road, Brecksville, Ohio 44141.

Note 13 – 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 ended in April 2023. During 2024, the Village spent COVID-19 funding. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines

Village of Lockbourne
Franklin 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, 2023

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$ 11,901	\$ -	\$ 11,901
Municipal Income Tax	36,395	-	36,395
Intergovernmental	30,151	17,009	47,160
Fines, License and Permits	42,389	-	42,389
Earnings on Investments	6,271	398	6,669
Miscellaneous	23,978	-	23,978
<i>Total Cash Receipts</i>	<u>151,085</u>	<u>17,407</u>	<u>168,492</u>
Cash Disbursements			
Current:			
Leisure Time Activities	39,500	-	39,500
Community Environment	3,391	-	3,391
Basic Utility Services	4,060	-	4,060
Transportation	2,421	8,020	10,441
General Government	107,580	-	107,580
Debt Service:			
Principal Retirement	-	4,839	4,839
<i>Total Cash Disbursements</i>	<u>156,952</u>	<u>12,859</u>	<u>169,811</u>
<i>Net Change in Fund Cash Balances</i>	<i>(5,867)</i>	<i>4,548</i>	<i>(1,319)</i>
<i>Fund Cash Balances, January 1</i>	<u>693,379</u>	<u>81,574</u>	<u>774,953</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 687,512</u>	<u>\$ 86,122</u>	<u>\$ 773,634</u>

See accompanying notes to the basic financial statements

Village of Lockbourne
Franklin 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, 2023

<u>Proprietary Fund Types</u>	
<u>Enterprise</u>	
Operating Cash Receipts	
Charges for Services	<u>\$ 33,254</u>
<i>Total Operating Cash Receipts</i>	<u>33,254</u>
Operating Cash Disbursements	
Contractual Services	<u>2,762</u>
Other	<u>234</u>
<i>Total Operating Cash Disbursements</i>	<u>2,996</u>
<i>Net Change in Fund Cash Balances</i>	<u>30,258</u>
<i>Fund Cash Balances, January 1</i>	<u>236,363</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 266,621</u>

See accompanying notes to the basic financial statements

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Lockbourne (the Village), Franklin 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 general government, water and sewer utilities (basic utility services), park operations (leisure time activities). The Village contracts with the Franklin County Sheriff's department to provide security of persons and property. The Village contracts with Hamilton Township to receive fire protection services. The Village's jointly governed organization is with the Regional Income Tax Agency (RITA).

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

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 fund types.

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 receives gasoline tax money for constructing, maintaining and repairing Village streets.

Permissive Motor Vehicle License Tax- This fund receives motor vehicle license tax money for constructing, maintaining and repairing Village streets.

American Recovery Act Fund- This fund receives money from the Federal Government due to the COVID-19 pandemic and has guidelines to follow on what it can be spent on.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Village 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 (C) 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 object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year-end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 2023 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 had no investments in 2023.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$40,430	\$151,085	\$110,655
Special Revenue	12,589	17,407	4,818
Enterprise	36,275	33,254	(3,021)
Total	<u><u>\$89,294</u></u>	<u><u>\$201,746</u></u>	<u><u>\$112,452</u></u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$418,500	\$156,952	\$261,548
Special Revenue	66,437	12,859	53,578
Enterprise	90,000	2,996	87,004
Total	<u><u>\$574,937</u></u>	<u><u>\$172,807</u></u>	<u><u>\$402,130</u></u>

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

Cash Management Pool:

Demand deposits	\$685,443
Other time deposits (savings and NOW accounts)	<u>354,812</u>
 Total Deposits	 <u><u>\$1,040,255</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the village is holding \$0 in unremitted employee payroll withholdings.

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.

At December 31, 2023, \$138,913 of deposits were not insured or collateralized.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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 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. The Village utilizes the Regional Income Tax Agency (RITA) for the collection of income taxes on its behalf.

The Village had several companies paying into their income tax that should not have been in prior years. RITA refunded the monies back to the companies and instead of requiring the Village to pay RITA back the entire amount up front, the Village and RITA agreed to utilize the current incoming taxes to cover the payback.

Note 6 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. 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.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Village's Mayor and 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Social Security

The Village Council Members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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, 2023.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan CT07F	\$12,098	0%
Total	<u><u>\$12,098</u></u>	

The Ohio Public Works Commission (OPWC) loan relates to the Mechanics Street reconstruction project. The loan will be repaid in semi-annual installments over 20 years. There is no interest rate on this loan.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Amortization

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

Year Ending December 31:	OPWC Loan CT07F
2024	\$4,839
2025	4,839
2026	2,420
Total	<u><u>\$12,098</u></u>

The OPWC debt covenant between the Village of Lockbourne and the Ohio Public Works Commission (OPWC) requires the Village to maintain insurance for the project and that any such insurance policy shall be written or endorsed to the OSGCIC (Ohio Small Government Capital Improvement Commission). The Village maintained liability insurance in 2023 and the OSGCIC was named in the policy.

Note 10 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were \$0 for all funds.

The fund balance of special revenue funds is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Village of Lockbourne
Franklin County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 12 – Jointly Governed Organizations

Regional Income Tax Agency

RITA is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection of income taxes on behalf of each member. RITA currently has approximately 374 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. Financial information can be obtained by contacting RITA at 10107 Brecksville Road, Brecksville, Ohio 44141.

Note 13 – 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 ended in April 2023. During 2023, the Village had COVID-19 funding but did not spend or receive any additional funding. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Village of Lockbourne
Franklin County
85 Commerce Street
P.O Box 95
Lockbourne, Ohio 43137

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of Lockbourne, Franklin County, Ohio, and have issued our report thereon dated July 25, 2025, wherein we noted the Village of Lockbourne followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Lockbourne's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Lockbourne's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Lockbourne's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village of Lockbourne's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Village of Lockbourne
Franklin County
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Lockbourne's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Village of Lockbourne's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Lockbourne's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
July 25, 2025

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF LOCKBOURNE

FRANKLIN 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 1/8/2026

65 East State 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