



OHIO AUDITOR OF STATE  
**KEITH FABER**





**VILLAGE OF TUSCARAWAS  
TUSCARAWAS COUNTY  
DECEMBER 31, 2022-2021**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2022 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2022 .....	6
Notes to the Basic Financial Statements For the Year Ended December 31, 2022 .....	7
Combined Statement of Receipts, Disbursements, and Changes in Fund balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2021 .....	19
Combined Statement of Receipts, Disbursements, and Changes in Fund balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2021 .....	20
Notes to the Basic Financial Statements For the Year Ended December 31, 2021 .....	21
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	33
Schedule of Findings.....	35
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	39

**This page intentionally left blank.**



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

## INDEPENDENT AUDITOR'S REPORT

Village of Tuscarawas  
Tuscarawas County  
522 E. Cherry Street  
Tuscarawas, Ohio 44682

To the Village Council:

### **Report on the Audit of the Financial Statements**

#### ***Unmodified, Qualified and Adverse Opinions***

We have audited the financial statements of the Village of Tuscarawas, Tuscarawas County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2022 and 2021, 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 the Special Revenue, Capital Projects, and Enterprise Funds as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit, described in Note 2.

#### ***Additional Opinion Qualification on Regulatory Basis of Accounting***

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the General fund as of and for the years ended December 31, 2022 and 2021, and the related notes of the Village of Tuscarawas, Tuscarawas County accordance with the financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 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 and 2021, or the 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 (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 the Village on the basis of the financial reporting provisions of Ohio Rev. Code § 117.38 and Ohio Admin. Code 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.

***Basis for Additional Opinion Qualification***

Municipal Income Taxes are reported at \$90,357 and \$85,985 for the years ended December 31, 2022 and 2021, respectively, which are 33% of General Fund receipts for the year ended December 31, 2022, and 35% of General Fund receipts for the year ended December 31, 2021. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as municipal income tax receipts. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

***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 Rev. Code § 117.38 and Ohio Admin. Code 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 *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.
- 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2025, 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.

KEITH FABER  
Ohio Auditor of State



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

July 24, 2025

**This page intentionally left blank.**

**Village of Tuscarawas, Ohio**

*Tuscarawas County*

*Combined Statement of Receipts, Disbursements*

*and Changes in Fund Balances (Regulatory Cash Basis)*

*All Governmental Fund Types*

*For the Year Ended December 31, 2022*

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$59,568	\$47,938	\$0	\$107,506
Municipal Income Tax	90,357	0	0	90,357
Intergovernmental	40,294	141,981	0	182,275
Special Assessments	162	0	0	162
Charges for Services	52,661	0	0	52,661
Fines, Licenses and Permits	1,369	0	0	1,369
Earnings on Investments	453	68	0	521
Miscellaneous	28,265	53,350	0	81,615
<i>Total Cash Receipts</i>	<i>273,129</i>	<i>243,337</i>	<i>0</i>	<i>516,466</i>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	71,063	0	0	71,063
Leisure Time Activities	0	13,275	0	13,275
Community Environment	9,186	0	0	9,186
Basic Utility Services	55,079	0	0	55,079
Transportation	0	101,714	0	101,714
General Government	113,197	3,930	0	117,127
Debt Service:				
Principal Retirement	0	23,221	12,246	35,467
Interest and Fiscal Charges	0	2,528	0	2,528
<i>Total Cash Disbursements</i>	<i>248,525</i>	<i>144,668</i>	<i>12,246</i>	<i>405,439</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>24,604</i>	<i>98,669</i>	<i>(12,246)</i>	<i>111,027</i>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	0	1,500	0	1,500
Transfers Out	(1,500)		0	(1,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(1,500)</i>	<i>1,500</i>	<i>0</i>	<i>0</i>
<i>Net Change in Fund Cash Balances</i>	<i>23,104</i>	<i>100,169</i>	<i>(12,246)</i>	<i>111,027</i>
<i>Fund Cash Balances, January 1</i>	<i>237,604</i>	<i>170,066</i>	<i>57,140</i>	<i>464,810</i>
<i>Fund Cash Balances, December 31</i>	<i>\$260,708</i>	<i>\$270,235</i>	<i>\$44,894</i>	<i>\$575,837</i>

*See accompanying notes to the basic financial statements*

**Village of Tuscarawas, Ohio**

*Tuscarawas County*

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)*

*Proprietary Fund Type*

*For the Year Ended December 31, 2022*

---

---

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	<u>\$550,176</u>
<i>Total Operating Cash Receipts</i>	<u>550,176</u>
<b>Operating Cash Disbursements</b>	
Personal Services	118,984
Employee Fringe Benefits	38,983
Contractual Services	61,326
Supplies and Materials	75,367
Other	<u>5,945</u>
<i>Total Operating Cash Disbursements</i>	<u>300,605</u>
<i>Operating Income (Loss)</i>	<u>249,571</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	378,162
Special Assessments	831
Other Debt Proceeds	847,397
Miscellaneous Receipts	566
Capital Outlay	(1,256,892)
Principal Retirement	(2,025)
Interest and Other Fiscal Charges	<u>(1,176)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(33,137)</u>
<i>Net Change in Fund Cash Balances</i>	216,434
<i>Fund Cash Balances, January 1</i>	<u>968,448</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,184,882</u>

