



OHIO AUDITOR OF STATE  
**KEITH FABER**





VILLAGE OF HAMDEN  
VINTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
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, 2021 .....	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2021 .....	6
Statement of Additions, Deductions and Change in Fund Balance (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2021 .....	7
Notes to the Financial Statements For the Year Ended December 31, 2021 .....	9
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2020 .....	19
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2020 .....	20
Statement of Additions, Deductions and Change in Fund Balance (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2020 .....	21
Notes to the Financial Statements For the Year Ended December 31, 2020 .....	23
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.....	42

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**INDEPENDENT AUDITOR'S REPORT**

Village of Hamden  
Vinton County  
P.O. Box 355  
Hamden, Ohio 45634

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 Hamden, Vinton County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, 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 and the fiduciary fund type combined total as of and for the year ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative 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, 2021 and 2020, or the changes in financial position thereof for the years then ended.

***Basis for Opinions***

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative 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.

***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 § 117.38 and Ohio Administrative 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 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 May 4, 2023, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 4, 2023

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**Village of Hamden, Ohio***Vinton 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	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$31,084	\$40,387	\$0	\$71,471
Intergovernmental	42,596	108,081	0	150,677
Charges for Services	10,370	0	0	10,370
Fines, Licenses and Permits	15,454	0	0	15,454
Earnings on Investments	405	165	0	570
Miscellaneous	2,846	4,350	0	7,196
<i>Total Cash Receipts</i>	<u>102,755</u>	<u>152,983</u>	<u>0</u>	<u>255,738</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	36,695	70,497	0	107,192
Leisure Time Activities	0	320	0	320
Transportation	4,253	42,620	0	46,873
General Government	72,818	9,739	0	82,557
Capital Outlay	0	344,066	202	344,268
Debt Service:				
Principal Retirement	0	2,279	0	2,279
<i>Total Cash Disbursements</i>	<u>113,766</u>	<u>469,521</u>	<u>202</u>	<u>583,489</u>
<i>Excess of Receipts (Under) Disbursements</i>	<u>(11,011)</u>	<u>(316,538)</u>	<u>(202)</u>	<u>(327,751)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued	0	344,066	0	344,066
Other Financing Sources	5,299	0	0	5,299
Other Financing Uses	(523)	(365)	0	(888)
<i>Total Other Financing Receipts</i>	<u>4,776</u>	<u>343,701</u>	<u>0</u>	<u>348,477</u>
<i>Net Change in Fund Cash Balances</i>	(6,235)	27,163	(202)	20,726
<i>Fund Cash Balances, January 1</i>	<u>92,557</u>	<u>172,584</u>	<u>18,940</u>	<u>284,081</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$86,322</u></u>	<u><u>\$199,747</u></u>	<u><u>\$18,738</u></u>	<u><u>\$304,807</u></u>

*See accompanying notes to the basic financial statements*

**Village of Hamden, Ohio**  
*Vinton County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2021*

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$490,781
Miscellaneous	7,949
<i>Total Operating Cash Receipts</i>	<u>498,730</u>
<b>Operating Cash Disbursements</b>	
Personal Services	32,115
Employee Fringe Benefits	5,633
Contractual Services	235,997
Supplies and Materials	15,492
Other	2,902
<i>Total Operating Cash Disbursements</i>	<u>292,139</u>
<i>Operating Income</i>	<u>206,591</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	83,604
Other Debt Proceeds	13,706
Capital Outlay	(95,688)
Principal Retirement	(146,973)
Interest and Other Fiscal Charges	(33,330)
Other Financing Uses	(287)
<i>Total Non-Operating (Disbursements)</i>	<u>(178,968)</u>
<i>Income before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	27,623
Capital Contributions	174
Special Item	5,676
<i>Net Change in Fund Cash Balances</i>	33,473
<i>Fund Cash Balances, January 1</i>	<u>171,401</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$204,874</u></u>

*See accompanying notes to the basic financial statements*

**Village of Hamden, Ohio**  
*Vinton County*  
*Statement of Additions, Deductions*  
*and Change in Fund Balance (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2021*

	Fiduciary Fund Type
	Custodial
	Other Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	20,816
<i>Total Additions</i>	20,816
<b>Deductions</b>	
Distributions to Other Governments	19,434
<i>Total Deductions</i>	19,434
<i>Net Change in Fund Balance</i>	1,382
<i>Fund Cash Balance, January 1</i>	328
<i>Fund Cash Balance, December 31</i>	\$1,710

*See accompanying notes to the basic financial statements*

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

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**Note 1 – Reporting Entity**

The Village of Hamden (the Village), Vinton 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, park operations, fire services, and police services.

