



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF HAMDEN  
VINTON COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Hamden  
Vinton County  
P.O. Box 355  
Hamden, Ohio 45769

To the Village Council:

We have audited the accompanying financial statements of the Village of Hamden, Vinton County, Ohio (the Village), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Hamden, Vinton County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2002 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

April 30, 2002

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$8,245	\$13,303	\$21,548
Intergovernmental Receipts	35,307	34,953	70,260
Charges for Services	3,500		3,500
Miscellaneous	5,295	3,129	8,424
	<u>52,347</u>	<u>51,385</u>	<u>103,732</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	25,158	10,139	35,297
Transportation		31,388	31,388
General Government	26,137	675	26,812
Debt Service:			
Principal Payments	11,083		11,083
Interest Payments	2,179		2,179
	<u>64,557</u>	<u>42,202</u>	<u>106,759</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(12,210)	9,183	(3,027)
Fund Cash Balances January 1	<u>45,672</u>	<u>69,724</u>	<u>115,396</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$33,462</u></b>	<b><u>\$78,907</u></b>	<b><u>\$112,369</u></b>

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

VILLAGE OF HAMDEN  
VINTON COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Enterprise Fund</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$173,136
Miscellaneous	1,050
	<hr/>
Total Operating Cash Receipts	174,186
	<hr/>
<b>Operating Cash Disbursements:</b>	
Personal Services	34,968
Contractual Services	92,858
Supplies and Materials	11,075
	<hr/>
Total Operating Cash Disbursements	138,901
	<hr/>
Operating Income/(Loss)	35,285
	<hr/>
<b>Non-Operating Cash Receipts:</b>	
Other Non-Operating Receipts	624
	<hr/>
Total Non-Operating Cash Receipts	624
	<hr/>
Net Receipts Over/(Under) Disbursements	35,909
	<hr/>
Cash Balances, January 1	12,114
	<hr/>
<b>Cash Balances, December 31</b>	<b><u><u>\$48,023</u></u></b>

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



**VILLAGE OF HAMDEN  
VINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$7,846	\$13,832	\$21,678
Intergovernmental Receipts	35,819	43,742	79,561
Charges for Services	5,400		5,400
Miscellaneous	2,167	1,557	3,724
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	51,232	59,131	110,363
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	16,319	15,138	31,457
Public Health Services	188		188
Transportation		36,202	36,202
General Government	30,901	688	31,589
Debt Service:			
Principal Payments	13,032		13,032
Interest Payments	2,724		2,724
Capital Outlay	1,267	8,190	9,457
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	64,431	60,218	124,649
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/> (13,199)	<hr/> (1,087)	<hr/> (14,286)
Other Financing Receipts/(Disbursements):			
Transfers-In	208	208	416
Transfers-Out	(10,208)	(208)	(10,416)
Other Sources	2,462		2,462
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(7,538)	0	(7,538)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/> (20,737)	<hr/> (1,087)	<hr/> (21,824)
Fund Cash Balances January 1	<hr/> 66,409	<hr/> 70,811	<hr/> 137,220
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$45,672</b>	<hr/> <b>\$69,724</b>	<hr/> <b>\$115,396</b>

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

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>Enterprise Fund</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$104,256
Miscellaneous	225
	104,481
Total Operating Cash Receipts	104,481
<b>Operating Cash Disbursements:</b>	
Personal Services	27,409
Contractual Services	81,296
Supplies and Materials	7,685
	116,390
Total Operating Cash Disbursements	116,390
Operating Income/(Loss)	(11,909)
<b>Non-Operating Cash Disbursements:</b>	
Other Non-Operating Cash Disbursements	693
	693
Total Non-Operating Cash Disbursements	693
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(12,602)
Transfers-In	10,000
	(2,602)
Net Receipts Over/(Under) Disbursements	(2,602)
Cash Balances, January 1	14,716
	14,716
<b>Cash Balances, December 31</b>	<b>\$12,114</b>

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

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Hamden, Vinton County, Ohio (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including maintenance of roads, fire protection services, and water utilities.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Fund**

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

*Street Construction, Maintenance and Repair Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

*Street Lighting* - This fund receives proceeds of a tax levy to provide street lighting on the Village streets.