*See accompanying notes to the basic financial statements*

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 1 - Reporting Entity**

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

***Jointly Governed Organizations and Public Entity Risk Pool***

The Village participates in two jointly governed organizations and the Ohio Plan Risk Management, Inc., a risk sharing pool available to Ohio local governments. Notes 6 and 10 of the financial statements provide additional information for these entities. These organizations are:

Jointly Governed Organizations:

- Tuscarawas County Regional Planning Commission
- Tuscarawas County Tax Incentive Review Council

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

**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 which are organized on a fund type basis.

***Fund Accounting***

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

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

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

***Street Construction Maintenance and Repair Fund*** 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.

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**State Highway Fund** The state highway fund accounts for and reports the portion of the State gasoline tax and motor vehicle license fees restricted for maintenance and repair of any state highways with the Village limits.

**Park Levy Fund** The park levy fund accounts for and reports levy money taxed from the Village residents and restricted to fund construction and maintenance of the park.

**Park Improvement Project Fund** The park improvement project fund accounts for and reports grant proceeds and donations that are committed to fund construction of the park.

**Permissive Motor Vehicle License Tax Fund** The Permissive Motor Vehicle Fund accounts for levied vehicle registration taxes for planning, constructing, improving, maintaining and repairing public roads, highway streets, and for the maintaining and repair of public bridges and viaducts.

**Coronavirus Relief Fund** The coronavirus relief fund provides for payments to State and Local governments navigating the impact of the COVID-19 outbreak. The CARES Act established the \$150 billion Coronavirus Relief Fund.

**ARP-American Rescue Plan Fund** The American Rescue Plan Act of 2021 builds upon many of the measures in the CARES Act from March 2020. It is a stimulus bill passed to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. This Act established the American Rescue Plan Fund.

**Street Levy Fund** The street levy fund accounts for and reports levy money taxed from the Village residents and restricted to fund construction and maintenance of all streets inside Village limits.

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

**ARC Grant Construction Fund** The ARC grant construction fund accounts for federal grant proceeds received which are restricted for repaying the Ohio Public Works Commission School Street Improvement loan.

**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 Operating Fund** The water operating fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Sewer Operating Fund** The sewer operating fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Water Systems Improvement Project Fund** The water systems improvement project fund accounts for federal grant and loan proceeds received which are restricted for construction and improvement of the water systems within the Village.

**Sewer Capital Assessment Fund** The sewer capital assessment fund accounts for and reports proceeds and general fund transfers that are committed to the assessment of sanitary sewer systems within the Village.

***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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (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 fund, function and object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

**Encumbrances** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village did not encumber all commitments required by Ohio law. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2022 budgetary activity appears in Note 3.

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. 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 12.

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending 2022 follows:

<u>2022 Budgeted vs. Actual Receipts</u>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$247,864	\$273,129	\$25,265
Special Revenue	134,560	244,837	110,277
Capital Projects	0	0	0
Enterprise	<u>1,787,842</u>	<u>1,777,132</u>	<u>(10,710)</u>
<b>Total</b>	<b><u>\$2,170,266</u></b>	<b><u>\$2,295,098</u></b>	<b><u>\$124,832</u></b>

<u>2022 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$356,370	\$251,383	\$104,987
Special Revenue	280,601	145,109	135,492
Capital Projects	57,141	12,246	44,895
Enterprise	<u>1,869,959</u>	<u>1,632,219</u>	<u>237,740</u>
<b>Total</b>	<b><u>\$2,564,071</u></b>	<b><u>\$2,040,957</u></b>	<b><u>\$523,114</u></b>

**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. A summary of the Village's deposit accounts are as follows:

Demand deposits	\$1,760,719
-----------------	-------------

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**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.

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 one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**Note 6 - Risk Management**

***Liability Insurance***

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained unchanged effective November 1, 2021 and November 1, 2020. OPRM had 773 members as of December 31, 2022.

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

***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.

***Health Insurance***

The Village participates in the Tuscarawas County Healthcare Consortium (the "Consortium"), which is a legally separate entity organized under Ohio Revised Code Chapter 167. The Consortium was established on January 1, 2017, formed by certain political subdivisions located within Tuscarawas County, for the purpose of obtaining medical and hospitalization benefits. The Consortium acts as a governmental risk pool for health insurance (including prescription and vision) coverage for its 23 member subdivisions. The Consortium has a Board of Directors consisting of five members. The Fiscal Agent is responsible for administering the financial transactions of the Consortium. For 2022, Tuscarawas County served as Fiscal Agent for the Consortium. Member contributions are used to provide medical, hospitalization, prescription drug and vision insurance benefits as provided for in the Member's Plan Document and as established by law. The Board of Directors determines, at their discretion, the insurance benefits to be provided by or through the Consortium. Insurance limits, types of claims covered, eligibility for benefits and any deductibles shall be approved by the governing board of each member and shall be described in the Member's Plan Document. The risk of loss for loss transfers from the member subdivisions to the Consortium upon payment of the monthly premium.

