



**PERRY**

**& Associates CPAs**

**PASSION** *Beyond the Numbers*

**VILLAGE OF HAMLER  
HENRY COUNTY**

**REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2023 - 2022**





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Columbus, Ohio 43215  
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Village Council  
Village of Hamler  
PO Box 435  
Hamler, OH 43524

We have reviewed the *Independent Auditor's Report* of the Village of Hamler, Henry County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Hamler is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 09, 2024

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VILLAGE OF HAMLER  
HENRY COUNTY

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**INDEPENDENT AUDITOR'S REPORT**

Village of Hamler  
Henry County  
500 Hubbard Street  
Hamler, Ohio 43524

To the Village Council:

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

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Village of Hamler, Henry 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, 2023 and 2022, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2023 and 2022, 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 Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 June 28, 2024, 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.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

June 28, 2024

**VILLAGE OF REPLACE  
TEMPLATE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 8,345	\$ -	\$ 8,345
Municipal Income Tax	145,952	-	145,952
Intergovernmental	22,404	60,410	82,814
Charges for Services	303	-	303
Fines, Licenses and Permits	3,162	-	3,162
Earnings on Investments	3,711	-	3,711
Miscellaneous	17,214	-	17,214
<i>Total Cash Receipts</i>	<u>201,091</u>	<u>60,410</u>	<u>261,501</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	19,491	-	19,491
Public Health Services	765	-	765
Leisure Time Activities	131	-	131
Community Environment	8,521	-	8,521
Basic Utility Services	4,132	-	4,132
Transportation	77,453	16,247	93,700
General Government	75,869	-	75,869
Capital Outlay	-	18,022	18,022
Debt Service:			
Principal Retirement	2,640	-	2,640
<i>Total Cash Disbursements</i>	<u>189,002</u>	<u>34,269</u>	<u>223,271</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>12,089</u>	<u>26,141</u>	<u>38,230</u>
<b>Other Financing Receipts (Disbursements)</b>			
Other Financing Uses	(73)	-	(73)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(73)</u>	<u>-</u>	<u>(73)</u>
<i>Net Change in Fund Cash Balances</i>	12,016	26,141	38,157
<i>Fund Cash Balances, January 1</i>	<u>791,403</u>	<u>118,039</u>	<u>909,442</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 803,419</u>	<u>\$ 144,180</u>	<u>\$ 947,599</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF REPLACE  
TEMPLATE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 433,393
Miscellaneous	1,032
	<u>434,425</u>
<i>Total Operating Cash Receipts</i>	<u>434,425</u>
<b>Operating Cash Disbursements</b>	
Personal Services	86,560
Employee Fringe Benefits	16,479
Contractual Services	278,978
Supplies and Materials	43,086
Other	424
	<u>425,527</u>
<i>Total Operating Cash Disbursements</i>	<u>425,527</u>
<i>Operating Income (Loss)</i>	<u>8,898</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	804,015
Other Debt Proceeds	546,853
Capital Outlay	(1,231,384)
Principal Retirement	(123,929)
Interest and Other Fiscal Charges	(34,700)
	<u>(39,145)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(39,145)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(30,247)</u>
<i>Fund Cash Balances, January 1</i>	<u>884,966</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 854,719</u></u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 1 - Reporting Entity**

The Village of Hamler, Henry County, (the Village) as a body politic and corporate established to exercise 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, and police services through a police contract with the Village of Deshler. The Village contracts with Marion Township Fire Department on an 80%/20% contract to receive fire protection services. The Village appropriates General Fund money to support a volunteer fire department.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types 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 for construction, maintenance, and repair of streets within the Village.

***State Highway Fund*** – The state highway fund accounts for and reports that portion of the gas tax and motor vehicle tax money for maintaining state highways within the village.

***Permissive Motor Vehicle License Tax Fund*** – Permissive tax revenue is used for planning, constructing, improving, maintaining and repairing public streets and highways in the village.

***Local Fiscal Recovery Fund*** – These are funds received as part of the American Rescue Plan to State, Local and Tribal Governments to support their response to and recovery from COVID-19.

VILLAGE OF HAMLER  
HENRY COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023  
(Continued)

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***Enterprise Funds*** These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

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

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

***Enterprise Debt Service Fund*** – This fund accounts for a utility surcharge to be used to repay loans.

***Enterprise Deposit Fund*** – This fund accounts for utility deposits received and applied or refunded to utility customers.