***Public Entity Risk Pool***

The Village participates in the Ohio Plan Risk Management, Inc. (OPRM), a public entity risk pool. Note 7 to the financial statements provide 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 and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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 Fund:

***Fire Levy Fund*** This fund receives levy money to fund the Hamden Volunteer Fire Department to provide fire protection to the Village.

***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:

***Sewer Construction Fund*** This fund is a carryover from a previous construction fund from the waste water treatment facility.

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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**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.

***Trash Fund*** The trash fund accounts for the provisions of sanitation/trash collection to the residents and commercial users located within the Village. This fund receives charges for services from residents to cover sanitation costs.

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayor's Court.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***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 (D). 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 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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

**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. Appropriations lapse at year end.

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

**Encumbrances** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2021 budgetary activity appears in Note 4.

**Deposits and Investments**

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

The Village had one checking account and certificate of deposits, which are valued at cost.

**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.

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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

***Fund Balance (Continued)***

***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 11.

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Fire Levy Fund and Water Operating Fund by \$335,987 and \$20,372, respectively, for the year ended December 31, 2021.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

Fund Type	2021 Budgeted vs. Actual Receipts		Variance
	Budgeted Receipts	Actual Receipts	
General	\$101,523	\$108,054	\$6,531
Special Revenue	127,009	497,049	370,040
Capital Projects	0	0	0
Enterprise	641,616	601,890	(39,726)
Total	\$870,148	\$1,206,993	\$336,845



**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

**Note 4 – Budgetary Activity (Continued)**

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$162,235	\$114,289	\$47,946
Special Revenue	222,730	469,886	(247,156)
Capital Projects	18,542	202	18,340
Enterprise	584,516	568,417	16,099
<b>Total</b>	<b>\$988,023</b>	<b>\$1,152,794</b>	<b>(\$164,771)</b>

**Note 5 – Deposits and Investments**

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

	2021
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$425,223
Certificates of deposit	86,168
Total deposits	511,391

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 6 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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**Note 7 – 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, 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>\$ 6,740,056</u>

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

**Note 8 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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 health care and survivor and disability benefits.

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

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

**Note 8 – Defined Benefit Pension Plan (Continued)**

***Social Security***

One Village employee 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, 2021.

**Note 9 – 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. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021.

**Note 10 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio EPA Loan	\$19,048	0.00%
Fire Truck Loan	\$344,066	3.08%
<b>Ohio Water Development Authority Loans</b>		
4535	\$1,910,764	1.50%
5199	\$321,353	0.00%
5853	\$59,945	2.00%
5907	\$94,850	1.00%
9199	\$13,706	0.00%
<b>Ohio Public Works Commission Loans</b>		
CO07I	\$178,125	0.00%
CT61R	\$15,197	0.00%
Total	<u>\$2,957,054</u>	

The Ohio Water Development Authority (OWDA) loan 4535 relates to the construction of a water and sewer plant expansion project approved by the Ohio Environmental Protection Agency. The OWDA provided \$3,000,000 in loans to the Village for the project in 2006. The Village began repaying this loan in 2009 with semi-annual installments that will last 30 years.

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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**Note 10 – Debt (Continued)**

The Ohio Water Development Authority (OWDA) loan 5199 relates to water system renovations, and included funding received from the Drinking Water Assistance Fund and the American Recovery and Reinvestment Act (ARRA). The project was approved in 2009 by the OWDA with a projected cost of \$2,506,424 with \$1,752,548 in principal forgiveness through ARRA. During the 2010 – 2011 audit period, the Village expended \$1,853,675 on the project and \$1,404,354 of the principal was forgiven through ARRA. The Village began repaying the loan in 2010 with semiannual installments that will last 30 years.

The Ohio Water Development Authority (OWDA) loan 5853 relates to the construction of a sludge belt press to be used in conjunction with the Village's water and sewer plant. The total loan amount approved was \$100,000 plus capitalized interest. The Village originally took out loan 5781 through OWDA for the sludge belt design in the amount of \$20,802. The 5781 loan was paid off with this loan.

The Vinton County Commissioners contributed \$240,000 of Appalachian Regional Commission Grant money towards the construction of the Belt Press. The Village began repaying the loan in 2012 with the semi-annual installments that will last 30 years.

The Ohio Water Authority (OWDA) loan 5907 relates to the completion of the water renovation project. The total loan amount approved was \$223,000 plus capitalized interest. The Village began repaying the loan in 2012 with semi-annual installments that will last 30 years.