The Consortium's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2022.

Assets	\$332,704
Liabilities	<u>(1,500,911)</u>
Net Position	<u>\$(1,168,207)</u>

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 7 - Defined Benefit Pension Plans**

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

The Ohio Revised Code also prescribes contribution rates. OPERS' members contributed 10%, of their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

**Note 8 - Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 9 – Debt**

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loans	\$ 1,102,634	0%
Salt Shed Loan	\$ 18,425	0%
SIB Loan – Main Street Sidewalk	\$ 63,092	3%
OWDA Water Supply Revolving Loan	\$ 469,657	0.3%
 Total	 <u>\$ 1,653,808</u>	

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

***Amortization***

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

Year ending December 31:	OPWC Loans Principal	Salt Shed Principal	SIB Loan	
			Principal	Interest
2023	17,883	6,700	13,299	2,138
2024	45,405	6,700	13,701	1,736
2025	45,405	5,025	14,115	1,322
2026	45,405	0	21,977	1,178
2027	45,405	0	0	0
2028-2032	224,805	0	0	0
2033-2037	217,881	0	0	0
2038-2042	216,341	0	0	0
2043-2047	210,460	0	0	0
2048-2052	33,644	0	0	0
<b>Total</b>	<b>\$1,102,634</b>	<b>\$18,425</b>	<b>\$63,092</b>	<b>\$6,374</b>

The Village has several loans issued by the Ohio Public Works Commission (OPWC). In 2010, OPWC approved a loan for water and sewer lift station on Park Drive in the Village in the amount of \$22,192. The Village will repay the loan in semiannual installments of \$555, interest free, for 20 years from the Sewer Operating Fund.

An OPWC loan was approved in 2012 for improvements to the Village's Wastewater Treatment Plant in the amount of \$20,538. The Village will repay the loan in semiannual installments of \$513, interest free, for 20 years from the Sewer Operating Fund.

In 2013, OPWC approved a loan for widening, resurfacing and installation of storm sewers on School Street in the Village, in the amount of \$367,359. The Village will repay the loan in semiannual installments of \$6,123, interest free, for 30 years from the ARC Grant Construction Fund.

An OPWC loan was approved in 2014 for extending the storm sewer two and a half blocks on Main Street in the amount of \$47,592. The Village will repay the loan in semiannual installments of \$793, interest free, for 30 years from the Street Levy Fund.

In 2014, OPWC approved a loan for storm sewer improvements on Heritage Drive in the Village in the amount of \$57,454. The Village will repay the loan in semiannual installments of \$958, interest free, for 30 years from the Street Levy Fund.

In 2021, OPWC approved a loan for improvements to the Village's Water System in the amount of \$688,035. The Village will repay the loan in semiannual installments of \$13,761, interest free, for 25 years from the Water Operating Fund. The first payment is due January 1, 2024.

During 2012, the Ohio Development Services Agency approved a Local Government Investment Loan for the construction of a salt shed in the Village in the amount of \$67,000. The Village will repay the loan in quarterly installments of \$1,675, interest free, for 10 years.

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

During 2017, the Village was approved for a State Infrastructure Bank (SIB) loan through the Ohio Department of Transportation in the amount of \$110,446 for the replacement of sidewalks on Main Street within the Village. The Village will repay the loan in semiannual installments of \$7,718 until 2027 from the Street Construction Maintenance and Repair Fund and/or the Permissive Motor Vehicle License Tax Fund.

In 2020, the Ohio Water Development (OWDA) approved a loan in the amount of \$171,303, to develop an improvement project for the Village's water system in order to evaluate potential aeration or chemical products as well as the installation of new meters from the Village's water wells. A loan payment schedule was not finalized for this project because it was paid in full by a new OWDA loan approved in 2021.

In 2021, the Ohio Water Development (OWDA) approved a loan in the amount of \$428,717, to pay off the previous loan of \$171,303, and to continue development and improvements for the Village's water system in order to evaluate potential aeration or chemical products as well as the installation of new meters from the Village's water wells. A loan payment schedule has not been finalized for this project and the Village has not begun payment on this debt. Therefore, it is not included in the debt repayment schedule above.