***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 or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

***Encumbrances*** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 3.

VILLAGE OF HAMLER  
HENRY COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023  
(Continued)

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Deposits and Investments***

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

***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 10.

**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023  
(Continued)**

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2023 follows:

<b>2023 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 193,100	\$ 201,091	\$ 7,991
Special Revenue	59,379	60,410	1,031
Enterprise	1,805,563	1,785,293	(20,270)
Total	\$ 2,058,042	\$ 2,046,794	\$ (11,248)

  

<b>2023 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 275,790	\$ 189,219	\$ 86,571
Special Revenue	178,228	34,269	143,959
Enterprise	1,896,816	1,815,757	81,059
Total	\$ 2,350,834	\$ 2,039,245	\$ 311,589

**Note 4 – Deposits**

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:

	<b>2023</b>
Demand Deposits	\$ 1,607,682
Certificates of Deposit	194,636
Total Deposits	\$ 1,802,318

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village is holding \$2,526 in unremitted employee payroll withholdings.

**Deposits:** Deposits are insured by the Federal Depository 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023  
(Continued)**

**Note 5 – Taxes (Continued)**

***Property Taxes (Continued)***

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

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

***Income Taxes***

The Village levies a municipal income tax of 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**

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 has remain unchanged. OPRM had 773 members as of 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 (latest information available):

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).



**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023  
(Continued)**

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Social Security***

Other Village employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

**Note 8 - Postemployment Benefits**

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

**Note 9 – Debt**

Debt outstanding at December 31, 2023 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
OPWC CE18P	\$ 25,842	0.00%
OPWC CE25Q	56,237	0.00%
OPWC CE28G	6,600	0.00%
OPWC CE45U	287,083	0.00%
OPWC CE24T	37,091	0.00%
OPWC CT19Y	63,559	0.00%
OWDA 8186	1,141,256	1.02%
OWDA 8630	191,241	0.50%
OWDA 9392	1,116,193	1.41%
OWDA 9407	384,828	1.41%
OWDA 10058	563,018	0.00%
Total	<b>\$3,872,948</b>	

**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023  
(Continued)**

**Note 9 – Debt (Continued)**

The Ohio Public Works Commission (OPWC) Loan CE18P relates to a Fire Hydrant Valve Replacement Project. The OPWC approved \$38,763 in an interest free loan to the Village for this project. The loan will be repaid in semi-annual installments of \$646 over 30 years. Payments are made from the Enterprise Debt Service Fund.

The Ohio Public Works Commission (OPWC) Loan CE25Q relates to the Waterline Replacement Project Phase 1. The loan is an interest free loan. The loan will be repaid in semi-annual installments of \$1,278 over 30 years. Payments are made from the Enterprise Debt Service Fund.

The Ohio Public Works Commission (OPWC) Loan CE28G relates to the Railroad Street drainage improvement project. The OPWC approved \$52,000 in an interest free loan to the Village for this project. The loan will be repaid in semi-annual installments of \$1,320 over 20 years. Payments are made from the General Fund.

The Ohio Public Works Commission (OPWC) Loan CE45U relates to the Water Treatment Plant Replacement project. The OPWC approved \$325,000 in an interest free loan to the Village for this project. The loan will be repaid in semi-annual installments of \$5,417 over 30 years. Payments are made from the Enterprise Debt Service Fund.

The Ohio Public Works Commission (OPWC) Loan #CE24T relates to a Joint Waterline Loop Extension & Meter project. This was a joint project with the Villages of Deshler and Malinta. Phase 1 of the project was completed in 2017 and will be repaid with annual payment to the Village of Deshler of \$1,514. This is 33% of the joint debt for 30 years beginning in 2018 with a maturity of 2048. The loan will be secured by the Village's water and sewer funds. Payments are made from the Enterprise Debt Service Fund.

The Ohio Public Works Commission (OPWC) Loan CT19Y relates to the Sanitary Lagoon Improvements project. The OPWC approved \$131,250 in an interest free loan to the Village for this project. As of the end of December 31, 2023, only \$65,390 has been disbursed. The first portion of the loan initialization began in 2022 in the amount of \$36,637. This portion of the loan will be repaid in semi-annual installments of \$916 over 20 years. Payments are made from the Enterprise Debt Service Fund.

The Ohio Water Development Authority Loan 8186 relates to Water Treatment Plant Improvements. The loan will be repaid in semi-annual installments of \$24,629 over 30 years at a rate of 1.02%.

The Ohio Water Development Authority Loan 8630 relates to the Hubbard Street Watermain and Sanitary Sewer Extension. The loan will be repaid in semi-annual installments of \$5,874 over 20 years at a rate of 0.50%.

The Ohio Water Development Authority Loan 9392 relates to the refinance of the USDA-RD Loan Series 2005A. The loan will be repaid in semi-annual installments of \$29,594 over 23.5 years at a rate of 1.41%.