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fund Accounting (Continued)**

**3. Enterprise Funds**

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

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

**D. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**E. Property, Plant and Equipment**

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

**F. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENT**

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

	<u>2001</u>	<u>2000</u>
Demand Deposits	<u>\$160,392</u>	<u>\$127,510</u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$64,803	\$52,347	(\$12,456)
Special Revenue	46,906	51,385	4,479
Enterprise	<u>153,519</u>	<u>174,810</u>	<u>21,291</u>
Total	<u>\$265,228</u>	<u>\$278,542</u>	<u>\$13,314</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$110,476	\$64,557	\$45,919
Special Revenue	116,629	42,202	74,427
Enterprise	<u>165,634</u>	<u>138,901</u>	<u>26,733</u>
Total	<u>\$392,739</u>	<u>\$245,660</u>	<u>\$147,079</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$49,876	\$53,902	\$4,026
Special Revenue	56,906	59,339	2,433
Enterprise	<u>86,000</u>	<u>114,481</u>	<u>28,481</u>
Total	<u>\$192,782</u>	<u>\$227,722</u>	<u>\$34,940</u>

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$116,285	\$74,639	\$41,646
Special Revenue	119,528	60,426	59,102
Enterprise	100,716	117,083	(16,367)
Total	\$336,529	\$252,148	\$84,381

Contrary to Ohio Rev. Code Section 5705.41(B), at December 31, 2000, the Village had expenditures that exceeded appropriations in the Water Fund in the amount of \$16,367.

**4. PROPERTY TAX**

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

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

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

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

**5. DEBT**

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority	\$14,957	0.00%
Case Credit Loan	37,214	5.75%
	\$52,172	

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

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. DEBT (Continued)**

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

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

Year ending December 31:	OWDA Loan	Case Credit Loan
2002	\$ 0	\$10,770
2003	2,493	10,770
2004	2,493	10,770
Subsequent	9,971	0
Total	<u>\$14,957</u>	<u>\$32,310</u>

**6. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of her gross salary. The Village contributed an amount equal to 13.55% of participant's gross salaries for January 1 through June 30, 2000, and for 2001. PERS temporarily reduced the employer rate to 8.13% July 1, 2000 through December 31, 2000. The Village has paid all contributions required through December 31, 2001.

**7. RISK MANAGEMENT**

The Government belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member. The Village has obtained coverage under the plan for the following risks:

- General liability;
- Property & electronic equipment;
- Public official's wrongful act liability;
- Inland Marine; and
- Vehicle.





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OFFICE OF THE AUDITOR

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

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Hamden, Vinton County, Ohio (the Village), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 30, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2001-30782-001 through 2001-30782-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated April 30, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2001-30782-003.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated April 30, 2002.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

April 30, 2002

**VILLAGE OF HAMDEN  
VINTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000**

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

**FINDING NUMBER 2001-30782-001**

**Noncompliance Citation**

Ohio Rev. Code § 5705.36 allows subdivisions to request increased and reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation.

In 2001, estimated receipts exceeded actual receipts in the General Fund by \$12,456 and in the State Highway Improvement Fund by \$7,002. This caused actual resources to fall below the level of appropriation requiring an amended certificate as follows:

Fund	Actual Resources	Appropriations	Variance
General	\$98,020	\$110,476	(\$12,456)
State Highway Improvement	\$2,998	\$10,000	(\$7,002)

In 2000, estimated receipts exceeded actual receipts in the State Highway Improvement Fund by \$1,155 and in the Street Construction, Maintenance and Repair Fund by \$447. This caused actual resources to fall below the level of appropriation requiring an amended certificate as follows:

Fund	Actual Resources	Appropriations	Variance
State Highway Improvement	\$4,914	\$6,069	(\$1,155)
Street Construction, Maintenance & Repair	\$80,225	\$80,672	(\$447)

Furthermore, in 2000, actual receipts exceeded estimated receipts in the Water Fund by \$28,481. An amended certificate was not obtained for the increase in revenue, thereby prohibiting the Village from amending appropriations. As a result, the Village had expenditures in excess of appropriations in the Water Fund (see Finding Number 2001-30782-002).

We recommend the Village monitor budget vs. actual revenue and obtain reduced or increased amended certificates when necessary.

**FINDING NUMBER 2001-30782-002**

**Noncompliance Citation**

Ohio Rev. Code §5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

At December 31, 2000, the Village had disbursements exceeding appropriations as follows:

Fund	Appropriations	Disbursements	Variance
Water Fund	\$100,716	\$117,083	(\$16,367)

We recommend the Village monitor disbursements to ensure they do not exceed appropriations or to amend appropriations as needed, subject to estimated resources.

VILLAGE OF HAMDEN  
VINTON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)

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

FINDING NUMBER 2001-30782-003

**Noncompliance Citation**

Ohio Rev. Code §5705.41(D) states, in part, that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer 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.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority 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 taxing authority.

During non-payroll testing, 100% of obligations tested were incurred prior to the date of the Village Clerk's certification that the amount required for the order had been lawfully appropriated and in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

We recommend the Village Clerk's certification be obtained prior to incurring an obligation to properly encumber funds. In instances where this is not possible, we recommend the Village follow procedures to approve a then and now certificate.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF HAMDEN**

**VINTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 25, 2002**