#### **Note 10 – Jointly Governed Organizations**

##### ***Tuscarawas County Tax Incentive Review Council (TCTIRC)***

TCTIRC is a jointly governed organization, created as a regional council of governments pursuant to State Statutes. TCTIRC has 55 members, consisting of 3 members appointed by the County Commissioners, 22 members appointed by municipal corporations, 18 members appointed by township trustees, 1 member from the county auditor's office, 11 members appointed by boards of education located within the county. TCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. This body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the council can make written recommendations to the legislative authority which approved the agreement. There is no cost associated with being a member of this council. The continued existence of the TCTIRC is not dependent on the Village's continued participation and no equity interest exists. During fiscal year 2022, no monies were paid to the TCTIRC from the Village.

##### ***Tuscarawas County Regional Planning Commission (Commission)***

The Village participates in the Commission, which is statutorily created political subdivision of the State. The Commission is jointly governed by Tuscarawas County and other cities, villages and townships in the County. The principal aim of the Commission is to provide comprehensive planning, both long and short term, dealing with the economic and physical environment of Tuscarawas County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The Village has no financial responsibility for any of the Commission's liabilities. Complete financial statements can be obtained from the Tuscarawas County Regional Planning Commission, Tuscarawas County, Ohio.

#### **Note 11 – Contingent Liabilities**

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

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 12 - 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 and the unexpendable corpus of the permanent funds. 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 as follows:

		Special		
<u>Fund Balances</u>	<u>General</u>	<u>Revenue</u>	<u>Enterprise</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$1,358</u>	<u>\$441</u>	<u>\$71,521</u>	<u>\$73,320</u>

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

**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 continues. During 2022, the Village did not receive 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.

**Note 14 – Subsequent Events**

In 2023, the Village had the following significant events occur:

- Approved \$99,847 in American Rescue Plan Act funds for Ulrich Street Upgrades project.
- In June the Village secured \$250,000 in grant funding for the Cherry Street Waterline and Storm Sewer Projects and an additional \$300,000 for the Main Street Food Truck Project. Ohio Department of Transportation (ODOT) funding was secured to support sidewalk improvements.

In 2024, the Village had the following significant events occur:

- The Village obtained State Infrastructure Bank financing to cover costs not met by grants for the Cherry Street Waterline and Storm Sewer Projects.
- The Village entered into a Water Supply Revolving Loan Account agreement for the Cherry Street Waterline Improvements.

The Food Truck Park Project was completed on May 22, 2025. The Village has applied for multiple grants for a major park project, of which the start date of the project has been delayed.

**This page intentionally left blank.**

**Village of Tuscarawas, Ohio**

*Tuscarawas County*

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2021*

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$58,819	\$47,782	\$0	\$106,601
Municipal Income Tax	85,985	0	0	85,985
Intergovernmental	35,552	151,875	0	187,427
Charges for Services	51,736	0	0	51,736
Fines, Licenses and Permits	1,941	0	0	1,941
Earnings on Investments	492	30	0	522
Miscellaneous	13,230	5,253	0	18,483
<i>Total Cash Receipts</i>	<u>247,755</u>	<u>204,940</u>	<u>0</u>	<u>452,695</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	67,114	13,646	0	80,760
Leisure Time Activities	0	13,667	0	13,667
Community Environment	7,332	0	0	7,332
Basic Utility Services	58,417	0	0	58,417
Transportation	0	114,290	0	114,290
General Government	114,213	30,887	0	145,100
Capital Outlay			6,123	6,123
Debt Service:				
Principal Retirement	0	29,507	18,369	47,876
Interest and Fiscal Charges	0	2,944	0	2,944
<i>Total Cash Disbursements</i>	<u>247,076</u>	<u>204,941</u>	<u>24,492</u>	<u>476,509</u>
<i>Net Change in Fund Cash Balances</i>	<u>679</u>	<u>(1)</u>	<u>(24,492)</u>	<u>(23,814)</u>
<i>Fund Cash Balances, January 1</i>	<u>236,925</u>	<u>170,067</u>	<u>81,632</u>	<u>488,624</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$237,604</u></u>	<u><u>\$170,066</u></u>	<u><u>\$57,140</u></u>	<u><u>\$464,810</u></u>

*See accompanying notes to the basic financial statements*

**Village of Tuscarawas, Ohio**

*Tuscarawas County*

*Combined Statement of Receipts, Disbursements*

*and Changes in Fund Balances (Regulatory Cash Basis)*

*Proprietary Fund Type*

*For the Year Ended December 31, 2021*

---

---

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	<u>\$505,491</u>
<i>Total Operating Cash Receipts</i>	<u>505,491</u>
<b>Operating Cash Disbursements</b>	
Personal Services	120,296
Employee Fringe Benefits	40,624
Contractual Services	58,503
Supplies and Materials	72,010
Other	<u>7,759</u>
<i>Total Operating Cash Disbursements</i>	<u>299,192</u>
<i>Operating Income (Loss)</i>	<u>206,299</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	593,917
Other Debt Proceeds	325,910
Capital Outlay	(710,833)
Principal Retirement	(130,876)
Interest and Other Fiscal Charges	<u>(242)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>77,876</u>
<i>Net Change in Fund Cash Balances</i>	284,175
<i>Fund Cash Balances, January 1</i>	<u>684,273</u>
<i>Fund Cash Balances, December 31</i>	<u>\$968,448</u>