The Ohio Water Authority (OWDA) loan 9199 relates to the water tank controls project. The total loan amount approved was \$102,300 and work began in 2021. The Village will begin repayment once work is complete. Repayment will be semi-annual installments that will last 20 years.

The Ohio Public Works Commission (OPWC) loan CO071 relates to the water and sewer maintenance and repair project the village received funding through OWDA. In 2009, the OPWC approve the loan for \$375,000 and a debt repayment grant for \$410,000. The Village began repaying the loan in 2011 with semiannual installments that will last 20 years.

The Ohio Public Works Commission (OPWC) loan CT61R relates to the storm sewer improvement project. In 2014, the OPWC approved a loan for \$22,798 and a grant for \$410,000. The Village will begin repaying the loan in 2017 with semi-annual installments that will last 15 years.

The Ohio Environmental Protection Agency loan relates to the emergency water tank bypass in the amount of \$19,048. Repayment of full amount of the loan with zero interest due March 3, 2021. As of December 31, 2021, the Village has not repaid the emergency loan.

The Village acquired a loan through Community First National Bank in the amount of \$344,066 in September 2021 to purchase a fire truck. The Village received this money; however the Village entered an agreement wherein the Hamden Volunteer Fire Department will repay the loan principal and interest. Installments will be repaid annually in the amount of \$28,996.63.

***Amortization***

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

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

**Note 10 – Debt (Continued)**

Year Ending December 31:	OWDA Loan #4535	OWDA Loan #5199	OWDA Loan #5853	OWDA Loan #5907	OPWC Loan #CO071	OPWC Loan #CT61R	OEPA Loan	Fire Truck
2022	\$62,275	\$8,685	\$1,826	\$2,622	\$9,375	\$1,520	\$19,048	\$28,997
2023	124,550	17,370	3,652	5,244	18,750	1,520	0	28,997
2024	124,550	17,370	3,652	5,244	18,750	1,520	0	28,997
2025	124,550	17,370	3,652	5,244	18,750	1,520	0	28,997
2026	124,550	17,370	3,652	5,244	18,750	1,520	0	28,997
2027-2031	622,750	86,852	18,257	26,222	93,750	7,598	0	144,985
2032-2036	622,750	86,852	18,257	26,222	0	0	0	144,979
2037-2041	373,650	69,484	18,257	26,222	0	0	0	0
2042-2046	0	0	1,826	2,622	0	0	0	0
Total	<u>\$2,179,625</u>	<u>\$321,353</u>	<u>\$73,030</u>	<u>\$104,886</u>	<u>\$178,125</u>	<u>\$15,197</u>	<u>\$19,048</u>	<u>\$434,949</u>

**Note 11 – 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
Nonspendable:	
Unclaimed Monies	<u>\$93</u>
<i>Total</i>	<u><u>\$93</u></u>

**Note 12 – 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 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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**Village of Hamden, Ohio***Vinton County**Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2020*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$28,562	\$36,820	\$0	\$65,382
Intergovernmental	45,691	226,010	0	271,701
Charges for Services	16,750	0	0	16,750
Fines, Licenses and Permits	18,732	0	0	18,732
Earnings on Investments	1,313	274	0	1,587
Miscellaneous	4,706	4,445	0	9,151
<i>Total Cash Receipts</i>	<u>115,754</u>	<u>267,549</u>	<u>0</u>	<u>383,303</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	37,842	82,822	0	120,664
Public Health Services	9	0	0	9
Leisure Time Activities	100	339	0	439
Transportation	0	32,764	0	32,764
General Government	69,766	52,593	0	122,359
Capital Outlay	0	0	11,002	11,002
Debt Service:				
Principal Retirement	0	760	0	760
<i>Total Cash Disbursements</i>	<u>107,717</u>	<u>169,278</u>	<u>11,002</u>	<u>287,997</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>8,037</u>	<u>98,271</u>	<u>(11,002)</u>	<u>95,306</u>
<b>Other Financing Receipts (Disbursements)</b>				
Other Financing Sources	2,170	0	0	2,170
Other Financing Uses	<u>(4,215)</u>	<u>(372)</u>	<u>0</u>	<u>(4,587)</u>
<i>Total Other Financing (Disbursements)</i>	<u>(2,045)</u>	<u>(372)</u>	<u>0</u>	<u>(2,417)</u>
<i>Net Change in Fund Cash Balances</i>	5,992	97,899	(11,002)	92,889
<i>Fund Cash Balances, January 1</i>	<u>86,565</u>	<u>74,685</u>	<u>29,942</u>	<u>191,192</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$92,557</u></u>	<u><u>\$172,584</u></u>	<u><u>\$18,940</u></u>	<u><u>\$284,081</u></u>

