

PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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



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Columbus, Ohio 43215
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Village Council
Village of North Hampton
250 West Clark Street
North Hampton, OH 45349

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

October 21, 2024

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VILLAGE OF NORTH HAMPTON
CLARK COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of North Hampton
Clark County
250 W. Clark St.
North Hampton, Ohio 45349

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 North Hampton, Clark 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, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2023 and 2022, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



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

August 21, 2024

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$ 32,243	\$ -	\$ 32,243
Intergovernmental	12,868	42,050	54,918
Fines, Licenses and Permits	247,659	-	247,659
Earnings on Investments	2,759	1,350	4,109
Miscellaneous	3,153	-	3,153
<i>Total Cash Receipts</i>	<u>298,682</u>	<u>43,400</u>	<u>342,082</u>
Cash Disbursements			
Current:			
Security of Persons and Property	162,246	-	162,246
Leisure Time Activities	8,164	-	8,164
Transportation	-	14,528	14,528
General Government	89,831	-	89,831
Debt Service:			
Principal Retirement	15,278	-	15,278
Interest and Fiscal Charges	1,431	-	1,431
<i>Total Cash Disbursements</i>	<u>276,950</u>	<u>14,528</u>	<u>291,478</u>
<i>Net Change in Fund Cash Balances</i>	21,732	28,872	50,604
<i>Fund Cash Balances, January 1</i>	<u>(22,998)</u>	<u>209,902</u>	<u>186,904</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ (1,266)</u>	<u>\$ 238,774</u>	<u>\$ 237,508</u>

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

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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

	Proprietary
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 525,879
Miscellaneous	5,248
<i>Total Operating Cash Receipts</i>	531,127
Operating Cash Disbursements	
Personal Services	24,148
Employee Fringe Benefits	4,050
Contractual Services	373,994
Supplies and Materials	16,955
Other	255
<i>Total Operating Cash Disbursements</i>	419,402
<i>Operating Income</i>	111,725
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	16,885
Principal Retirement	(193,203)
Interest and Other Fiscal Charges	(80,771)
<i>Total Non-Operating Receipts (Disbursements)</i>	(257,089)
<i>Income (Loss) before Capital Contributions</i>	(145,364)
Capital Contributions	105,381
<i>Net Change in Fund Cash Balances</i>	(39,983)
<i>Fund Cash Balances, January 1</i>	542,569
<i>Fund Cash Balances, December 31</i>	\$ 502,586

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

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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

	Fiduciary Fund Types
	Custodial
	Other Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 244,970
<i>Total Additions</i>	244,970
Deductions	
Distributions to Other Governments	37,970
Distributions to Other Funds (Primary Gov't)	209,439
Other Distributions	30
<i>Total Deductions</i>	247,439
Net Change in Fund Balances	(2,469)
<i>Fund Cash Balances, January 1</i>	24,904
<i>Fund Cash Balances, December 31</i>	\$ 22,435

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

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of North Hampton, Clark County, (the Village) 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. The Village is directed by a publicly elected six-member Council. The Village provides general governmental services, water and sewer utilities, park operations (leisure time activities) and police services.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Notes 8 and 12 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 Funds:

Street Construction, Maintenance and Repair Fund The street construction, maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance and repair of streets within the Village.

State Highway Fund The state highway fund receives gasoline tax and motor vehicle tax money for the State's share of the cost of constructing, widening and maintaining and reconstructing state highways.

Permissive Motor Vehicle License Fund The permissive motor vehicle license fund receives motor vehicle license tax money which must be used for highway, roads, streets, and bridges.

Local Fiscal Recovery Fund The local fiscal recovery fund receives NEU grant funds for a water infrastructure project.

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

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

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

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

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 financial activity of the Village Magistrate court fines, forfeitures, and bonds.

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

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

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

A summary of 2023 budgetary activity appears in Note 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's funds are held in interest bearing checking accounts. The Village has no investments.

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.

Leases

The Village is the lessee in various leases (as defined by GASB 87) related to vehicles under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

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 nonspendable 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 North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Committed Trustees can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Trustees amend 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 13.