*See accompanying notes to the basic financial statements*

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Note 1 - Reporting Entity**

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

***Jointly Governed Organizations and Public Entity Risk Pool***

The Village participates in two jointly governed organizations and the Ohio Plan Risk Management, Inc., a risk sharing pool available to Ohio local governments. Notes 6 and 10 of the financial statements provide additional information for these entities. These organizations are:

Jointly Governed Organizations:

- Tuscarawas County Regional Planning Commission
- Tuscarawas County Tax Incentive Review Council

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

**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 which are organized on a fund type basis.

***Fund Accounting***

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

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

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

***Street Construction Maintenance and Repair Fund*** 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.

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**State Highway Fund** The State Highway Fund accounts for and reports the portion of the State gasoline tax and motor vehicle license fees restricted for maintenance and repair of any state highways with the village limits.

**Park Levy Fund** The Park Levy Fund accounts for and reports levy money taxed from the Village residents and restricted to fund construction and maintenance of the park.

**Street Levy Fund** The Street Levy Fund accounts for and reports levy money taxed from the Village residents and restricted to fund construction and maintenance of all streets inside Village limits.

**Permissive Motor Vehicle License Tax Fund** The Permissive Motor Vehicle License Tax Fund accounts for levied vehicle registration taxes for planning, constructing, improving, maintaining and repairing public roads, highway streets, and for the maintaining and repair of public bridges and viaducts.

**Coronavirus Relief Fund** The coronavirus relief fund provides for payments to State and Local governments navigating the impact of the COVID-19 outbreak. The CARES Act established the \$150 billion Coronavirus Relief Fund.

**ARP-American Rescue Plan Fund** The American Rescue Plan Act of 2021 builds upon many of the measures in the CARES Act from March 2020. It is a stimulus bill passed to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. This Act established the American Rescue Plan Fund.

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

**ARC Grant Construction Fund** The ARC Grant Construction Fund accounts for grant proceeds the Village received and is restricted for use in paying back the School Street loan.

**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 Operating Fund** The Water Operating Fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Sewer Operating Fund** The Sewer Operating Fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

***Basis of Accounting***

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

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 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 fund, function and object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. 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 re-appropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 3.

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**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 12.

### **Note 3 - Budgetary Activity**

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$224,500	\$247,755	\$23,255
Special Revenue	156,300	204,940	48,640
Capital Projects	81,632	0	(81,632)
Enterprise	575,000	1,425,318	850,318
Total	<u>\$1,037,432</u>	<u>\$1,878,013</u>	<u>\$840,581</u>

**Village of Tuscarawas, Ohio**  
**Tuscarawas County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**2021 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$308,450	\$247,076	\$61,374
Special Revenue	286,586	204,941	81,645
Capital Projects	75,509	24,492	51,017
Enterprise	1,343,309	1,141,143	202,166
Total	<u>\$2,013,854</u>	<u>\$1,617,652</u>	<u>\$396,202</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. A summary of the Village's deposit accounts are as follows:

Demand deposits	\$1,433,258
-----------------	-------------

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

**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.

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

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

***Income Taxes***

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

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

***Note 6 - Risk Management***

***Risk Pool Membership***

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u><u>\$ 6,740,056</u></u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

***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.

***Health Insurance***

The Village participates in the Tuscarawas County Healthcare Consortium (the "Consortium"), which is a legally separate entity organized under Ohio Revised Code Chapter 167. The Consortium was established on January 1, 2017, formed by certain political subdivisions located within Tuscarawas County, for the purpose of obtaining medical and hospitalization benefits. The Consortium acts as a governmental risk pool for health insurance (including prescription and vision) coverage for its 23 member subdivisions. The Consortium has a Board of Directors consisting of five members. The Fiscal Agent is responsible for administering the financial transactions of the Consortium. For 2021, Tuscarawas County served as Fiscal Agent for the Consortium. Member contributions are used to provide medical, hospitalization, prescription drug and vision insurance benefits as provided for in the Member's Plan Document and as established by law. The Board of Directors determines, at their discretion, the insurance benefits to be provided by or through the Consortium. Insurance limits, types of claims covered, eligibility for benefits and any deductibles shall be approved by the governing board of each member and shall be described in the Member's Plan Document. The risk of loss for loss transfers from the member subdivisions to the Consortium upon payment of the monthly premium.

The Consortium's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2021.

Assets	\$1,063,309
Liabilities	<u>(1,435,008)</u>
Net Position	\$ (371,699)

**Note 7 - Defined Benefit Pension Plans**

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

The Ohio Revised Code also prescribes contribution rates. OPERS' members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

**Village of Tuscarawas, Ohio**  
**Tuscarawas County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Note 8 - Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021.

