



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF HAMDEN
VINTON COUNTY**

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

INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified, Qualified, and Adverse Opinions

We have audited the financial statements of the Village of 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, 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 the Special Revenue and Capital Projects funds 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.

Additional Opinion Qualification

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the General, Enterprise, and Custodial Funds as of and for the years ended December 31, 2023 and 2022, and the related notes of the Village of Hamden, Vinton County, in accordance with the financial reporting provisions 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, 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 Additional Opinion Qualification

The Village posted a receipt to the General Fund that should have been recorded in the Water Operating Fund during the year ended December 31, 2022. Due to the impact this adjustment would have on the General Fund, the Village declined to post the entire adjustment.

Had the Village agreed to the adjustment, the General fund cash fund balance would have decreased \$41,586 and the Water Operating Fund cash fund balance would have increased \$41,586.

Also, Fines, Forfeitures, and Settlements for Distributions are reported at \$15,885 and \$23,621 for the years ended December 31, 2023 and 2022, respectively, which are 100% of fiduciary fund type additions. We were unable to obtain sufficient appropriate audit evidence for 25% and 13%, respectively, of amounts recorded as Fines, Forfeitures and Settlements for Distributions. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 *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 January 22, 2026, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

January 22, 2026

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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, 2023

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$34,303	\$60,956	\$0	\$95,259
Intergovernmental	69,373	107,056	0	176,429
Charges for Services	10,770	750	0	11,520
Licenses, Permits and Fees	14,285	0	0	14,285
Earnings on Investments	955	652	0	1,607
Miscellaneous	6,298	29,097	0	35,395
<i>Total Cash Receipts</i>	<u>135,984</u>	<u>198,511</u>	<u>0</u>	<u>334,495</u>
Cash Disbursements				
Current:				
Security of Persons and Property	101,454	97,471	0	198,925
Public Health Services	783	10,150	0	10,933
Leisure Time Activities	450	658	0	1,108
Transportation	0	43,321	0	43,321
General Government	89,051	36,987	0	126,038
Capital Outlay	0	30,125	0	30,125
Debt Service:				
Principal Retirement	0	20,472	0	20,472
Interest and Fiscal Charges	0	10,044	0	10,044
<i>Total Cash Disbursements</i>	<u>191,738</u>	<u>249,228</u>	<u>0</u>	<u>440,966</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(55,754)</u>	<u>(50,717)</u>	<u>0</u>	<u>(106,471)</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	700	0	700
Transfers Out	(700)	0	0	(700)
Other Financing Sources	1,383	0	0	1,383
Other Financing Uses	0	(530)	0	(530)
<i>Total Other Financing Receipts</i>	<u>683</u>	<u>170</u>	<u>0</u>	<u>853</u>
<i>Net Change in Fund Cash Balances</i>	<u>(55,071)</u>	<u>(50,547)</u>	<u>0</u>	<u>(105,618)</u>
<i>Fund Cash Balances, January 1</i>	<u>83,744</u>	<u>263,228</u>	<u>18,738</u>	<u>365,710</u>
<i>Fund Cash Balances, December 31</i>	<u>\$28,673</u>	<u>\$212,681</u>	<u>\$18,738</u>	<u>\$260,092</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, 2023

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$491,603</u>
<i>Total Operating Cash Receipts</i>	<u>491,603</u>
Operating Cash Disbursements	
Personal Services	57,520
Employee Fringe Benefits	6,313
Contractual Services	259,706
Supplies and Materials	38,779
Other	<u>372</u>
<i>Total Operating Cash Disbursements</i>	<u>362,690</u>
<i>Operating Income</i>	<u>128,913</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	51
Capital Outlay	0
Principal Retirement	(143,742)
Interest and Other Fiscal Charges	<u>(28,884)</u>
<i>Total Non-Operating (Disbursements)</i>	<u>(172,575)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<u>(43,662)</u>
Special Item	<u>210</u>
<i>Net Change in Fund Cash Balances</i>	<u>(43,452)</u>
<i>Fund Cash Balances, January 1</i>	<u>163,649</u>
<i>Fund Cash Balances, December 31</i>	<u>\$120,197</u>

See accompanying notes to the basic financial statements

Village of Hamden, Ohio

Vinton County

*Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)*

Fiduciary Fund Type

For the Year Ended December 31, 2023

Additions

Fines, Forfeitures and Settlements for Distribution \$15,885

Total Additions 15,885

Deductions

Other Distributions 17,095

Total Deductions 17,095

Net Change in Fund Balances (1,210)

Fund Cash Balances, January 1 7,791

Fund Cash Balances, December 31 \$6,581

See accompanying notes to the basic financial statements

Fiduciary Fund Type

Custodial

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Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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, and police services. The Village contracts with Clinton Township and Vinton Township to provide fire services and emergency medical services. The Village appropriates general fund money to support a volunteer fire department.

Public Entity Risk Pools

The Village participates in the Ohio Plan Risk Management, Inc, a public entity risk pool. Note 7 to the financial statements provide additional information for these entities.

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 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.

Police Levy Fund The police levy fund receives levy money to fund the Hamden Police Department to provide protection services to the Village.