Note 3 – Compliance

Contrary to Ohio law, appropriation authority exceeded estimated resources in the General Fund and Enterprise Improvement Water Tower Fund by \$21,683 and \$15,172, respectively, for the year ended December 31, 2023. Also contrary to Ohio Law, at December 31, 2023 the General Fund had a cash deficit balance of \$1,266.

Note 4 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 299,827	\$ 298,682	\$ (1,145)
Special Revenue	43,413	43,400	(13)
Enterprise	637,847	653,393	15,546
Total	\$ 981,087	\$ 995,475	\$ 14,388

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Budgetary Activity (Continued)

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 289,111	\$ 287,962	\$ 1,149
Special Revenue	98,325	15,649	82,676
Enterprise	846,175	764,690	81,485
Total	<u>\$ 1,233,611</u>	<u>\$ 1,068,301</u>	<u>\$ 165,310</u>

Note 5 – Deposits and Investments

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

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$ 762,529
<i>Total carrying amount of deposits held in the Pool (ties to FS)</i>	\$ 762,529

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village is holding \$3,527 in unremitted employee payroll withholdings.

Deposits

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

Note 6 – 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 North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Interfund Balances

Outstanding advances at December 31, 2023, consisted of \$10,000 advanced from the Water Operating Fund to the General Fund for general purposes that were made in 2003. The advance was due to be repaid in 2004.

Note 8 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2023, retention levels are \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus /deficit at March 31, 2023.

	<u>2023</u>
Assets	\$ 841,929
Liabilities	<u>(1,029,623)</u>
Accumulated Surplus	\$ (187,694)

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Fourteen 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, 2023.

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Defined Benefit Pension Plans (Continued)

Social Security

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

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

Note 10 – Postemployment Benefits

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

Note 11 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan - #3772 Water Treatment	\$ 472,517	4.34%
OWDA Loan - #4276 Sewer Extension	484,699	1.00%
OWDA Loan - #4547 Water Extension	872,884	1.50%
OWDA Loan - #4817 Water Extension	499,835	1.50%
OWDA Loan - #5999 Water Tower	79,577	1.50%
OWDA Loan - #8864 Wastewater Pump	321,322	1.86%
OWDA Loan - #9673 USDA Refinance Sewer Lines	711,890	3.00%
Park National Bank - Water Operating Bond	18,377	6.13%
Park National Bank - Police Equipment Bond	12,272	5.19%
Ford Motor Credit - 2019 Interceptor	2,497	7.25%
Total	<u>\$ 3,475,870</u>	

The Ohio Water Development Authority (OWDA) #3772 Water Treatment Loan was used to fund the expansion and renovations of the water treatment plant. The Village was approved for \$878,160 at 4.34% interest. The Village collects receipts from German Township who is responsible for semi-annual payments of \$11,082.36 each. German Township, on July 18, 2012, remitted to the Village, their portion of the outstanding agreement in the amount of \$257,397; which paid their portion in full. The Village uses a portion of this amount to make its semi-annual loan payment to the OWDA. The remaining payoff funds have been retained in the Water fund as of December 31, 2023.

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Debt (Continued)

The Ohio Water Development Authority (OWDA) #4276 Sewer Line Loan was obtained to fund the upgrades and expansion of the Villages sewer system. The Village was approved for \$1,030,722 at 1.0% interest. The Village will make semi-annual payments beginning July 1, 2005 with a maturity date of July 1, 2036. The loan is collateralized by receipts from contractual obligations shared by Northwestern Local Schools (semi-annual payments of \$9,225 each) and Chateau Estates Mobile Home Park (semi-annual payments of \$10,825). These receipts total \$40,100 annually.

The Ohio Water Development Authority (OWDA) #4547 Water Line Loan was used to fund the improvements of the water system. The Village was approved for \$1,618,799 at 1.5% interest. The Village will make semi-annual principal and interest payments began July 1, 2008 with a maturity date of July 1, 2038. The loan will be collateralized by receipts from contractual obligations with Northwestern Local Schools (semi-annual payments of \$12,405 each). In addition, the Village also collects revenue from metered utilities proved to Northwestern Local Schools.