*See accompanying notes to the basic financial statements*

**Village of Hamden, Ohio**  
*Vinton County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2020*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$469,905
Miscellaneous	100
<i>Total Operating Cash Receipts</i>	<u>470,005</u>
<b>Operating Cash Disbursements</b>	
Personal Services	35,684
Employee Fringe Benefits	4,032
Contractual Services	265,457
Supplies and Materials	21,242
Other	4,941
<i>Total Operating Cash Disbursements</i>	<u>331,356</u>
<i>Operating Income</i>	<u>138,649</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	20,822
Other Debt Proceeds	19,048
Capital Outlay	(24,674)
Principal Retirement	(126,750)
Interest and Other Fiscal Charges	(33,441)
Other Financing Uses	(285)
<i>Total Non-Operating (Disbursements)</i>	<u>(145,280)</u>
<i>Income before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(6,631)
Special Item	<u>12,737</u>
<i>Net Change in Fund Cash Balances</i>	6,106
<i>Fund Cash Balances, January 1</i>	<u>165,295</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$171,401</u></u>

*See accompanying notes to the basic financial statements*



**Village of Hamden, Ohio**  
*Vinton County*  
*Statement of Additions, Deductions*  
*and Change in Fund Balance (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2020*

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
	<u>Other</u>
	<u>Custodial</u>
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$22,734
<i>Total Additions</i>	22,734
<b>Deductions</b>	
Other Distributions	23,116
<i>Total Deductions</i>	23,116
<i>Net Change in Fund Balance</i>	(382)
<i>Fund Cash Balance, January 1</i>	710
<i>Fund Cash Balance, December 31</i>	\$328

*See accompanying notes to the basic financial statements*

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**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The Village of Hamden (the Village), Vinton 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, park operations, fire services, and police services.

***Public Entity Risk Pool***

The Village participates in the Ohio Plan Risk Management, Inc. (OPRM), a public entity risk pool. Note 7 to the financial statements provide 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 and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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 Fund:

***CARES Act Relief Fund*** This fund receives intergovernmental monies to provide financial relief to the Village for eligible costs incurred as a result of the COVID-19 pandemic.

***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:

***Sewer Construction Fund*** This fund is a carryover from a previous construction fund from the waste water treatment facility.

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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**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.

***Trash Fund*** The trash fund accounts for the provision of sanitation/trash collection to the residents and commercial users located within the Village. This fund receives charges for services from residents to cover sanitation costs.

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayor's Court.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***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 (D). 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 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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

***Budgetary Process (Continued)***

***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. Appropriations lapse at year end.

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

***Encumbrances*** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2020 budgetary activity appears in Note 4.

***Deposits and Investments***

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

The Village had one checking account and certificate of deposits, which are valued at cost.

***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.

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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

***Fund Balance (Continued)***

***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 19.

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Sewer Construction Fund by \$11,002 for the year ended December 31, 2020.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$94,387	\$117,924	\$23,537
Special Revenue	247,428	267,549	20,121
Capital Projects	0	0	0
Enterprise	524,050	522,612	(1,438)
Total	\$865,865	\$908,085	\$42,220

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

**Note 4 – Budgetary Activity (Continued)**

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$156,081	\$111,932	\$44,149
Special Revenue	273,808	169,650	104,158
Capital Projects	0	11,002	(11,002)
Enterprise	652,805	516,506	136,299
Total	\$1,082,694	\$809,090	\$273,604

**Note 5 – Deposits and Investments**

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

	2020
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$369,816
Certificates of deposit	85,994
Total deposits	455,810
Total carrying amount of deposits and investments held in the Pool (ties to FS)	455,810

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 6 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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**Note 7 – 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.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM's property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

Assets	\$ 18,826,974
Liabilities	<u>(13,530,267)</u>
Members' Equity	<u>\$ 5,296,707</u>

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

**Note 8 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.



**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

**Note 8 – Defined Benefit Pension Plan (Continued)**

***Social Security***

One Village employee 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, 2020.

**Note 9 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, 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 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020.