American Rescue Plan Fund The American Rescue Plan fund receives money to assist in the COVID-19 expenses.

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

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

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. This fund receives charges for services from the residents to cover water service charges.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village. This fund receives charges from residents to cover sewer service costs.

Trash Fund The trash fund accounts for the provision of sanitation/trash collection to the residents and commercial users located within the Village. The 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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Village 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).

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

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 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:

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the State Grant, Fire Levy, and Enterprise Debt Service Reserve Funds by \$27,371, \$30,457, and \$2,826, respectively, for the year ended December 31, 2023. Also contrary to Ohio law, at December 31, 2023, the Enterprise Debt Service Reserve fund had a cash deficit balance of \$3,163.

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$161,589	\$137,367	(\$24,222)
Special Revenue	163,163	199,211	36,048
Enterprise	489,738	491,864	2,126
Total	\$814,491	\$828,442	\$13,951

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$196,602	\$192,438	\$4,164
Special Revenue	246,371	249,758	(3,387)
Capital Projects	18,738	0	18,738
Enterprise	590,775	535,316	55,459
Total	\$1,052,486	\$977,512	\$74,974

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:

2023	
Cash Management Pool:	
Demand deposits	\$300,443
Certificates of deposit	86,427
Total deposits	386,870

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.

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

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.

Note 7 – Risk Management

Risk Pool Membership

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

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

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets \$ 23,113,696
Liabilities (16,078,587)
Members' Equity \$ 7,035,109

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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.

Social Security

Some 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 9 – Postemployment Benefits

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

Note 10 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan 4535	\$1,716,818	1.50%
OWDA Loan 5199	286,612	0.00%
OWDA Loan 5853	54,966	2.00%
OWDA Loan 5907	86,194	1.00%
OWDA Loan 9199	69,283	0.00%
OPWC Loan CO071	140,625	0.00%
OPWC Loan CT61R	12,158	0.00%
Fire Truck Loan	<u>306,728</u>	3.08%
Total	<u>\$2,673,384</u>	

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 10 – Debt (Continued)

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. 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 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

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 10 – Debt (Continued)

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	Fire Truck
2024	\$62,275	\$17,370	\$1,826	\$2,622	\$9,375	\$1,520	\$28,997
2025	124,550	17,370	3,652	5,244	18,750	1,520	28,997
2026	124,550	17,370	3,652	5,244	18,750	1,520	28,997
2027	124,550	17,370	3,652	5,244	18,750	1,520	28,997
2028	124,550	17,370	3,652	5,244	18,750	1,520	28,997
2029-2033	622,750	86,852	18,544	26,222	56,250	4,557	144,985
2034-2038	622,750	86,852	18,574	26,222	0	0	86,986
2039-2043	124,552	26,058	13,073	18,357	0	0	0
Total	<u>\$1,930,527</u>	<u>\$286,612</u>	<u>\$66,625</u>	<u>\$94,399</u>	<u>\$140,625</u>	<u>\$12,157</u>	<u>\$376,956</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		\$93

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

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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, 2022

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$34,344	\$41,553	\$0	\$75,897
Intergovernmental	38,304	114,739	0	153,043
Charges for Services	11,155	0	0	11,155
Licenses, Permits and Fees	14,218	0	0	14,218
Earnings on Investments	342	157	0	499
Miscellaneous	558	31,408	0	31,966
<i>Total Cash Receipts</i>	<u>98,921</u>	<u>187,857</u>	<u>0</u>	<u>286,778</u>
Cash Disbursements				
Current:				
Security of Persons and Property	71,703	58,653	0	130,356
Public Health Services	720	0	0	720
Leisure Time Activities	3,777	2,322	0	6,099
Transportation	0	32,432	0	32,432
General Government	63,873	452	0	64,325
Debt Service:				
Principal Retirement	4,251	19,906	0	24,157
Interest and Fiscal Charges	0	10,611	0	10,611
<i>Total Cash Disbursements</i>	<u>144,324</u>	<u>124,376</u>	<u>0</u>	<u>268,700</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(45,403)</u>	<u>63,481</u>	<u>0</u>	<u>18,078</u>
Other Financing Receipts				
Other Financing Sources	<u>42,825</u>	<u>0</u>	<u>0</u>	<u>42,825</u>
<i>Net Change in Fund Cash Balances</i>	<u>(2,578)</u>	<u>63,481</u>	<u>0</u>	<u>60,903</u>
<i>Fund Cash Balances, January 1</i>	<u>86,322</u>	<u>199,747</u>	<u>18,738</u>	<u>304,807</u>
<i>Fund Cash Balances, December 31</i>	<u>\$83,744</u>	<u>\$263,228</u>	<u>\$18,738</u>	<u>\$365,710</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 Types