The Ohio Water Development Authority Loan 9407 relates to the refinance of the USDA-RD Loan Series 2005A. The loan will be repaid in semi-annual installments of \$10,203 over 23.5 years at a rate of 1.41%.

The Ohio Water Development Authority Loan 10058 relates to the Water Tower and Distribution System Improvements. Disbursements are not complete and no amortization schedule is yet available.

**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023  
(Continued)**

**Note 9 – Debt (Continued)**

Amortization of the Village’s debt, including principal and interest, is scheduled as follows:

Year ending December 31:	OPWC Loans	OWDA Loans
2024	\$ 20,667	\$ 140,601
2025	20,667	140,601
2026	19,347	140,601
2027	18,027	140,601
2028	18,027	140,601
2029-2033	90,137	703,004
2034-2038	90,137	703,004
2039-2043	88,305	667,759
2044-2048	66,092	405,478
2049-2053	16,252	73,886
<i>Total</i>	\$ 447,658	\$ 3,256,136

**Note 10 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years 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:

Fund Balances	General
Outstanding Encumbrances	\$ 144
<i>Total</i>	\$ 144

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**VILLAGE OF REPLACE  
TEMPLATE 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	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 16,068	\$ -	\$ 16,068
Municipal Income Tax	152,706	-	152,706
Intergovernmental	27,426	191,520	218,946
Fines, Licenses and Permits	3,325	-	3,325
Earnings on Investments	4,308	-	4,308
Miscellaneous	604	-	604
<i>Total Cash Receipts</i>	<u>204,437</u>	<u>191,520</u>	<u>395,957</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	24,584	-	24,584
Public Health Services	1,714	-	1,714
Leisure Time Activities	2,310	-	2,310
Community Environment	3,073	-	3,073
Basic Utility Services	3,892	99,847	103,739
Transportation	71,040	9,511	80,551
General Government	88,250	-	88,250
Capital Outlay	-	54,511	54,511
Debt Service:			
Principal Retirement	2,640	-	2,640
<i>Total Cash Disbursements</i>	<u>197,503</u>	<u>163,869</u>	<u>361,372</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>6,934</u>	<u>27,651</u>	<u>34,585</u>
<b>Other Financing Receipts (Disbursements)</b>			
Other Financing Uses	(188)	-	(188)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(188)</u>	<u>-</u>	<u>(188)</u>
<i>Net Change in Fund Cash Balances</i>	6,746	27,651	34,397
<i>Fund Cash Balances, January 1</i>	<u>784,657</u>	<u>90,388</u>	<u>875,045</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 791,403</u>	<u>\$ 118,039</u>	<u>\$ 909,442</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF REPLACE  
TEMPLATE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Proprietary Fund Type</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 434,522
Miscellaneous	107
	<hr/>
<i>Total Operating Cash Receipts</i>	<i>434,629</i>
	<hr/>
<b>Operating Cash Disbursements</b>	
Personal Services	82,950
Employee Fringe Benefits	16,012
Contractual Services	319,234
Supplies and Materials	32,901
Other	1,681
	<hr/>
<i>Total Operating Cash Disbursements</i>	<i>452,778</i>
	<hr/>
<i>Operating Income (Loss)</i>	<i>(18,149)</i>
	<hr/>
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	327,219
Other Debt Proceeds	176,760
Capital Outlay	(202,445)
Principal Retirement	(177,790)
Interest and Other Fiscal Charges	(33,510)
	<hr/>
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>90,234</i>
	<hr/>
<i>Net Change in Fund Cash Balances</i>	<i>72,085</i>
	<hr/>
<i>Fund Cash Balances, January 1 (Restated - See Note 11)</i>	<i>812,881</i>
	<hr/>
<i>Fund Cash Balances, December 31</i>	<i>\$ 884,966</i>
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1 - Reporting Entity**

The Village of Hamler, Henry County, (the Village) as a body politic and corporate established to exercise 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, and police services through a police contract with the Village of Deshler. The Village contracts with Marion Township Fire Department on an 80%/20% contract to receive fire protection services. The Village appropriates General Fund money to support a volunteer fire department.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types 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 for construction, maintenance, and repair of streets within the Village.

***State Highway Fund*** – The state highway fund accounts for and reports that portion of the gas tax and motor vehicle tax money for maintaining state highways within the village.

***Permissive Motor Vehicle License Tax Fund*** – Permissive tax revenue is used for planning, constructing, improving, maintaining and repairing public streets and highways in the village.

***Local Fiscal Recovery Fund*** – These are funds received as part of the American Rescue Plan to State, Local and Tribal Governments to support their response to and recovery from COVID-19.