**Note 9 – Debt**

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loans	\$ 432,482	0%
Salt Shed Loan	\$ 25,125	0%
SIB Loan – Main Street Sidewalk	\$ 76,001	3%
OWDA Water Supply Revolving Loan	\$ 310,295	0.3%
 Total	 <u>\$ 843,903</u>	

*Amortization*

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

Year ending December 31:	OPWC Loans	Salt Shed	SIB Loan	
	Principal	Principal	Principal	Interest
2022	17,883	6,700	12,909	2,528
2023	17,883	6,700	13,299	2,138
2024	17,884	6,700	13,701	1,736
2025	17,884	5,025	14,115	1,322
2026	17,884	0	14,542	895
2027-2031	88,307	0	7,435	283
2032-2036	81,301	0	0	0
2037-2041	78,734	0	0	0
2042-2047	94,722	0	0	0
<u>2048-2052</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total	 \$432,482	 \$25,125	 \$76,001	 \$8,902

The Village has several loans issued by the Ohio Public Works Commission (OPWC). In 2010, OPWC approved a loan for water and sewer lift station on Park Drive in the Village in the amount of \$22,192. The Village will repay the loan in semiannual installments of \$555, interest free, for 20 years from the Sewer Operating Fund.

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

An OPWC loan was approved in 2012 for improvements to the Village's Wastewater Treatment Plant in the amount of \$20,538. The Village will repay the loan in semiannual installments of \$513, interest free, for 20 years from the Sewer Operating Fund.

In 2013, OPWC approved a loan for widening, resurfacing and installation of storm sewers on School Street in the Village, in the amount of \$367,359. The Village will repay the loan in semiannual installments of \$6,123, interest free, for 30 years from the ARC Grant Construction Fund.

An OPWC loan was approved in 2014 for extending the storm sewer two and a half blocks on Main Street in the amount of \$47,592. The Village will repay the loan in semiannual installments of \$793, interest free, for 30 years from the Street Levy Fund.

In 2014, OPWC approved a loan for storm sewer improvements on Heritage Drive in the Village in the amount of \$57,454. The Village will repay the loan in semiannual installments of \$958, interest free, for 30 years from the Street Levy Fund.

In 2021, OPWC approved a loan for improvements to the Village's Water System in the amount of \$688,035. The Village will repay the loan in semiannual installments of \$13,761, interest free, for 25 years from the Water Operating Fund. The first payment is due January 1, 2024.

During 2012, the Ohio Development Services Agency approved a Local Government Investment Loan for the construction of a salt shed in the Village in the amount of \$67,000. The Village will repay the loan in quarterly installments of \$1,675, interest free, for 10 years.

During 2017, the Village was approved for a State Infrastructure Bank (SIB) loan through the Ohio Department of Transportation in the amount of \$110,446 for the replacement of sidewalks on Main Street within the Village. The Village will repay the loan in semiannual installments of \$7,718 until 2027 from the Street Construction Maintenance and Repair Fund and/or the Permissive Motor Vehicle License Tax Fund.

In 2020, the Ohio Water Development (OWDA) approved a loan in the amount of \$171,303, to develop an improvement project for the Village's water system in order to evaluate potential aeration or chemical products as well as the installation of new meters from the Village's water wells. A loan payment schedule was not finalized for this project because it was paid in full by a new OWDA loan approved in 2021.

In 2021, the Ohio Water Development (OWDA) approved a loan in the amount of \$428,717, to pay off the previous loan of \$171,303, and to continue development and improvements for the Village's water system in order to evaluate potential aeration or chemical products as well as the installation of new meters from the Village's water wells. A loan payment schedule has not been finalized for this project and the Village has not begun payment on this debt. Therefore, it is not included in the debt repayment schedule above.

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Note 10 – Jointly Governed Organizations**

***Tuscarawas County Tax Incentive Review Council (TCTIRC)***

TCTIRC is a jointly governed organization, created as a regional council of governments pursuant to State Statutes. TCTIRC has 55 members, consisting of 3 members appointed by the County Commissioners, 22 members appointed by municipal corporations, 18 members appointed by township trustees, 1 member from the county auditor's office, 11 members appointed by boards of education located within the county. TCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. This body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the council can make written recommendations to the legislative authority which approved the agreement. There is no cost associated with being a member of this council. The continued existence of the TCTIRC is not dependent on the Village's continued participation and no equity interest exists. During fiscal year 2021, no monies were paid to the TCTIRC from the Village.

***Tuscarawas County Regional Planning Commission (Commission)***

The Village participates in the Commission, which is statutorily created political subdivision of the State. The Commission is jointly governed by Tuscarawas County and other cities, villages and townships in the County. The principal aim of the Commission is to provide comprehensive planning, both long and short term, dealing with the economic and physical environment of Tuscarawas County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The Village has no financial responsibility for any of the Commission's liabilities. Complete financial statements can be obtained from the Tuscarawas County Regional Planning Commission, Tuscarawas County, Ohio.

**Note 11 – Contingent Liabilities**

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

**Note 12 - 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 and the unexpended corpus of the permanent funds. 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. Encumbrances outstanding at year end were canceled.