The Ohio Water Development Authority (OWDA) #4817 Water Line Loan was used to fund the expansion of the water line. The Village was approved for \$944,894 at 1.5% interest. The Village will make semi-annual principal and interest payments beginning July 1, 2010 with a maturity date of January 1, 2040. The loan is collateralized by receipts from contractual obligations with Springfield Meadows (semi-annual payments of \$6,450) and Clark County Utilities (semi-annual payments of \$14,000). In addition, the Village also collects revenue from metered utilities for Springfield Meadows and Clark County Utilities (Lawrenceville).

The Ohio Water Development Authority (OWDA) #5999 Water Tower Loan was used to fund the refurbishment of the water tower and equipment. The Village was approved for \$119,033 at 1.5% interest. The Village will make semi-annual principal and interest payments beginning July 1, 2012 with a maturity date of July 1, 2042.

The Village obtained a Water System Revenue Bond during 2012 in the amount of \$61,600 from Park National Bank (Formerly Security National Bank) for water improvements within the Village. Fixed quarterly payments of \$1,388 plus interest are due beginning July 15, 2012 with a maturity date of April 15, 2027. Interest rates were changed July 1, 2022 to 6.125%.

The Village obtained a Lease-Purchase agreement with Ford Motor Credit to purchase a 2019 Ford Police Interceptor with equipment for the Village Police Department. Fixed Quarterly payments of \$2,542.22 are due beginning April 15, 2019 with a maturity date of January 15, 2024. The Village was approved for \$43,098 at 7.25% interest.

The Ohio Water Development Authority (OWDA) #8864 Wastewater loan was used to fund the purchase and installation of diesel pumps at the Chateau Estates sewer pump station. The Village was approved for \$405,705.16 at 1.86% interest. Total disbursed as of December 31, 2023 was \$343,324.80. The Village will make semi-annual principal and interest payments beginning January 1, 2022 with a maturity date of July 1, 2046.

The Ohio Water Development Authority (OWDA) #9673 refinance of USDA-RD loan with a principal balance of \$729,000 and an existing interest rate of 5.125% for the construction of a sanitary collection and treatment system. The Village was approved for \$741,823.60 at 3% interest. The Village will make semiannual principal and interest payments beginning January 1, 2023 with a maturity date of July 1, 2040.

The Village obtained a Police Equipment Bond with Park National Bank in the amount of \$18,000 dollars to purchase cameras and radars. The Village will make semi-annual payments of \$3270.38 beginning December 31, 2022 with a maturity date of June 30, 2025. Interest rates were changed July 20, 200 to 5.19%.

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Debt (Continued)

Amortization

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

Year Ending December 31:	Financed Purchases (Ford Motor Credit - 2019 Interceptor)	OWDA Loans	Park National Bank Police Equipment Bond	Park National Bank Water Operating Bond
2024	\$ 2,542	\$ 269,611	\$ 9,811	\$ 5,584
2025	-	269,723	3,270	5,584
2026	-	269,839	-	5,584
2027	-	269,961	-	2,855
2028	-	270,088	-	-
2029-2033	-	1,352,548	-	-
2034-2038	-	1,058,190	-	-
2039-2043	-	237,461	-	-
2044-2048	-	51,705	-	-
Total	<u>\$ 2,542</u>	<u>\$ 4,049,126</u>	<u>\$ 13,081</u>	<u>\$ 19,607</u>

Note 12 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 13 – 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 facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 11,012	\$ 1,121	\$ 12,133
Total	<u>\$ 11,012</u>	<u>\$ 1,121</u>	<u>\$ 12,133</u>

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

Note 14 – Subsequent Events

Management has evaluated subsequent events through August 21, 2024, the date on which the financial statements were available for issue. There were no subsequent events identified.