***Coronavirus Relief Fund*** – These are funds received as part of the American Rescue Plan to State, Local and Tribal Governments to support their response to and recovery from COVID-19.

VILLAGE OF HAMLER  
HENRY COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022  
(Continued)

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***Enterprise Funds*** These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

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

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

***Utility Improvement Fund*** – The utility improvement fund accounts for loan proceeds from the Ohio Water Development Authority restricted to the utility plant expansion. A utility surcharge recorded in this fund will repay this loan.

***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 or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

***Encumbrances*** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2022 budgetary activity appears in Note 3.

VILLAGE OF HAMLER  
HENRY COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022  
(Continued)

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Deposits and Investments***

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

***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 10.



**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022  
(Continued)**

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2022 follows:

<b>2022 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 157,250	\$ 204,437	\$ 47,187
Special Revenue	167,865	191,520	23,655
Enterprise	929,373	938,608	9,235
Total	\$ 1,254,488	\$ 1,334,565	\$ 80,077

<b>2022 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 229,867	\$ 197,691	\$ 32,176
Special Revenue	211,984	163,869	48,115
Enterprise	1,105,469	866,523	238,946
Total	\$ 1,547,320	\$ 1,228,083	\$ 319,237

**Note 4 – Deposits**

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:

	<b>2022</b>
Demand Deposits	\$ 1,678,771
Certificates of Deposit	115,637
Total Deposits	\$ 1,794,408

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Village is holding \$0 in unremitted employee payroll withholding.

**Deposits:** Deposits are insured by the Federal Depository 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022  
(Continued)**

**Note 5 – Taxes (Continued)**

***Property Taxes (Continued)***

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

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

***Income Taxes***

The Village levies a municipal income tax of 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**

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 has remain unchanged. OPRM had 773 members as of 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).

**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022  
(Continued)**

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Social Security***

Other Village employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022  
(Continued)**

**Note 9 – Debt**

Debt outstanding at December 31, 2022 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
OPWC CE18P	\$ 27,134	0.00%
OPWC CE25Q	58,793	0.00%
OPWC CE28G	9,240	0.00%
OPWC CE45U	297,917	0.00%
OPWC CE24T	38,605	0.00%
OPWC CT19Y	65,390	0.00%
OWDA 8186	1,178,587	1.02%
OWDA 8630	201,993	0.50%
OWDA 9392	1,159,188	1.41%
OWDA 9407	399,652	1.41%
OWDA 10058	16,165	0.00%
Total	<b>\$3,452,664</b>	

The Ohio Public Works Commission (OPWC) Loan CE18P relates to a Fire Hydrant Valve Replacement Project. The OPWC approved \$38,763 in an interest free loan to the Village for this project. The loan will be repaid in semi-annual installments of \$646 over 30 years. Payments are made from the Enterprise Debt Service Fund.

The Ohio Public Works Commission (OPWC) Loan CE25Q relates to the Waterline Replacement Project Phase 1. The loan is an interest free loan. The loan will be repaid in semi-annual installments of \$1,278 over 30 years. Payments are made from the Enterprise Debt Service Fund.

The Ohio Public Works Commission (OPWC) Loan CE28G relates to the Railroad Street drainage improvement project. The OPWC approved \$52,000 in an interest free loan to the Village for this project. The loan will be repaid in semi-annual installments of \$1,320 over 20 years. Payments are made from the General Fund.

The Ohio Public Works Commission (OPWC) Loan CE45U relates to the Water Treatment Plant Replacement project. The OPWC approved \$325,000 in an interest free loan to the Village for this project. The loan will be repaid in semi-annual installments of \$5,417 over 30 years. Payments are made from the Enterprise Debt Service Fund.

The Ohio Public Works Commission (OPWC) Loan #CE24T relates to a Joint Waterline Loop Extension & Meter project. This was a joint project with the Villages of Deshler and Malinta. Phase 1 of the project was completed in 2017 and will be repaid with annual payment to the Village of Deshler of \$1,514. This is 33% of the joint debt for 30 years beginning in 2018 with a maturity of 2048. The loan will be secured by the Village’s water and sewer funds. Payments are made from the Enterprise Debt Service Fund.

The Ohio Public Works Commission (OPWC) Loan CT19Y relates to the Sanitary Lagoon Improvements project. The OPWC approved \$131,250 in an interest free loan to the Village for this project. As of the end of December 31, 2022, only \$65,390 has been disbursed. The first portion of the loan initialization began in 2022 in the amount of \$36,637. This portion of the loan will be repaid in semi-annual installments of \$916 over 20 years. Payments are made from the Enterprise Debt Service Fund.