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

**Village of Tuscarawas, Ohio**  
*Tuscarawas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**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 continues. During 2022, the Village did not receive 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.

**Note 14 – Compliance**

Contrary to Ohio Rev. Code § 5705.38(C) the Village appropriated at the fund level for all funds, failing to meet the minimum legal level of control required by this section.

**Note 15 – Subsequent Events**

In 2023, the Village had the following significant events occur:

- Approved \$99,847 in American Rescue Plan Act funds for Ulrich Street Upgrades project.
- In June the Village secured \$250,000 in grant funding for the Cherry Street Waterline and Storm Sewer Projects and an additional \$300,000 for the Main Street Food Truck Project. Ohio Department of Transportation (ODOT) funding was secured to support sidewalk improvements.

In 2024, the Village had the following significant events occur:

- The Village obtained State Infrastructure Bank financing to cover costs not met by grants for the Cherry Street Waterline and Storm Sewer Projects.
- The Village entered into a Water Supply Revolving Loan Account agreement for the Cherry Street Waterline Improvements.

The Food Truck Park Project was completed on May 22, 2025. The Village has applied for multiple grants for a major park project, of which the start date of the project has been delayed.

**This page intentionally left blank.**



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

Village of Tuscarawas  
Tuscarawas County  
522 E. Cherry Street  
Tuscarawas, Ohio 44682

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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, 2022 and 2021 and the related notes to the financial statements of the Village of Tuscarawas, Tuscarawas County, Ohio (the Village), and have issued our report thereon dated July 24, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We qualified our opinion on the General Fund Municipal Income Tax receipts because we were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as municipal income tax receipts.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Village'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-001 through 2022-003 to be material weaknesses.

Village of Tuscarawas  
Tuscarawas County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by Government Auditing Standards  
Page 2

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. We consider the deficiency described in the accompanying Schedule of Findings as item 2022-005 to be a significant deficiency.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2022-003 through 2022-005.

***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 the Village'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER  
Ohio Auditor of State



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

July 24, 2025

**VILLAGE OF TUSCARAWAS  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

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

**FINDING NUMBER 2022-001**

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Errors were identified in the Village's financial statements that required audit adjustments and reclassifications as follows:

- During 2022, the following miss-postings and omissions were noted:
  - The Village received \$7,908 in Debt Proceeds related to the water system improvement project, which were not posted to the accounting system. As a result, Capital Outlay expenditures were also understated in the Water System Improvement Project Fund by \$7,908.
  - On-behalf Debt Proceeds totaling \$120,269 were misclassified as Intergovernmental revenue within the Water System Improvement Project fund.
  - Local donations totaling \$50,000 in the Park Improvement Project Special Revenue Fund were misclassified as Intergovernmental revenue instead of being posted as Miscellaneous revenue.
- During 2021, the following miss-postings and omissions were noted:
  - The Village received \$189,958 in on-behalf proceeds related to the water system improvement project as intergovernmental revenue. Further, the Village misclassified \$15,615 in related Capital Outlay expenditures as Contractual Services. These errors impacted the Water System Improvement Fund.
  - The Village received \$200,523 in Intergovernmental revenue \$118,400 in Debt Proceeds related to the water system improvement project, which were not posted to the accounting system. As a result, Capital Outlay expenditures were also understated in the Water System Improvement Fund by \$208,381 and Principal Retirement disbursements were understated within the same fund by \$110,542.

In addition, other misstatements related to omissions and miss-postings of receipts, expenditures, and equity ranging from \$25 to \$7,830 were identified and have been adjusted on the financial statements. These instances have been brought to the Village's attention.

We also identified related errors and omissions in the footnotes that have been adjusted. The adjustments and reclassifications above were agreed to by management, and the financial statements and notes have been adjusted accordingly.

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

To help ensure the Village's financial statements and notes to the financial statements are completed and accurate, the Village should adopt policies and procedures to identify and correct errors and omissions. In addition, the Village should review the financial statements and notes prior to submission for audit.

**VILLAGE OF TUSCARAWAS  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2022-002**

**Material Weakness**

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security over assets and records and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Council and/or other administrator are responsible for reviewing the reconciliations and related support.

During 2022 and 2021, the Village reconciliations were not completed timely and had significant errors due to improper adjustments posted to the accounting system. This resulted in the Village not being reconciled during 2022 and 2021. The Village corrected the errors in their reconciliations by contracting with Local Government Services (LGS) from the Ohio Auditor of State's Office after fiscal year-end.

Failure to reconcile monthly increases the possibility that the Village will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Council should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews. Unsupported reconciling items should be investigated prior to approval.