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$ 32,827	\$ -	\$ 32,827
Intergovernmental	12,586	64,471	77,057
Fines, Licenses and Permits	191,761	-	191,761
Earnings on Investments	908	365	1,273
Miscellaneous	18,244	1,665	19,909
<i>Total Cash Receipts</i>	<u>256,326</u>	<u>66,501</u>	<u>322,827</u>
Cash Disbursements			
Current:			
Security of Persons and Property	178,131	-	178,131
Leisure Time Activities	11,387	-	11,387
Transportation	-	13,338	13,338
General Government	102,624	-	102,624
Capital Outlay	-	49,219	49,219
Debt Service:			
Principal Retirement	8,889	-	8,889
Interest and Fiscal Charges	1,280	-	1,280
<i>Total Cash Disbursements</i>	<u>302,311</u>	<u>62,557</u>	<u>364,868</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(45,985)</u>	<u>3,944</u>	<u>(42,041)</u>
Other Financing Receipts			
Other Debt Proceeds	18,000	-	18,000
<i>Total Other Financing Receipts</i>	<u>18,000</u>	<u>-</u>	<u>18,000</u>
<i>Net Change in Fund Cash Balances</i>	<u>(27,985)</u>	<u>3,944</u>	<u>(24,041)</u>
<i>Fund Cash Balances, January 1 (Restated See Note 17)</i>	<u>4,987</u>	<u>205,958</u>	<u>210,945</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ (22,998)</u>	<u>\$ 209,902</u>	<u>\$ 186,904</u>

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

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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

	Proprietary
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 579,997
Miscellaneous	500
<i>Total Operating Cash Receipts</i>	580,497
Operating Cash Disbursements	
Personal Services	25,267
Employee Fringe Benefits	3,377
Contractual Services	429,426
Supplies and Materials	26,181
<i>Total Operating Cash Disbursements</i>	484,251
<i>Operating Income</i>	96,246
Non-Operating Receipts (Disbursements)	
Loans Issued	741,824
Principal Retirement	(916,945)
Interest and Other Fiscal Charges	(110,805)
<i>Total Non-Operating Receipts (Disbursements)</i>	(285,926)
<i>Income (Loss) before Capital Contributions</i>	(189,680)
Capital Contributions	106,928
<i>Net Change in Fund Cash Balances</i>	(82,752)
<i>Fund Cash Balances, January 1 (Restated See Note 17)</i>	625,321
<i>Fund Cash Balances, December 31</i>	\$ 542,569

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

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Fiduciary Fund Types
	Custodial
	Other Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 208,585
<i>Total Additions</i>	208,585
Deductions	
Distributions to Other Governments	34,646
Distributions to Other Funds (Primary Gov't)	157,083
Other Distributions	3,352
<i>Total Deductions</i>	195,081
Net Change in Fund Balances	13,504
<i>Fund Cash Balances, January 1</i>	11,400
<i>Fund Cash Balances, December 31</i>	\$ 24,904

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

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of North Hampton, Clark County, (the Village) 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. The Village is directed by a publicly elected six-member Council. The Village provides general governmental services, water and sewer utilities, park operations (leisure time activities) and police services.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Notes 8 and 13 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 Funds:

Street Construction, Maintenance and Repair Fund The street construction, maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance and repair of streets within the Village.

State Highway Fund The state highway fund receives gasoline tax and motor vehicle tax money for the State's share of the cost of constructing, widening and maintaining and reconstructing state highways.

Permissive Motor Vehicle License Fund The permissive motor vehicle license fund receives motor vehicle license tax money which must be used for highway, roads, streets, and bridges.

Local Fiscal Recovery Fund The local fiscal recovery fund receives NEU grant funds for a water infrastructure project.

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

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

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

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

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 financial activity of the Village Magistrate court fines, forfeitures, and bonds.

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

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

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

A summary of 2022 budgetary activity appears in Note 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's funds are held in interest bearing checking accounts. The Village has no investments.

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.

Leases

The Village is the lessee in various leases (as defined by GASB 87) related to vehicles under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

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 nonspendable 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 North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Committed Trustees can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Trustees amend 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 14.

Note 3 – Compliance

Contrary to Ohio law, appropriation authority exceeded estimated resources in the General Fund by \$21,268 for the year ended December 31, 2022. Also contrary to Ohio Law, at December 31, 2022 the General Fund had a cash deficit balance of \$22,998.