**Note 10 – Debt**

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio EPA Loan	\$19,048	0.00%
<b>Ohio Water Development Authority Loans</b>		
4535	\$2,005,585	1.50%
5199	\$338,724	0.00%
5853	\$62,361	2.00%
5907	\$99,114	1.00%
<b>Ohio Public Works Commission Loans</b>		
CO07I	\$206,250	0.00%
CT61R	\$17,476	0.00%
Total	<u>\$2,748,558</u>	

The Ohio Water Development Authority (OWDA) loan 4535 relates to the construction of a water and sewer plant expansion project approved by the Ohio Environmental Protection Agency. The OWDA provided \$3,000,000 in loans to the Village for the project in 2006. The Village began repaying this loan in 2009 with semi-annual installments that will last 30 years.

The Ohio Water Development Authority (OWDA) loan 5199 relates to water system renovations, and included funding received from the Drinking Water Assistance Fund and the American Recovery and Reinvestment Act (ARRA). The project was approved in 2009 by the OWDA with a projected cost of \$2,506,424 with \$1,752,548 in principal forgiveness through ARRA.

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

**Note 10 – Debt (Continued)**

During the 2010 – 2011 audit period, the Village expended \$1,853,675 on the project and \$1,404,354 of the principal was forgiven through ARRA. The Village began repaying the loan in 2010 with semiannual installments that will last 30 years.

The Ohio Water Development Authority (OWDA) loan 5853 relates to the construction of a sludge belt press to be used in conjunction with the Village’s water and sewer plant. The total loan amount approved was \$100,000 plus capitalized interest. The Village originally took out loan 5781 through OWDA for the sludge belt design in the amount of \$20,802. The loan was paid off with this loan.

The Vinton County Commissioners contributed \$240,000 of Appalachian Regional Commission Grant money towards the construction of the Belt Press. The Village began repaying the loan in 2012 with the semi-annual installments that will last 30 years.

The Ohio Water Authority (OWDA) loan 5907 relates to the completion of the water renovation project. The total loan amount approved was \$223,000 plus capitalized interest. The Village began repaying the loan in 2012 with semi-annual installments that will last 30 years.

The Ohio Public Works Commission (OPWC) loan CO071 relates to the water and sewer maintenance and repair project the village received funding through OWDA. In 2009, the OPWC approve the loan for \$375,000 and a debt repayment grant for \$410,000. The Village began repaying the loan in 2011 with semiannual installments that will last 20 years.

The Ohio Public Works Commission (OPWC) loan CT61R relates to the storm sewer improvement project. In 2014, the OPWC approved a loan for \$22,798 and a grant for \$410,000. The Village will begin repaying the loan in 2017 with semi-annual installments that will last 15 years.

The Ohio Environmental Protection Agency loan relates to the emergency water tank bypass in the amount of \$19,048. Repayment of full amount of the loan with zero interest due March 3, 2021. As of December 31, 2021, the Village has not repaid the emergency loan.

***Amortization***

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

Year Ending December 31:	OWDA Loan #4535	OWDA Loan #5199	OWDA Loan #5853	OWDA Loan #5907	OPWC Loan #CO071	OPWC Loan #CT61R	OEPA Loan
2021	\$62,275	\$8,685	\$1,826	\$2,622	\$18,750	\$1,520	\$19,048
2022	124,550	17,370	3,652	5,244	18,750	1,520	0
2023	124,550	17,370	3,652	5,244	18,750	1,520	0
2024	124,550	17,370	3,652	5,244	18,750	1,520	0
2025	124,550	17,370	3,652	5,244	18,750	1,520	0
2026-2030	622,750	86,852	18,257	26,222	93,750	7,600	0
2031-2035	622,750	86,852	18,257	26,222	18,750	2,277	0
2036-2040	498,200	86,855	18,257	26,222	0	0	0
2041-2045	0	0	5,481	7,866	0	0	0
Total	<u>\$2,304,175</u>	<u>\$338,724</u>	<u>\$76,686</u>	<u>\$110,130</u>	<u>\$206,250</u>	<u>\$17,476</u>	<u>\$19,048</u>

**Village of Hamden, Ohio**  
*Vinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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**Note 11 – 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. As of December 31, 2020, there were no nonspendable balances.

**Note 12 – 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 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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# OHIO AUDITOR OF STATE KEITH FABER



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

Village of Hamden  
Vinton County  
P.O. Box 355  
Hamden, Ohio 45634

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Hamden, Vinton County, Ohio, (the Village), and have issued our report thereon dated May 4, 2023, 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 certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2021-003 through 2021-005 that we consider to be material weaknesses.

