



**VILLAGE OF HAMDEN
VINTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Hamden
Vinton County
PO Box 355
Hamden, Ohio 45634

To the Mayor, Village Council, and Clerk:

We have audited the accompanying financial statements of the Village of Hamden, Vinton County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Hamden, Vinton County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2000 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 grants.

This report is intended solely for the information and use of management, the Mayor and the Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 30, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$7,451	\$12,994	\$20,445
Intergovernmental Receipts	36,198	36,927	73,125
Charges for Services	5,400	0	5,400
Miscellaneous	1,729	1,911	3,640
	<u>50,778</u>	<u>51,832</u>	<u>102,610</u>
Total Cash Receipts			
Cash Disbursements:			
Security of Persons and Property	19,917	21,188	41,105
Public Health Services	189	0	189
Transportation	0	35,946	35,946
General Government	30,043	627	30,670
Capital Outlay	15,489	0	15,489
	<u>65,638</u>	<u>57,761</u>	<u>123,399</u>
Total Cash Disbursements			
Excess of Cash Receipts Over/(Under) Cash Disbursements	<u>(14,860)</u>	<u>(5,929)</u>	<u>(20,789)</u>
Other Financing Sources/(Uses):			
Other Financing Sources	8,899	0	8,899
	<u>8,899</u>	<u>0</u>	<u>8,899</u>
Total Other Financing Sources/(Uses)			
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(5,961)	(5,929)	(11,890)
Fund Cash Balances, January 1	<u>72,373</u>	<u>76,740</u>	<u>149,113</u>
Fund Cash Balances, December 31	<u>\$66,412</u>	<u>\$70,811</u>	<u>\$137,223</u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$61,831
Miscellaneous	385
	62,216
Operating Cash Disbursements:	
Personal Services	29,756
Contractual Services	25,132
Supplies and Materials	12,455
	67,343
Total Operating Cash Disbursements	67,343
Operating Income/(Loss)	(5,127)
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	150
	150
Total Non-Operating Cash Disbursements	150
Excess of Receipts Over/(Under) Disbursements	(5,277)
Fund Cash Balance, January 1	19,992
Fund Cash Balance, December 31	\$14,715

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$7,637	\$13,418	\$0	\$21,055
Intergovernmental Receipts	53,697	44,007	0	97,704
Charges for Services	5,400	0	0	5,400
Miscellaneous	1,734	1,812	0	3,546
	<u>68,468</u>	<u>59,237</u>	<u>0</u>	<u>127,705</u>
Total Cash Receipts				
Cash Disbursements:				
Security of Persons and Property	18,379	8,925	0	27,304
Public Health Services	166	0	0	166
Transportation	0	21,803	0	21,803
General Government	30,855	0	0	30,855
Capital Outlay	2,493	15,311	1,246	19,050
	<u>51,893</u>	<u>46,039</u>	<u>1,246</u>	<u>99,178</u>
Total Cash Disbursements				
Excess of Cash Receipts Over/(Under) Cash Disbursements	<u>16,575</u>	<u>13,198</u>	<u>(1,246)</u>	<u>28,527</u>
Other Financing Sources/(Uses):				
Transfers-In	0	2,400	0	2,400
Transfers-Out	0	0	(2,400)	(2,400)
Other Financing Sources	9,070	0	0	9,070
	<u>9,070</u>	<u>2,400</u>	<u>(2,400)</u>	<u>9,070</u>
Total Other Financing Sources/(Uses)				
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	25,645	15,598	(3,646)	37,597
Fund Cash Balances, January 1	<u>46,728</u>	<u>61,142</u>	<u>3,646</u>	<u>111,516</u>
Fund Cash Balances, December 31	<u>\$72,373</u>	<u>\$76,740</u>	<u>\$0</u>	<u>\$149,113</u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$59,227
Total Operating Cash Receipts	59,227
Operating Cash Disbursements:	
Personal Services	29,685
Contractual Services	25,076
Supplies and Materials	6,923
Total Operating Cash Disbursements	61,684
Operating Income/(Loss)	(2,457)
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	13
Total Non-Operating Cash Disbursements	13
Excess of Receipts Over/(Under) Disbursements	(2,470)
Fund Cash Balance, January 1	22,462
Fund Cash Balance, December 31	\$19,992

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Hamden, Vinton County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water utilities, maintenance of roads, street lighting and fire protection. The Village contracts with the Vinton County Sheriff's department to provide security of persons and property.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund - This fund received gasoline tax and motor vehicle license tax money to construct, maintain and repair Village streets.

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Projects Fund:

OWDA Fund - The Village received a grant for a preliminary study on the installation of sewer lines and water meters. This fund was closed at the end of 1998.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

4. Enterprise Funds

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

Water Fund - This fund received charges for services from residents to cover the cost of providing this utility.

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. 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 Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus beginning of the year fund cash balances. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. The Village did not use the encumbrance method of accounting.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>1998</u>	<u>1999</u>
Demand deposits	\$ 151,938	\$ 169,105

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 40,488	\$ 59,677	\$ 19,189
Special Revenue	52,072	51,832	(240)
Enterprise	60,000	62,216	2,216
Total	\$ 152,560	\$ 173,725	\$ 21,165

1999 Budgeted vs. Actual Cash Disbursements			
Fund Type	Appropriation Authority	Actual Disbursements	Variance
General	\$ 112,861	\$ 65,638	\$ 47,223
Special Revenue	128,813	57,761	71,052
Enterprise	79,992	67,493	12,499
Total	\$ 321,666	\$ 190,892	\$ 130,774

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 61,937	\$ 77,538	\$ 15,601
Special Revenue	61,408	61,637	229
Capital Projects	0	0	0
Enterprise	60,000	59,227	(773)
Total	\$ 183,345	\$ 198,402	\$ 15,057

1998 Budgeted vs. Actual Cash Disbursements			
Fund Type	Appropriation Authority	Cash Disbursements	Variance
General	\$ 87,103	\$ 51,893	\$ 35,210
Special Revenue	114,750	46,039	68,711
Capital Projects	3,646	3,646	0
Enterprise	82,462	61,697	20,765
Total	\$ 287,961	\$ 163,275	\$ 124,686

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 22,436	0%
Backhoe Loan	53,850	5.75%
Total	\$ 76,286	

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$24,929 in loans to the Village for this project. The loans will be repaid in annual installments of \$2,493, including interest, over 10 years.

The Backhoe Loan relates to the purchase of a backhoe for the maintenance of the Village's streets and property. The purchase price of the backhoe was \$56,445 and is to be repaid in annual installments of \$10,770 including interest, over 6 years.

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

Year ending December 31:	OWDA Loan	Backhoe Loan
2000	\$ 2,493	\$ 10,770
2001	2,493	10,770
2002	2,493	10,770
2003	2,493	10,770
2004	2,493	10,770
Subsequent	9,971	0
Total	\$ 22,436	\$ 53,850

6. RETIREMENT SYSTEMS

The Village's employees, as well as the Clerk and Council members, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- General liability and casualty
- Public officials' liability
- Vehicles
- Property



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Hamden
Vinton County
PO Box 355
Hamden, Ohio 45634

To the Mayor, Village Council, and Clerk:

We have audited the accompanying financial statements of the Village of Hamden, Vinton County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 30, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Hamden's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 30, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village of Hamden's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 30, 2000.

Village of Hamden
Vinton County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management, the Mayor and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 30, 2000



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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF HAMDEN

VINTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 27, 2000**