Note 4 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 290,314	\$ 274,326	\$ (15,988)
Special Revenue	62,884	66,501	3,617
Enterprise	1,613,924	1,429,249	(184,675)
Total	\$ 1,967,122	\$ 1,770,076	\$ (197,046)

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Budgetary Activity (Continued)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 316,569	\$ 311,712	\$ 4,857
Special Revenue	142,096	62,833	79,263
Enterprise	1,581,002	1,563,719	17,283
Total	\$ 2,039,667	\$ 1,938,264	\$ 101,403

Note 5 – Deposits and Investments

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

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$ 754,377
<i>Total carrying amount of deposits held in the Pool (ties to FS)</i>	\$ 754,377

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Village is holding \$3,103 in unremitted employee payroll withholdings.

Deposits

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

Note 6 – 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 North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Interfund Balances

Outstanding advances at December 31, 2022, consisted of \$10,000 advanced from the Water Operating Fund to the General Fund for general purposes that were made in 2003. The advance was due to be repaid in 2004.

Note 8 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2022, retention levels are \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus at March 31, 2022.

	<u>2022</u>
Assets	\$ 909,464
Liabilities	<u>1,109,394</u>
Accumulated Surplus	\$ (199,930)

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Thirteen 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, 2022.

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Defined Benefit Pension (Continued)

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Note 10 – Postemployment Benefits

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

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

Note 11 – Debt

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan - #3772 Water Treatment	\$ 503,620	4.34%
OWDA Loan - #4276 Sewer Extension	519,444	1.00%
OWDA Loan - #4547 Water Extension	926,395	1.50%
OWDA Loan - #4817 Water Extension	526,348	1.50%
OWDA Loan - #5999 Water Tower	83,283	1.50%
OWDA Loan - #8864 Wastewater Pump	330,445	1.86%
OWDA Loan - #9673 USDA Refinance Sewer Lines	741,824	3.00%
Park National Bank - Water Operating Bond	22,944	6.13%
Park National Bank - Police Equipment Bond	18,000	5.19%
Ford Motor Credit - 2019 Interceptor	12,048	7.25%
Total	<u>\$ 3,684,351</u>	

The Village received a loan from the United States Department of Agriculture (USDA). The USDA loan relates to the construction and installation of a municipal sewer system. The loan will be repaid in annual payments through 2040 with an interest rate of 5.125%. The loan is collateralized by sewer receipts. This loan was refinanced through the Ohio Water Development Authority (OWDA) Loan #9673 on February 24, 2022.

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Debt (Continued)

The Ohio Water Development Authority (OWDA) #3772 Water Treatment Loan was used to fund the expansion and renovations of the water treatment plant. The Village was approved for \$878,160 at 4.34% interest. The Village collects receipts from German Township who is responsible for semi-annual payments of \$11,082.36 each. German Township, on July 18, 2012, remitted to the Village, their portion of the outstanding agreement in the amount of \$257,397; which paid their portion in full. The Village uses a portion of this amount to make its semi-annual loan payment to the OWDA. The remaining payoff funds have been retained in the Water fund as of December 31, 2022.

The Ohio Water Development Authority (OWDA) #4276 Sewer Line Loan was obtained to fund the upgrades and expansion of the Villages sewer system. The Village was approved for \$1,030,722 at 1.0% interest. The Village will make semi-annual payments beginning July 1, 2005 with a maturity date of July 1, 2036. The loan is collateralized by receipts from contractual obligations shared by Northwestern Local Schools (semi-annual payments of \$9,225 each) and Chateau Estates Mobile Home Park (semi-annual payments of \$10,825). These receipts total \$40,100 annually.

The Ohio Water Development Authority (OWDA) #4547 Water Line Loan was used to fund the improvements of the water system. The Village was approved for \$1,618,799 at 1.5% interest. The Village will make semi-annual principal and interest payments began July 1, 2008 with a maturity date of July 1, 2038. The loan will be collateralized by receipts from contractual obligations with Northwestern Local Schools (semi-annual payments of \$12,405 each). In addition, the Village also collects revenue from metered utilities proved to Northwestern Local Schools.

The Ohio Water Development Authority (OWDA) #4817 Water Line Loan was used to fund the expansion of the water line. The Village was approved for \$944,894 at 1.5% interest. The Village will make semi-annual principal and interest payments beginning July 1, 2010 with a maturity date of January 1, 2040. The loan is collateralized by receipts from contractual obligations with Springfield Meadows (semi-annual payments of \$6,450) and Clark County Utilities (semi-annual payments of \$14,000). In addition, the Village also collects revenue from metered utilities for Springfield Meadows and Clark County Utilities (Lawrenceville).