For the Year Ended December 31, 2022

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$490,152</u>
<i>Total Operating Cash Receipts</i>	<u>490,152</u>
Operating Cash Disbursements	
Personal Services	42,740
Employee Fringe Benefits	6,028
Contractual Services	234,733
Supplies and Materials	16,184
Other	<u>1,053</u>
<i>Total Operating Cash Disbursements</i>	<u>300,738</u>
<i>Operating Income</i>	<u>189,414</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	152,563
Other Debt Proceeds	19,609
Capital Outlay	(213,758)
Principal Retirement	(156,494)
Interest and Other Fiscal Charges	(30,427)
Other Financing Uses	<u>(2,132)</u>
<i>Total Non-Operating Disbursements</i>	<u>(230,639)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(41,225)</u>
<i>Fund Cash Balances, January 1</i>	<u>204,874</u>
<i>Fund Cash Balances, December 31</i>	<u>\$163,649</u>

See accompanying notes to the basic financial statements

Village of Hamden, Ohio

Vinton County

*Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)*

Fiduciary Fund Type

For the Year Ended December 31, 2022

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
Additions	
Fines, Forfeitures and Settlements for Distribution	\$23,621
<i>Total Additions</i>	<u>23,621</u>
Deductions	
Other Distributions	<u>17,540</u>
<i>Total Deductions</i>	<u>17,540</u>
<i>Net Change in Fund Balances</i>	6,081
<i>Fund Cash Balances, January 1</i>	<u>1,710</u>
<i>Fund Cash Balances, December 31</i>	<u>\$7,791</u>

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, 2022

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, and police services. The Village contracts with Clinton Township and Vinton Township to provide fire services and emergency medical services. The Village appropriates general fund money to support a volunteer fire department.

Public Entity Risk Pools

The Village participates in the Ohio Plan Risk Management, Inc., a public entity risk pool. Notes 7 to the financial statements provide additional information for these entities.

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 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.

Police Levy Fund The police levy fund receives levy money to fund the Hamden Police Department to provide protection services to the Village.

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

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

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

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. This fund receives charges for services from the residents to cover water service charges.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village. This fund receives charges from residents to cover sewer service costs.

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 § 117.38 and Ohio Administrative Code § 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Village 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).

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Budgetary Process

The Ohio Revised Code requires that each fund (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.

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 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:

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General, Fire Levy, Water Operating, and Sewer Operating funds by \$10,590, \$20,119, \$24,233, and \$122,469 respectively, for the year ended December 31, 2022.

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 4 – Budgetary Activity

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

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$111,467	\$141,746	\$30,279
Special Revenue	106,217	187,857	81,640
Enterprise	606,236	662,324	56,088
Total	<u>\$823,921</u>	<u>\$991,927</u>	<u>\$168,006</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$135,568	\$146,158	(\$10,590)
Special Revenue	196,896	124,376	72,520
Capital Projects	18,738	0	18,738
Enterprise	591,864	706,010	(114,146)
Total	<u>\$943,065</u>	<u>\$976,544</u>	<u>(\$33,479)</u>

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:

<u>2022</u>	
<i>Cash Management Pool:</i>	
Demand deposits	\$450,853
Certificates of deposit	86,297
Total deposits	<u>537,150</u>

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.

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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.

Note 7 – Risk Management

Risk Pool Membership

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

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

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

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

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

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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.

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, 2022.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2022, 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 2022, 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 10 – Debt

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

	Principal	Interest Rate
OWDA Loan 4535	\$1,814,516	1.50%
OWDA Loan 5199	303,983	0.00%
OWDA Loan 5853	57,480	2.00%
OWDA Loan 5907	90,543	1.00%
OWDA Loan 9199	72,344	0.00%
Ohio Public Works CO071	159,375	0.00%
Ohio Public Works CT61R	13,677	0.00%
Fire Truck	325,680	3.80%
Total	<u>\$2,837,598</u>	

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 10 – Debt (Continued)

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. 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 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

Village of Hamden, Ohio
Vinton County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 10 – Debt (Continued)

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	Fire Truck
2023	\$62,275	\$8,685	\$1,826	\$2,622	\$9,375	\$1,520	\$28,997
2024	124,550	17,370	3,652	5,244	18,750	1,520	28,997
2025	124,550	17,370	3,652	5,244	18,750	1,520	28,997
2026	124,550	17,370	3,652	5,244	18,750	1,520	28,997
2027	124,550	17,370	3,652	5,244	18,750	1,520	28,997
2028-2032	622,750	86,852	18,257	26,222	75,000	6,079	144,985
2033-2037	622,750	86,852	18,257	26,222	0	0	115,987
2038-2042	249,102	52,114	16,427	23,601	0	0	0
Total	<u>\$2,055,077</u>	<u>\$303,983</u>	<u>\$69,375</u>	<u>\$99,643</u>	<u>\$159,375</u>	<u>\$13,679</u>	<u>\$405,957</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		\$93
Outstanding Encumbrances		<u>1,834</u>
<i>Total</i>		<u>\$1,927</u>

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

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

**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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type 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 Hamden, Vinton County, Ohio (the Village) and have issued our report thereon dated January 22, 2026, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also qualified our opinion on the General and Enterprise Funds because the Village recorded a receipt in 2022 to the General Fund that should have been recorded in the Water Operating Fund. In addition, we qualified our opinion on the Fiduciary Fund type because we were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as Fines, Forfeitures and Settlements for Distribution receipts.

Report on Internal Control Over Financial Reporting

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

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 2023-003 through 2023-007 that we consider to be material weaknesses.