**FINDING NUMBER 2022-003**

**Noncompliance and Material Weakness**

**Ohio Admin. Code 117-2-02(A)** states all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements, and prepare financial statements required by rule 117-2-03 of the Administrative Code. Also, **Ohio Admin. Code 117-2-02(D)** states all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides and should consider the degree of automation and other factors. Such records should include the following:

**VILLAGE OF TUSCARAWAS  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2022-003 (Continued)**

**Noncompliance and Material Weakness (Continued)**

- Cash journal, which typically contains the following information: the amount, date, receipt number, check or electronic fund transfer number, account code, purchase order number, and all other information necessary to properly classify the transaction.
- Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.

The Village utilized Uniform Accounting Network (UAN) accounting software in 2022 and 2021. The Village recorded income tax revenue as aggregated amounts at various dates when they cleared the bank. However, the Village did not maintain ledgers of income tax receipts as individual transactions. The Village reported Municipal Income Tax of \$90,357 in 2022 and \$85,985 in 2021. Due to the inability of the Village to provide detailed subsidiary ledgers necessary to support individual transactions, we were unable to obtain assurances over the account balances for both 2022 and 2021.

Failure to maintain underlying documentation and support of financial transactions can increase the risk of fraud, result in financial statement misstatements, and receipts received for improper amounts.

The Village should maintain support for all transactions including a detailed ledger of income tax revenue. Receipts should be tracked by individual transaction and entered into the accounting system sequentially. This will help ensure the financial statements are correctly presented and mitigate risks for fraud occurring.

**FINDING NUMBER 2022-004**

**Noncompliance**

**Ohio Rev. Code § 5705.38(C)** states that “appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services.”

For 2021, the Village appropriated at the fund level for all funds, failing to meet the minimum legal level of control required by this section.

To ensure compliance and to increase internal controls over disbursements, the Village should appropriate for all funds at the object level.

**FINDING NUMBER 2022-005**

**Noncompliance and Significant Deficiency**

**2 C.F.R. Part 2400 § 101** gives regulatory effect to the Department of Housing and Urban Development for 2 C.F.R. Part 200, except where noted in 2 C.F.R. Part 2400. Appendix II to 2 C.F.R. § 200 states that, in addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following as applicable: (D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. Part 5, “Labor Standards Provisions Applicable to Contracts

**VILLAGE OF TUSCARAWAS  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2022-005 (Continued)**

**Noncompliance and Significant Deficiency (Continued)**

Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

**29 C.F.R. § 5.5(a)(3)(ii)(A)** provides, in part, that the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. **29 C.F.R. § 5.5(a)(3)(ii)(B)** requires each payroll submitted be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract.

**29 C.F.R. § 5.6** states that furthermore, no payment, advance, grant, loan, or guarantee of funds shall be approved by the Federal agency after the beginning of construction unless there is on file with the agency a certification by the contractor that the contractor and its subcontractors have complied with the provisions of § 5.5 or unless there is on file with the agency a certification by the contractor that there is a substantial dispute with respect to the required provisions.

The Village had a construction project partially funded with Community Development Block Grant (CDBG) funds. The following items were noted in regard to this Wastewater Systems Improvement Project:

- The project involved a contractor that performed work during the audit period. The Village could not provide a copy of the signed contract between the Village and the contractor; therefore, we could not determine if the contract contained language authorizing the subletting of contracts.
- This project involved prevailing wages that should have been utilized during the audit period. As it appears prevailing wages were being paid since the Village was receiving weekly certified payroll reports, the Village could not provide a copy of the prevailing wage determination that was used and in effect.

The Village should implement procedures to ensure that all signed contracts and prevailing wage determinations are maintained. This will help ensure compliance with both federal and state contract requirements and reduce the risk of noncompliance with associated financial penalties being incurred.

**Officials' Response** - We did not receive a response from Officials to the findings reported above.

# Village of Tuscarawas

522 East Cherry St.

PO Box 388

Tuscarawas, Ohio 44682-0388

740-922-4189

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Cash Reconciliations	Partially Corrected	The Village Council members are made aware and sign off on each month's bank reconciliation. The Village Fiscal Officer was replaced in August 2022. The new Fiscal Officer will reconcile each month and void warrants in the correct months instead of carrying them forward.
2020-002	Financial Reporting	Partially Corrected	The Village Fiscal Officer was replaced in August 2022. The new Fiscal Officer is aware of the errors and omissions and is correcting these to move forward for each audit year.
2020-003	Ohio Rev. Code § 5705.10(D)	Partially Corrected	The Village Fiscal Officer was replaced in August 2022. The new Fiscal Officer is properly receipting and reporting revenue.
2020-004	Ohio Rev. Code § 5705.38(D)	Fully Corrected	The Village corrected this issue in 2022.
2020-005	Ohio Rev. Code § 5705.40	Partially Corrected	The Village Fiscal Officer was replaced in August 2022. The new Fiscal Officer follows proper procedures and reports amendments to the county for amended certificates.
2020-006	Village Income Tax	Fully Corrected	As of August 2022 the Village has contracted with RITA to rectify the issue.

# OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF TUSCARAWAS

TUSCARAWAS 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 8/5/2025

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](http://www.ohioauditor.gov)