The Ohio Water Development Authority (OWDA) #5999 Water Tower Loan was used to fund the refurbishment of the water tower and equipment. The Village was approved for \$119,033 at 1.5% interest. The Village will make semi-annual principal and interest payments beginning July 1, 2012 with a maturity date of July 1, 2042.

The Village obtained a Water System Revenue Bond during 2012 in the amount of \$61,600 from Park National Bank (Formerly Security National Bank) for water improvements within the Village. Fixed quarterly payments of \$1,388 plus interest are due beginning July 15, 2012 with a maturity date of April 15, 2027. Interest rates were changed July 1, 2022 to 6.125%.

The Village obtained a Lease-Purchase agreement with Ford Motor Credit to purchase a 2019 Ford Police Interceptor with equipment for the Village Police Department. Fixed Quarterly payments of \$2,542.22 are due beginning April 15, 2019 with a maturity date of January 15, 2024. The Village was approved for \$43,098 at 7.25% interest.

The Ohio Water Development Authority (OWDA) #8864 Wastewater loan was used to fund the purchase and installation of diesel pumps at the Chateau Estates sewer pump station. The Village was approved for \$405,705.16 at 1.86% interest. Total disbursed as of December 31, 2021 was \$343,324.80. The Village will make semi-annual principal and interest payments beginning January 1, 2022 with a maturity date of July 1, 2046.

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Debt (Continued)

The Ohio Water Development Authority (OWDA) #9673 refinance of USDA-RD loan with a principal balance of \$729,000 and an existing interest rate of 5.125% for the construction of a sanitary collection and treatment system. The Village was approved for \$741,823.60 at 3% interest. The Village will make semiannual principal and interest payments beginning January 1, 2023 with a maturity date of July 1, 2040.

The Village obtained a Police Equipment Bond with Park National Bank in the amount of \$18,000 dollars to purchase cameras and radars. The Village will make semi-annual payments of \$3270.38 beginning December 31, 2022 with a maturity date of June 30, 2025. Interest rates were changed July 20, 2022 to 5.19%.

Amortization

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

Year Ending December 31:	Financed Purchases (Ford Motor Credit - 2019 Interceptor)	OWDA Loans	Park National Bank Police Equipment Bond	Park National Bank Water Operating Bond
2023	\$ 10,169	\$ 266,374	\$ 9,811	\$ 5,584
2024	2,542	269,611	6,541	5,584
2025	-	269,723	3,270	5,584
2026	-	269,839	-	5,584
2027	-	269,961	-	2,855
2028-2032	-	1,351,824	-	-
2033-2037	-	1,183,894	-	-
2038-2042	-	365,333	-	-
2043-2047	-	68,940	-	-
Total	<u>\$ 12,711</u>	<u>\$ 4,315,499</u>	<u>\$ 19,622</u>	<u>\$ 25,191</u>

Note 12 – Contingent Liabilities

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

Note 13 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Village of North Hampton
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 14 – 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 facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 9,401	\$ 276	\$ 9,677
Total	\$ 9,401	\$ 276	\$ 9,677

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

Note 15 – Subsequent Events

Management has evaluated subsequent events through August 21, 2024, the date on which the financial statements were available for issue. There were no subsequent events identified.

Note 16 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Village 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 funding, either federal or state, cannot be estimated.

During 2022, the Village received \$24,707 as an on-behalf of grant from another government. These amounts are recorded in the applicable Special Revenue Fund.

Note 17 – Prior Period Restatement

The following adjustment is reflected in the January 1, 2022 General and Water Operating Fund balance:

	General Fund	Water Operating Fund
December 31, 2021 audited balance	\$ 4,839	\$ 625,268
To account for checks voided in 2022 from 2021	148	53
January 1, 2022 balance	\$ 4,987	\$ 625,321

The Village made an adjustment to accurately report beginning fund balance.

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

Village of North Hampton
Clark County
250 W. Clark St.
North Hampton, Ohio 45349

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, 2023 and 2022 and the related notes to the financial statements of the Village of North Hampton, Clark County, (the Village) and have issued our report thereon dated August 21, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of audit findings as items 2023-001 through 2023-004 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 audit findings as items 2023-002 through 2023-004.