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

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 2023-001 through 2023-002 and 2023-005.

Village's Response 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
Ohio Auditor of State



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

January 22, 2026

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022**

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

FINDING NUMBER 2023-001

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 Rev. Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village had expenditures in excess of appropriations as follows:

December 31, 2023	Authority	Expenditures	Variance
State Grant Fund	\$ -	\$ 27,371	\$ (27,371)
Fire Levy Fund	16,209	46,666	(30,457)
Enterprise Debt Service Fund	150,400	153,226	(2,826)

December 31, 2022	Authority	Expenditures	Variance
General Fund	\$ 135,568	\$ 146,158	\$ (10,590)
Fire Levy Fund	16,209	36,328	(20,119)
Water Operating Fund	235,761	259,994	(24,233)
Sewer Operating Fund	120,055	242,524	(122,469)

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.

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 as needed should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response: The Village will work to monitor and correct this matter going forward.

FINDING NUMBER 2023-002

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 for the order or contract 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 §§ 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Rev. Code.

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2023-002 (Continued)

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

1. "Then and Now" certificate – If the chief 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, Village Council can authorize the drawing of a warrant for the payment of the amount due.

Village Council has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts less than \$3,000 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 Village Council 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, 20% of disbursements tested during 2023 and 20% of disbursements tested 2022, respectively, were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence that the Village followed the aforementioned exceptions. In addition, the Village had \$13,109 and \$20,499 in unrecorded liabilities on December 31, 2023, and 2022, respectively. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. Lastly, 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 and approval included in the minute record.

Officials' Response: The fiscal officer will create a "certificate of the fiscal officer" certifying that the amount required for the order or contract 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. Each contract made without such a certificate shall be void.

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2023-003

Material Weakness

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

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

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

Monthly bank to book reconciliations were prepared each month of 2022 and 2023; however, reconciliations included other adjusting factors each month. The Village contracted with Local Government Services to reconcile the Village for fiscal year 2022 and five months of 2023.

As a result of the audit procedures performed, the financial statements had the following unrecorded activity that required audit adjustments to reconcile the Village on December 31, 2023:

- General Fund interest and property tax receipts, and general government disbursements were overstated \$11, \$3,618, and \$1,622, respectively while January 1, 2023 beginning fund balance was overstated \$1,999. This resulted in an overall fund balance decrease to the General Fund in the amount of \$4,006;
- Street Construction, Maintenance, and Repair Fund transportation disbursements of \$198 were understated;
- Police Fund security of persons and property disbursements of \$506 were overstated;
- Water Operating Fund charge for service receipts of \$523 and contractual service disbursements of \$284 were understated, while personal service disbursements of \$381 were overstated. This resulted in an overall increase of \$620 in the Water Operating Fund;
- Sewer Operating Fund charge for service receipts of \$323 were understated and personal service disbursements of \$393 were overstated. This resulted in an overall increase of \$716 to the Sewer Operating Fund;
- Enterprise Debt Service Fund charge for service receipts were overstated \$262;
- Water Preventative Maintenance Fund charge for service receipts were overstated \$10;
- Sewer Preventative Maintenance Fund charge for service receipts were overstated \$7;
- Trash Fund charge for service receipts were understated \$17; and
- Mayor's Court Custodial Fund fine, license, and permit additions of \$1,259 were unrecorded and fine, license, and permit deductions of \$712 were overstated. This resulted in an overall increase of \$1,971 to the Mayor's Court Custodial Fund.

Further, the outstanding checks per the December 31, 2023 bank reconciliation completed in UAN reported \$37,189.97 in outstanding checks and \$54.32 in deposits in transit. Based on the corrected reconciliation, the outstanding checks on December 31, 2023 were \$36,944.52, a difference of \$245.45 and deposits in transit should be \$0, a difference of \$54.32.

Management has agreed to and recorded these adjustments in the Village's UAN system.

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2023-003 (Continued)

Material Weakness (Continued)

In addition, the following bank to book reconciliations were not prepared in a timely manner:

- May 2022 was not completed until July 5, 2022;
- July 2022 was not completed until September 9, 2022;
- November 2022 was not completed until January 2, 2023;
- December 2022 was not completed until February 25, 2023;
- January 2023 was not completed until March 12, 2023;
- May 2023 was not completed until August 7, 2023; and
- June 2023 was not completed until August 10, 2023.

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

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

Officials' Response: The current fiscal officer has worked with LGS since the 2nd half of 2023 to correct these issues and has learned the proper procedures for completing a bank reconciliation, how to investigate any variances and how to correct errors. All corrections are documented and kept on file for audits.

FINDING NUMBER 2023-004

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.