The Ohio Water Development Authority Loan 8186 relates to Water Treatment Plant Improvements. The loan will be repaid in semi-annual installments of \$24,629 over 30 years at a rate of 1.02%.

**VILLAGE OF HAMLER  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022  
(Continued)**

**Note 9 – Debt (Continued)**

The Ohio Water Development Authority Loan 8630 relates to the Hubbard Street Watermain and Sanitary Sewer Extension. The loan will be repaid in semi-annual installments of \$5,874 over 20 years at a rate of 0.50%.

The Ohio Water Development Authority Loan 9392 relates to the refinance of the USDA-RD Loan Series 2005A. The loan will be repaid in semi-annual installments of \$29,594 over 23.5 years at a rate of 1.41%.

The Ohio Water Development Authority Loan 9407 relates to the refinance of the USDA-RD Loan Series 2005A. The loan will be repaid in semi-annual installments of \$10,203 over 23.5 years at a rate of 1.41%.

The Ohio Water Development Authority Loan 9588 related to the Water Tower Improvements Design. The loan was initialized in 2022 at an interest rate of 1.9%. This loan was repaid in 2022 with grant proceeds from OWDA 10058.

The Ohio Water Development Authority Loan 10058 relates to the Water Tower and Distribution System Improvements. Disbursements are not complete and no amortization schedule is yet available.

Amortization of the Village’s debt, including principal and interest, is scheduled as follows:

Year ending December 31:	OPWC Loans	OWDA Loans
2023	\$ 20,667	\$ 140,601
2024	20,667	140,601
2025	20,667	140,601
2026	19,347	140,601
2027	18,027	140,601
2028-2032	90,137	703,004
2033-2037	90,137	703,004
2038-2042	90,137	679,508
2043-2047	70,697	485,073
2048-2052	27,840	123,144
Total	\$ 468,323	\$ 3,396,738

**Note 10 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years 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 zero.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

VILLAGE OF HAMLER  
HENRY COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022  
(Continued)

**Note 11 – Restatement of Fund Balances**

Beginning fund balance at January 1, 2022 was restated for the Village's Enterprise Funds due to the correction of a previous reconciliation error for the Village's Water Bill bank account.

	<u>Enterprise</u>
Ending Fund Balance, December 31, 2021	\$ 850,203
Restatement Amount	<u>(37,322)</u>
Beginning Fund Balance, January 1, 2022, Restated	<u>\$ 812,881</u>

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

Village of Hamler  
Henry County  
500 Hubbard Street  
Hamler, Ohio 43524

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* issued by the Comptroller General of the United States (*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, 2023 and 2022 and the related notes to the financial statements of the Village of Hamler, Henry County, (the Village) and have issued our report thereon dated June 28, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

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

In planning and performing our audit of the financial statements, we considered the Village'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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of audit findings as item 2023-001 that we consider to be a material weakness.

***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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

June 28, 2024



VILLAGE OF HAMLER  
HENRY COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

FINDING NUMBER 2023-001

**Material Weakness**

**Financial Reporting**

The Village should have procedures and controls in place to prevent and detect errors in financial reporting.

Receipts and disbursements were not always posted or classified correctly. The following errors were noted:

- A receipt for delinquent water and sewer utility receipts was incorrectly classified as Property and Other Local Taxes in the General Fund instead of Charges for Services in the Water and Sewer Funds in 2023;
- Some gasoline tax, auto license, and permissive MVL receipts were not allocated to the correct funds during 2023 and 2022;
- A receipt for rollback was incorrectly classified as Property and Other Local Taxes instead of Intergovernmental in the General Fund in 2022;
- OWDA loan and grant activity was not recorded as Intergovernmental, Other Debt Proceeds, and Capital Outlay disbursements in the Water Fund in 2023 and 2022;
- OWPC loan and grant activity was not correctly allocated in the Sewer Fund in 2022; and
- Grant receipts were incorrectly classified as Miscellaneous instead of Intergovernmental in the Sewer Fund in 2023 and 2022.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several adjustments and reclassifications. The Village has made the adjustments to their accounting system. The financial statements reflect all adjustments and reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Village Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**Management's Response** – We did not receive a response from officials to this finding.

**VILLAGE OF HAMLER  
HENRY COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting	Not Corrected	Repeated as Finding 2023-001
2021-002	Bank Reconciliations	Partially Corrected	Moved to Management Letter
2021-003	ORC 5705.10	Corrected	N/A
2021-004	Budgetary Controls	Partially Corrected	Moved to Management Letter

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF HAMLER**

**HENRY 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 9/19/2024**

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)