***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 2021-001 and 2021-002.

***Village's Responses to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's responses to the Findings identified in our audit and described in the accompanying Schedule of Findings. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

***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  
Auditor of State  
Columbus, Ohio

May 4, 2023

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021 AND 2020**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2021-001**

**Noncompliance**

**Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village's Fire Levy Fund and Water Operating Fund had expenditures in excess of appropriations of \$333,987 and \$20,372 as of December 31, 2021. In addition, the Village's Sewer Construction Fund had expenditures in excess of appropriations of \$11,002 as of December 31, 2020.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer modify as needed should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

**Officials' Response:** Appropriate procedures shall be put in place and Council will more closely monitor expenditures and appropriations. The Fiscal Officer shall deny any requests that exceeds appropriations.

**FINDING NUMBER 2021-002**

**Noncompliance**

**Ohio Rev. Code § 5705.41(D)(1)** provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required meet the obligation or, the case of continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.

1. "Then and Now" certificate – If the fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the board can authorize the drawing of a warrant for the payment of the amount due. The board has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

VILLAGE OF HAMDEN  
VINTON COUNTY

SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021 AND 2020  
(Continued)

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

FINDING NUMBER 2021-002 (Continued)

**Noncompliance - Ohio Rev. Code § 5705.41(D)(1) (Continued)**

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions or taxing units may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate – The auditor or fiscal officer may prepare “blanket” certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The board may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, 100% of the transactions tested at year-end 2020 were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balance. In addition, Village Council has not established a maximum amount for use of blanket certificates.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village’s funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Village. When prior certification is not possible, “then and now” certification should be used. Additionally, a maximum amount should be established for blanket certificates.

**Officials’ Response:** Prior certification by the Fiscal Officer before commitment or obligation by the Village for future spending will be enacted. Village Council shall establish a maximum amount for blanket certificates.

FINDING NUMBER 2021-003

**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 and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16



**VILLAGE OF HAMDEN  
VINTON COUNTY**

**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2021 AND 2020**  
**(Continued)**

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

**FINDING NUMBER 2021-003 (Continued)**

**Material Weakness**

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Village Council to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Board/Council are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

At December 31, 2021, estimated receipts as approved by the Budget Commission did not agree to the Village's accounting system. The variances and funds are as follows:

	<u>Approved</u>	<u>UAN System</u>	<u>Variance</u>
General Fund	\$101,522	\$111,467	(\$9,945)
Street Construction Maintenance and Repair Fund	33,691	46,210	(12,519)
State Highway Fund	3,246	5,218	(1,972)
Water Operating Fund	309,096	293,843	15,253
Sewer Operating Fund	120,920	102,152	18,768
Sewer Operating Preventative Maintenance Fund	9,634	5,000	4,634
Enterprise Debt Service Reserve Fund	144,009	140,709	3,300

At December 31, 2020, estimated receipts as approved by the Budget Commission did not agree to the Village's accounting system for the following fund:

	<u>Approved</u>	<u>UAN System</u>	<u>Variance</u>
Water Operating Fund	\$202,279	\$207,405	(\$5,126)

At December 31, 2021, appropriations as approved by the Village Council did not agree to the Village's accounting system. The variances are as follows:

	<u>Approved</u>	<u>UAN System</u>	<u>Variance</u>
Street Construction Maintenance and Repair Fund	\$45,463	\$46,463	(\$1,000)
Parks and Recreation Fund	500	3,100	(2,600)
Water Operating Fund	237,951	338,255	(100,304)
Sewer Operating Fund	114,765	115,417	(652)
Enterprise Debt Service Reserve Fund	159,500	158,775	725
Guaranty Utility Deposit Fund	2,000	3,350	(1,350)

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**SCHEDULE OF FINDINGS**  
**2 CFR § 200.515**  
**DECEMBER 31, 2021 AND 2020**  
**(Continued)**

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

**FINDING NUMBER 2021-003 (Continued)**

**Material Weakness (Continued)**

At December 31, 2020, appropriations as approved by the Village Council did not agree to the Village's accounting system for the following fund:

	<u>Approved</u>	<u>UAN System</u>	<u>Variance</u>
Sewer Construction Fund	\$0	\$29,942	(\$29,942)

Estimated receipts included in the notes to the financial statements for 2020 were overstated \$5,126 for Enterprise Funds. In addition, the appropriations included in the notes to the financial statements were overstated for the Capital Projects Fund by \$29,942.