As a result of the audit procedures performed, the financial statements had the following errors that required audit adjustments or reclassifications:

In 2022:

- General Fund general government disbursements were understated \$2,402 due to cash reconciliation errors not recorded by the Village until 2023;
- Street Construction Maintenance and Repair and State Highway Funds intergovernmental receipts were understated \$3,617 and \$293 respectively, due to cash reconciliation errors not recorded by the Village until 2023;
- General Fund debt service principal retirement disbursements of \$4,251 were incorrectly recorded as other financing use disbursements;

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2023-004 (Continued)

Material Weakness (Continued)

- General Fund general government and leisure time activities disbursements of \$1,567 and \$3,627, respectively were incorrectly recorded as other financing uses;
- General Fund charge for service receipts of \$8,950 were incorrectly recorded as other financing sources;
- General Fund intergovernmental receipt of \$3,071 was incorrectly recorded in the Street Construction Maintenance and Repair and State Highway Funds as property tax receipts of \$2,841 and \$230, respectively;
- General Fund intergovernmental receipts of \$6,452 were incorrectly recorded as property taxes receipts;
- Fire Fund intergovernmental receipts of \$1,163 were incorrectly recorded as property tax receipts;
- Fire Fund miscellaneous revenue of \$28,997 and debt service principal retirement and interest of fiscal charges of \$18,386 and \$10,611, respectively to account for the Volunteer Fire Departments loan payments, was unrecorded;
- Police Fund intergovernmental receipts of \$6,518 were incorrectly recorded as property tax receipts;
- Street Construction Maintenance and Repair Fund intergovernmental receipts of \$11,310 were incorrectly recorded as property tax receipts;
- State Highway Fund intergovernmental receipts of \$636 were incorrectly recorded as property tax receipts;
- Enterprise Debt Service Reserve Fund debt service interest and fiscal charges of \$6,778 was incorrectly recorded as principal retirement disbursements;
- Water Operating Fund debt service principal retirement disbursements of \$14,797 were incorrectly recorded as contractual service disbursements;
- Water Operating Fund capital outlay disbursements of \$61,195 were incorrectly classified as contractual service disbursements;
- Water Operating Fund charge for service receipts of \$26,442 were incorrectly classified as other debt proceed receipts;
- Sewer Operating Fund intergovernmental revenue and capital outlay disbursements of \$152,563, to account for the grant handled on behalf of the Village by the County, were omitted on the financial statements; and
- Mayor's Court Fund Fines, Licenses and Permits for Distribution receipt of \$290 incorrectly recorded in the Unclaimed Monies Fund.

In 2023:

- General Fund intergovernmental receipts of \$6,556 were incorrectly recorded as property tax receipts;
- General Fund fine license and permit receipts of \$6,014 were incorrectly recorded in the Mayor's Court Custodial fund;
- Street Construction, Maintenance, and Repair Fund debt service principal retirement disbursement of \$1,519 was incorrectly recorded as a transportation disbursement;
- Street Construction Maintenance and Repair Fund intergovernmental receipts of \$12,967 were incorrectly recorded as property tax receipts;

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2023-004 (Continued)

Material Weakness (Continued)

- Fire Fund intergovernmental receipts of \$1,956 were incorrectly recorded as property tax receipts in the General Fund;
- Police Fund intergovernmental receipts of \$6,617 were incorrectly recorded as property tax receipts in the General Fund;
- Fire Fund miscellaneous revenue of \$28,997 and debt service principal retirement and interest of fiscal charges of \$18,953 and \$10,044, respectively to account for the Volunteer Fire Departments loan payments, was unrecorded;
- American Rescue Fund capital outlay disbursement of \$22,626 was incorrectly recorded as general government disbursement;
- American Rescue Fund public health service disbursements of \$10,150 were incorrectly recorded as general government disbursement;
- Enterprise Debt Service Reserve Fund debt service principal retirement of \$2,826 incorrectly recorded in the American Rescue Fund;
- Enterprise Debt Service Reserve Fund debt service principal retirement of \$2,916 incorrectly recorded as interest and fiscal charges; and
- Water Operating Fund charge for service receipts of \$26,328 were incorrectly classified as other debt proceed receipts.

Due to lack of understanding of UAN account codes and proper classifications, the Fiscal Officer made classification errors in posting of receipts and disbursements. This caused the classifications errors noted above.

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 item and fund type to post various receipts and disbursements of the Village to ensure the Village's financial statements are complete and accurate.

Officials' Response: The current fiscal officer will review the Village Officer's Handbook for guidance on receipting appropriately and work on outstanding audit adjustments as funds become available and then document all adjustments for the audit team.

FINDING NUMBER 2023-005

Noncompliance/Material Weakness/Finding for Adjustment

Ohio Rev. Code § 5705.10(D) provides, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

During 2022, the Village inappropriately recorded \$61,195 of water loan proceeds in the General Fund as other financing sources. Given the source of the revenue, the \$61,195 should have been recorded in the Water Operating Fund as loan proceeds.

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2023-005 (Continued)

**Noncompliance/Material Weakness/Finding for Adjustment - Ohio Rev. Code § 5705.10(D)
(Continued)**

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

The Village has posted \$19,609 of this adjustment to the financial statements and UAN accounting system. The remaining portion of \$41,586 of this adjustment was not posted to the Village's financial statements and accounting system; therefore, \$41,586 remains uncorrected against the Village's General Fund and in favor of the Water Operating Fund.

In accordance with the foregoing facts, a Finding for Adjustment is hereby issued against the Village's General Fund in the amount of \$41,586 and in favor of the Water Operating Fund in the amount of \$41,586.