Purpose of This Report

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



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

August 21, 2024

VILLAGE OF NORTH HAMPTON
CLARK COUNTY

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

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

FINDING NUMBER 2023-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- Park National Bank Police equipment bond principal and interest payments were recorded as General Fund Capital Outlay instead of principal and interest payments in 2023;
- The Village did not record a principal adjustment made on behalf of OWDA for OWDA loan #8864 in 2023;
- Ford Motor Credit Loan principal and interest payments were recorded as General Fund Capital Outlay instead of principal and interest payments in 2023 and 2022;
- The Village did not properly allocate Mayor's Court disbursements between Distribution to Other Governments, Distributions to Other Fund (Primary Gov't), and Other Distributions in 2023 and 2022;
- The Village did not record debt proceeds for the refinancing of the USDA sewer loan in 2022; and
- The Village recorded debt proceeds in the General Fund as other financing resources instead of debt proceeds in 2022.

Not posting receipts or classifying fund balances accurately resulted in the financial statements requiring several reclassifications and adjustments. The Financial Statements reflect all reclassifications and adjustments. The Village has posted the adjustments to its accounting system.

We also updated the notes to the financial statements for omitted information and to agree to financial statement amounts.

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

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

Officials' Response: Officials did not provide a response to this finding.

VILLAGE OF NORTH HAMPTON
CLARK COUNTY

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

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

FINDING NUMBER 2023-002

Noncompliance/Material Weakness

Ohio Rev. Code Section 5705.09 requires, in part, each subdivision to establish a bond retirement fund for the retirement of serial bonds, notes or certificates of indebtedness.

During 2022, the Village issued a bond refunding and did not establish a debt service fund to account for the bond proceeds or the retirement of the bond.

We recommend the Village establish a debt service fund to account for the retirement of the 2022 police equipment bonds. New funds established should be approved by Village Council and documented in the minutes.

Officials' Response: Officials did not provide a response to this finding.

FINDING NUMBER 2023-003

Noncompliance/Material Weakness

Ohio Revised Code Section 5705.10(I) requires that money paid into any fund shall be used only for the purposes for which such fund is established. Therefore, a negative fund cash balance in any fund indicates that money from another fund or funds has been used to pay the obligations of the fund carrying the deficit balance.

The following fund had a deficit cash balance as of December 31, 2023:

Fund	Fund Balance
General	\$ (1,266)

The following fund had a deficit cash balance as of December 31, 2022:

Fund	Fund Balance
General	\$ (22,998)

This resulted in other funds paying for expenditures on their behalf.

We recommend cash balances be monitored on a regular basis to avoid negative fund balances.

Officials' Response: Officials did not provide a response to this finding.

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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

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

FINDING NUMBER 2023-004

Noncompliance/Material Weakness

Ohio Rev. Code §5705.39 states in part that the total appropriations from each fund should not exceed the total estimated revenue. The following funds had appropriations exceeding estimated receipts for the years ended December 31, 2023 and 2022.

	Estimated Receipts including Unencumbered Fund Balance	Total Appropriations	Variance
At December 31, 2023			
General Fund	\$267,428	\$289,111	\$21,683
Enterprise Improvement – Water Tower	\$0	\$15,172	\$15,172
At December 31, 2022			
General Fund	\$288,411	\$309,827	\$21,416

Appropriating more money than expected or actually received could lead to negative fund balances and monies being used to cover expenses being charged to inappropriate funds or lines items. It could also lead to commitments being made without sufficient funds to pay for those commitments.

In addition, The Village did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Village Council and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in incorrect amounts posted to the accounting system and information available to Village trustees to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate. We recommend the Village implement procedures to ensure appropriations and estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

We recommend the Village compare appropriations to estimated receipts for all funds to ensure appropriations do not exceed estimated resources and to ensure compliance with the above requirements.

Officials’ Response: Officials did not provide a response to this finding.

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NORTH HAMPTON

CLARK 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 11/7/2024

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

This report is a matter of public record and is available online at
www.ohioauditor.gov