Further, estimated receipts included in the notes to the financial statements for 2021 were understated for the General Fund and Enterprise Funds by \$1,710 and \$155,351, respectively. Special Revenue estimated receipts included in the notes to the financial statements were overstated by \$11,862. In addition, the appropriations included in the notes to the financial statements were overstated for the Special Revenue and Enterprise Funds by \$3,399 and \$101,581, respectively.

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Village Council were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not posted to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Village Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

**Officials' Response:** The Fiscal Officer shall post to ledgers, on a timely basis, estimated resources as certified by the budget commission and have appropriations approved by the Village Council. Monitoring of budget versus actual reports to ensure amended certificates and appropriations have been properly posted.

**FINDING NUMBER 2021-004**

**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 and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

VILLAGE OF HAMDEN  
VINTON COUNTY

SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021 AND 2020  
(Continued)

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

FINDING NUMBER 2021-004 (Continued)

**Material Weakness (Continued)**

The following errors were noted in the financial statements that required audit adjustment or reclassifications:

In 2020:

- General Fund intergovernmental receipts of \$7,402 were incorrectly classified as tax receipts;
- General Fund miscellaneous receipts and security of persons and property disbursements were overstated \$4,330 due to a reimbursement for COVID-19;
- General Fund fines, licenses and permits receipts were reduced by \$735 and Mayor's Court Fund disbursements to other governments were reduced \$735 due to overpayment by the Mayor's Court to the General Fund;
- General Fund security of persons and property disbursements were reduced by \$600 and Mayor's Court Fund fines, licenses and permits for distribution receipts were reduced by \$600 due to a payment from the General Fund to the Mayor's Court lacking support;
- General Fund general government disbursements were reduced by \$610, Street Construction, Maintenance and Repair Fund transportation disbursements were reduced by \$416, Coronavirus Relief Fund security of persons and property disbursements were reduced by \$253 and general government disbursements were reduced by \$40, Police Fund security of persons and property disbursements were reduced by \$342, Water Operating Fund personal services disbursements were reduced by \$62 and fringe benefits disbursements were reduced by \$111, and Sewer Operating Fund personal services disbursements were reduced by \$144 and fringe benefits were reduced by \$111 due to a check being marked cleared that never cleared the bank;
- Street Construction, Maintenance, and Repair Fund intergovernmental receipts of \$7,017 was incorrectly classified as tax receipts;
- Street Construction, Maintenance, and Repair Fund intergovernmental revenues of \$1,691 were incorrectly posted to the State Highway Fund as intergovernmental receipts;
- State Highway Fund intergovernmental receipts of \$569 were incorrectly classified as tax receipts;
- Police Levy Fund intergovernmental receipts of \$8,044 was incorrectly classified as tax receipts;
- Police Levy Fund miscellaneous receipts and security of persons and property disbursements were overstated \$18,126 for reimbursing salaries due to COVID-19;
- Fire Levy Fund intergovernmental receipts of \$1,228 was incorrectly classified as tax receipts;
- Water Operating Fund intergovernmental receipts of \$20,822 were incorrectly classified as miscellaneous receipts;
- Water Operating Fund charge for service receipts of \$24,532 were incorrectly classified as other debt proceed receipts;
- Water Operating Fund loan proceeds of \$19,048 were incorrectly classified as miscellaneous receipts;
- Water Operating Fund contractual service disbursements of \$20,822 and capital outlay disbursements of \$16,558 were incorrectly classified as other financing uses; and
- Sewer Operating Fund capital outlay disbursements of \$3,817 were incorrectly classified as other financing uses;

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021 AND 2020  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2021-004 (Continued)**

**Material Weakness (Continued)**

In 2021:

- General Fund general government and transportation disbursements of \$1,216 and \$4,253, respectively, were incorrectly classified as other financing uses;
- General Fund tax receipts of \$4,792 were incorrectly posted to the Fire Levy Fund as taxes;
- General Fund intergovernmental receipts of \$7,342 were incorrectly classified as tax receipts;
- Water Operating Fund charges for services of \$990, Sewer Operating Fund charges for services of \$2,676 and Enterprise Debt Service Reserve Fund charges for services of \$1,273 were incorrectly classified as General Fund taxes in the amount of \$4,939;
- General Fund fines, licenses and permit receipts of \$14,691 were incorrectly classified as miscellaneous receipts of \$11,217 and other financing sources of \$3,474;
- General Fund security of persons and property disbursements and other financing sources were overstated by \$2,500 due to a COVID-19 reimbursement;
- General Fund miscellaneous receipts of \$2,581 and general government disbursements of \$2,323 were unrecorded;
- General Fund other financing sources of \$452 were overstated;
- Street Construction, Maintenance, and Repair Fund intergovernmental receipts of \$7,772 was incorrectly classified as tax receipts;
- State Highway Fund intergovernmental receipts of \$630 were incorrectly classified as tax receipts;
- Police Levy Fund intergovernmental receipts of \$7,830 was incorrectly classified as tax receipts;
- Police Levy Fund miscellaneous receipts and security of persons and property disbursements were overstated \$4,202 for reimbursing salaries due to COVID-19;
- Fire Levy Fund intergovernmental receipts of \$1,397 was incorrectly classified as tax receipts;
- Fire Levy Fund loan proceed receipts and capital outlay disbursements of \$334,066 were unrecorded;
- Water Operating Fund loan proceed receipts of \$13,706 were incorrectly classified as capital contribution receipts of \$12,343 and interest and fiscal charges of \$1363 were unrecorded;
- Water Operating Fund intergovernmental receipts of \$19,005 were incorrectly classified as special item receipts;
- Water Operating Fund charge for service receipts of \$27,822 were incorrectly classified as other debt proceed receipts;
- Water Operating Fund capital outlay and contractual service disbursements of \$18,746 and \$3,438, respectively, were incorrectly classified as other financing uses;
- Sewer Operating Fund contractual service disbursements of \$12,490 were incorrectly classified as other financing uses; and
- Enterprise Debt Service Fund interest and fiscal charges disbursements of \$7,114 incorrectly classified as debt service principal retirement payment disbursements.

The Fiscal Officer made classification errors in posting of receipts and disbursements. This caused the incorrect classification errors/unrecorded receipts and disbursements noted above.

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021 AND 2020  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2021-004 (Continued)**

**Material Weakness (Continued)**

The audited financial statements and the Village's UAN accounting system have been adjusted for the items noted above.

The Fiscal Officer should review the Village Officer's Handbook for guidance on the correct line items for various receipts and disbursements to ensure the Village's financial statements are complete and accurate.

**Officials' Response:** The Fiscal Officer shall review the Village Officers Handbook for guidance on receipts and disbursements to ensure that statements are complete and accurate.

**FINDING NUMBER 2021-005**

**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 and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16

During 2021, the Village had \$83,200 in utility adjustments to customer accounts made with no review or approval of supporting documentation prior to the adjustment. The Utility Clerk stated that the Village did not have anything on hand detailing approvals but could provide some explanations on the larger adjustments. However, a formal policy could not be located to show what types of adjustments were allowable, other than those customers who purchased leak insurance through the Village.

The Village should implement a formal policy and procedure when preparing and approving all customer account adjustments. It should include but not be limited to the following:

- Customer name and account numbers
- amount of adjustment
- Reasoning for adjustment
- Customer signature, if applicable.
- Signature of individual preparing the adjustment

**Officials' Response:** Village Council shall implement a formal policy and procedure for approving and preparing customer account adjustments. Accurate records and supporting documentation shall be included with all adjustments explaining why the adjustment occurred.

*Village of Hamden*  
*Charles Terry Wiseman, Mayor*

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**DECEMBER 31, 2021 AND 2020**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	Finding for Recovery / Noncompliance related to severance payment calculation error.	Corrected.	
2019-002	Ohio Rev. Code § 5705.39 – appropriations exceeding estimated resources.	Corrected	
2019-003	Ohio Rev. Code § 5705.41(B) – disbursements exceeding appropriations.	Not Corrected.	Issue unresolved due to employee turnover. Appropriate procedures shall be put in place and Council will more closely monitor expenditures and appropriations. The Fiscal Officer shall deny any requests that exceed appropriations.
2019-004	Ohio Rev. Code § 5705.41(D) – not properly encumbering disbursements.	Not Corrected.	Prior certification by the Fiscal Officer before commitment or obligation by the Village for future spending will be enacted. Village Council shall establish a maximum amount for blanket certificates.
2019-005	Material Weakness for approved budgetary amounts not agreeing to the system and/or notes to the financial statements.	Not Corrected.	The Fiscal Officer shall post to ledgers, on a timely basis, estimated resources as certified by the budget commission and have appropriations approved by the Village Council. Monitoring of budget versus actual reports to ensure amended certificates and appropriations have been properly posted.
2019-006	Material Weakness for material errors in the financial statements requiring audit adjustments or reclassifications.	Not Corrected.	The Fiscal Officer shall review the Village Officers Handbook for guidance on receipts and disbursements to ensure that statements are complete and accurate.

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF HAMDEN**

**VINTON 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 5/16/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)