The Fiscal Officer should review the Village Officer's Handbook for guidance on the correct line item and fund type to post receipts and disbursements of the Village to ensure the Village's financial statements are complete and accurate. In addition, the Fiscal Officer should work to remedy the outstanding audit adjustments not reflected in the Village's UAN system when funds become available.

Officials' Response: The current fiscal officer will review the Village Officer's Handbook for guidance on receiving appropriately and work on outstanding audit adjustments as funds become available and then document all adjustments for the audit team.

FINDING NUMBER 2023-006

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.

The Village received Mayor's Court Custodial Fund receipts and distributed money to the State and Village during the audit period. During testing of activity, payments to the Village's General Fund were being received back into the Mayor's Court Custodial Fund, totaling \$6,014 which has been adjusted as a result of audit procedures. An additional \$3,389 has not been remitted to the Village for the months of April, June, July, August and December 2023. The Village recorded payments to the State for June and August through December 2023 totaling \$1,122 but these payments were never paid online through the Treasurer of State portal or deducted out of the Village's bank account.

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2023-006 (Continued)

Material Weakness (Continued)

Further, the Village started accepting debit and credit card payments via Pay Star. During testing of cash, it was found that \$3,155 in court payments were received and recorded into the Village's bank account but were not recorded in the UAN accounting system. This was offset by \$1,896 recorded in the UAN accounting system that did not tie to a particular deposit or mayor's court receipt. These errors have been adjusted by management in the Village's accounting system.

In addition, individual case files, including the ticket issued for thirty-one and eighteen percent of case files selected for testing for the years ended December 31, 2023 and 2022, respectively, were not located. This resulted in a projected error of \$3,996 or twenty-five percent and \$3,166 or thirteen percent of total Mayor's Court Custodial additions for 2023 and 2022, respectively. We were then unable to determine if the proper fine/fee was collected based on the offense committed, if the ticket information agreed to the docket, and if then the receipt was properly allocated to the Village and State. We have modified the opinion in the Independent Auditor's Report accordingly.

Inadequate supporting documentation eliminates a significant control, obscures the audit trail and provides opportunities for errors and irregularities to occur and not be detected by management in a timely manner. Due to the lack of supporting documentation, completeness could not be determined over Mayor's Court activity.

The Village Fiscal Officer should work with the Mayor's Court Clerk to implement procedures monthly to ensure all activity received and recorded in the manual cash book and duplicate receipt book by the Mayor's Court Clerk has been accounted for and recorded in the Village's Mayor's Court Custodial Fund in UAN. Further, payments due to the Village should be paid by the 1st Monday of the month following collection and support should be maintained by the Village Fiscal Officer and Mayor's Court Clerk to support the amount paid to the Village for each month. Lastly, the amount collected and due to the State should be paid by the 20th of the month following collection and the Treasurer of State payment verification report should be maintained by the Fiscal Officer and included with the payment advice in UAN and a copy should be on file with the Mayor's Court Clerk to support payment was made. Failure to make payments by the due date could result in penalties and late fees being assessed and paid by the Village. All tickets issued should be maintained in case files and maintained for audit.

Officials' Response: The current fiscal officer and Mayor's Court Clerk have been reconciliating ledgers and dockets for almost a year (the previous clerk also started doing this per fiscal officer's request) at the end of each month to ensure that all payments for fines/fees have been recorded by both departments correctly. The fiscal officer then creates a memo receipt in UAN to reflect payments to the village from Mayor's Court, the court clerk then makes a payment to the state online and gives a copy of the receipt for payment to the fiscal officer. The fiscal officer then creates a purchase order and electronic payment voucher in UAN to reflect this payment. They will continue these practices to ensure all payments and receipts are documented and posted in a timely fashion.

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2023-007

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 Village 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.

On December 31, 2023, estimated receipts as approved by the Budget Commission did not agree to the Village's accounting system for the following funds:

Fund	Approved	UAN System	Variance
State Grant-State Fire Marshall	\$ 32,594	\$ -	\$ 32,594
State Grant	11,728	44,322	(32,594)
Fire Levy	25,350	22,000	3,350

On December 31, 2022, estimated receipts as approved by the Budget Commission did not agree to the Village's accounting system for the following funds:

Fund	Approved	UAN System	Variance
General	\$ 111,467	\$ 94,471	\$ 16,996
Street Construction, Maintenance, and Repair	46,210	50,120	(3,910)
State Highway	5,218	4,050	1,168
Parks and Recreation	3,100	1,250	1,850
State Grant-State Fire Marshall	10,000	-	10,000
American Rescue Plan	-	45,252	(45,252)
Water Operating	293,843	207,129	86,714
Water Operating - Preventative Maintenance	4,000	5,500	(1,500)
Sewer Operating	102,152	113,473	(11,321)
Sewer Operating - Preventative Maintenance	5,000	7,000	(2,000)
Trash	49,957	50,197	(240)
Enterprise Debt Service	146,935	143,409	3,526
Guaranty-Utility Deposit	4,350	2,250	2,100

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2023-007 (Continued)

Material Weakness (Continued)

On December 31, 2023, approved appropriations did not agree to the Village's accounting system in the following funds:

Fund	Approved	UAN System	Variance
State Grant - State Fire Marshall	\$ -	\$ 571	\$ (571)
State Grant	-	45,402	(45,402)
Fire Levy	16,209	17,808	(1,599)
Police Levy	74,907	74,550	357
Guaranty Utility Deposit	1,000	31,000	(30,000)

On December 31, 2022, approved appropriations did not agree to the Village's accounting system in the following funds:

Fund	Approved	UAN System	Variance
General	\$ 135,568	\$ 180,214	\$ (44,646)
State Grant-State Fire Marshall	-	571	(571)
State Grant	-	1,080	(1,080)
Fire Levy	16,209	26,209	(10,000)
Police Levy	74,907	26,209	48,698
Coronavirus Relief	-	452	(452)
Water Operating	235,761	296,956	(61,195)
Sewer Operating - Preventative Maintenance	13,098	15,000	(1,902)
Enterprise Debt Service Reserve	161,500	158,775	2,725

Special Revenue estimated receipts were understated \$3,350 in the notes to the financial statements on December 31, 2023. In addition, Special Revenue appropriations were overstated \$47,215, Capital Projects appropriations were understated \$18,738, and Enterprise Funds appropriations were overstated by \$29,948 in the notes to the financial statements on December 31, 2023.

General Fund estimated receipts were understated \$16,996, Special Revenue estimated receipts were understated \$15,351, and Enterprise funds were understated \$462,827 in the notes to the financial statements at December 31, 2022. In addition, General Fund appropriations were overstated \$44,646, Specia Revenue appropriations were overstated \$220,116, Capital Projects Fund appropriations were understated by \$18,738 and Enterprise Funds appropriations were understated by \$433,089 in the notes to the financial statements on December 31, 2022.

The audited notes to the financial statements have been adjusted for these errors each year.

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 Council were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) were not properly 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.

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2023-007 (Continued)

Material Weakness (Continued)

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 Board/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 village will monitor and make corrections when necessary going forward.

2. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS Control report.

FINDING NUMBER 2023-008

Noncompliance/Finding for Recovery/Resolved Under Audit

Ohio Rev. Code § 117.24 requires the Auditor of State to determine whether “public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . . .” Those determinations in an audit report constitute “findings for recovery.” Ohio Rev. Code § 9.24(H)(3).

Article 5 Section 1 of the Village policy manual approved on November 18, 2019, states each full-time employee, after one year of service, shall earn one week of paid vacation. The paid vacation hours will be based upon the regular work schedule. For example, an employee regularly scheduled for 40 hours shall receive that amount in vacation. An employee scheduled for 36 hours weekly shall receive 36 hours of vacation after a year worked.

Ohio Rev. Code §733.82 states the treasurer of a municipal corporation or city auditor, or other officer of a municipal corporation having the duties of a municipal treasurer or of a city auditor, shall not be held liable for a loss of public funds when the officer has performed all official duties required of the officer with reasonable care, but shall be liable only when a loss of public funds results from the officer's negligence or other wrongful act.

Employee Aaron Markin had a hire date of October 17, 2022. Former Fiscal Officer Lynley Holzapfel was the fiscal officer when Aaron Markin was hired and allowed him to accrue vacation leave that he was not entitled in excess of the policy. Former Fiscal Officer Lynley Holzapfel then made a vacation leave payout to Aaron Markin on March 17, 2023 for 34.1 vacation hours which were all accrued incorrectly during his first year of employment. This resulted in Mr. Markin being overpaid \$579.70 for the 34.1 vacation hours at his hourly rate of \$17.

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

2. OTHER – FINDINGS FOR RECOVERY (Continued)

FINDING NUMBER 2023-008 (Continued)

Noncompliance/Finding for Recovery/Resolved Under Audit (Continued)

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Chapter 117, a Finding for Recovery for public monies illegally expended is hereby issued against former employee, Aaron Markin, former Fiscal Officer, Lynley Holzapfel and her bond issued by Ohio Plan Risk Management, jointly and severally, in the amount of \$579.70, and in favor of the Village of Hamden's Street Construction, Maintenance and Repair Fund, in the amount of \$289.85 and the Sewer Operating Fund in the amount of \$289.85.

Officials' Response: Mr. Markin entered into a repayment agreement with the Village on January 8, 2026 in the amount of \$579.70.

FINDING NUMBER 2023-009

Noncompliance/Finding for Recovery

Ohio Rev. Code § 117.24 requires the Auditor of State to determine whether “public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . . .” Those determinations in an audit report constitute “findings for recovery.” Ohio Rev. Code § 9.24(H)(3).

Article 5 Section 1 of the Village policy manual approved on November 18, 2019, states each full-time employee, after one year of service, shall earn one week of paid vacation. The paid vacation hours will be based upon the regular work schedule. For example, an employee regularly scheduled for 40 hours shall receive that amount in vacation. An employee scheduled for 36 hours weekly shall receive 36 hours of vacation after a year worked.

Ohio Rev. Code §733.82 states the treasurer of a municipal corporation or city auditor, or other officer of a municipal corporation having the duties of a municipal treasurer or of a city auditor, shall not be held liable for a loss of public funds when the officer has performed all official duties required of the officer with reasonable care, but shall be liable only when a loss of public funds results from the officer's negligence or other wrongful act.

Former Fiscal Officer, Lynley Holzapfel, and current Fiscal Officer, Dea Mayle, allowed Joseph Hewitt to accrue vacation leave in excess of the policy. This resulted in Mr. Hewitt using 33.54 more hours in vacation leave as of December 31, 2023 than should have been available under the policy. This resulted in Mr. Hewitt being overpaid \$620.46 for the 33.54 vacation hours at his hourly rate of \$18.50.

Further, it was noted employee Joseph Hewitt left employment with the Village on February 15, 2024 and at that time was paid for 216.01 hours of vacation leave based on incorrect accruals during his time at the Village. This resulted in Mr. Hewitt being paid for 209.81 more hours than he should have available under the policy. This resulted in Mr. Hewitt being overpaid \$3,881.49 on February 15, 2024 for the 209.81 hours at his hourly rate of \$18.50.

**VILLAGE OF HAMDEN
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

2. OTHER – FINDINGS FOR RECOVERY (Continued)

FINDING NUMBER 2023-009 (Continued)

Noncompliance/Finding for Recovery (Continued)

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Chapter 117, a Finding for Recovery for public monies illegally expended is hereby issued against former employee, Joseph Hewitt, former Fiscal Officer, Lynley Holzapfel, and current Fiscal Officer, Dea Mayle, and their bonds issued through Ohio Plan Risk Management, jointly and severally, in the amount of \$4,501.95, and in favor of the Village of Hamden's Police Levy Fund, in the amount of \$4,501.95.

Officials' Response: The fiscal officer will document all payments to the village as they are received, depositing in VCNB and receipting in the Police Levy fund in UAN as well as monitoring each individual's payment history for non-payments etc. and reporting to the State Auditor's office as necessary.

FINDING NUMBER 2023-010

Noncompliance/Finding for Recovery/Resolved Under Audit

Ohio Rev. Code § 117.24 requires the Auditor of State to determine whether "public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . . ." Those determinations in an audit report constitute "findings for recovery." Ohio Rev. Code § 9.24(H)(3).

Article 5 Section 1 of the Village policy manual approved on November 18, 2019, states each full-time employee, after one year of service, shall earn one week of paid vacation. The paid vacation hours will be based upon the regular work schedule. For example, an employee regularly scheduled for 40 hours shall receive that amount in vacation. An employee scheduled for 36 hours weekly shall receive 36 hours of vacation after a year worked.

Ohio Rev. Code § 733.82 states the treasurer of a municipal corporation or city auditor, or other officer of a municipal corporation having the duties of a municipal treasurer or of a city auditor, shall not be held liable for a loss of public funds when the officer has performed all official duties required of the officer with reasonable care, but shall be liable only when a loss of public funds results from the officer's negligence or other wrongful act.

Dea Mayle was hired as the Fiscal Officer on February 28, 2023. Ms. Mayle allowed herself to accrue 39.5 hours of vacation leave in calendar year 2023; however. Ms. Mayle had not been with the Village one year and was not entitled to receive vacation leave. Ms. Mayle used 24 hours of vacation leave in 2023 which she was not entitled to use. This resulted in Ms. Mayle being overpaid \$408 for the 24 hours at her hourly rate of \$17.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Chapter 117, a Finding for Recovery for public monies illegally expended is hereby issued against Fiscal Officer Dea Mayle and her bond issued through Ohio Plan Risk Management, jointly and severally, in the amount of \$408, and in favor of the Village of Hamden's General Fund, in the amount of \$408.

Officials' Response: Ms. Mayle entered into a repayment agreement with the Village on January 8, 2026 in the amount of \$408.

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Village of Hamden

Michael Neri, Mayor

48 Railroad Street
P.O. Box 355
Hamden, OH 45634
740-384-5359/Fax-740-384-6609

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2023 AND 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Noncompliance- Ohio Rev. Code § 5705.41(B) relating to expenditures exceeding appropriations	Not Corrected	The Village will monitor disbursements and appropriations and make adjustments to spending as necessary.
2021-002	Noncompliance- Ohio Rev. Code § 5705.41(D)(1) relating to certification of expenditures	Not Corrected	The Village will work to monitor and correct this matter going forward.
2021-003	Material Weakness - Approved budgeted amounts did not agree to system or amounts included in the notes to the financial statements	Not Corrected	The Fiscal Officer and the Village will work to monitor and correct errors to budgeting and appropriations going forward.
2021-004	Material Weakness - Financial statement errors	Not Corrected.	The Fiscal Officer will ensure disbursements and receipts are properly classified and documented going forward. The Village will monitor and work with the Fiscal Officer.
2021-005	Material Weakness - Lack of utility adjustment approval / supporting documentation.	Reported in Management Letter.	The Village will create a policy and updated form for leak adjustments. Accurate records and supporting documentation will be kept by the water clerk and shall be included with all adjustments. This policy will be supported by a new resolution and approved by council. The village will monitor this process to ensure the policy is being followed.

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 2/5/2026

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