



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF HASKINS
WOOD COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Haskins
PO Box 182
Haskins, OH 43525

We have reviewed the *Independent Auditor's Report* of the Village of Haskins, Wood County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

October 04, 2021

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VILLAGE OF HASKINS
WOOD COUNTY

Table of Contents

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report.....	1
Basic Financial Statements:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2020.....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary Fund Types For the Year Ended December 31, 2020.....	4
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) – All Fiduciary Fund Types For the Year Ended December 31, 2020.....	5
Notes to the Basic Financial Statements For the Year Ended December 31, 2020.....	6
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2019.....	23
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary and Fiduciary Fund Types For the Year Ended December 31, 2019.....	24
Notes to the Basic Financial Statements For the Year Ended December 31, 2019.....	25
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	42
Schedule of Findings.....	44
Schedule of Prior Audit Findings.....	46

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INDEPENDENT AUDITOR'S REPORT

Village of Haskins
Wood County
405 North Findlay Road
P.O. Box 182
Haskins, Ohio 43525

To the Village Council:

Report on the Financial Statements

We have audited the accompanying 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 year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Haskins, Wood County, Ohio (the Village).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the financial statements referred to above 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, 2020 and 2019, and the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 15 to the 2020 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



BHM CPA Group, Inc.
Piketon, Ohio
June 30, 2021

**VILLAGE OF HASKINS
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Taxes	\$ 106,479	\$ 144,639	\$ -	\$ 251,118
Municipal Income Tax	279,366	-	-	279,366
Intergovernmental	12,724	135,126	-	147,850
Fines, Licenses, and Permits	9,964	106	-	10,070
Earnings on Investments	2,813	278	-	3,091
Miscellaneous	41,386	-	-	41,386
	<u>452,732</u>	<u>280,149</u>	<u>-</u>	<u>732,881</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	143,268	76,531	-	219,799
Public Health Services	2,670	-	-	2,670
Leisure Time Activities	25,855	-	-	25,855
Community Environment	3,222	-	-	3,222
Basic Utility Services	16,272	2,919	-	19,191
Transportation	-	83,793	-	83,793
General Government	90,488	52,154	-	142,642
Capital Outlay	-	-	192,556	192,556
Debt Service:				
Redemption of Principal	6,000	-	5,000	11,000
Interest and Fiscal Charges	2,800	-	-	2,800
	<u>290,575</u>	<u>215,397</u>	<u>197,556</u>	<u>703,528</u>
Total Cash Disbursements				
Excess of Receipts Over/(Under) Disbursements	162,157	64,752	(197,556)	29,353
Other Financing Receipts (Disbursements):				
Loans Issued	-	-	157,820	157,820
Sale of Capital Assets	2,448	-	-	2,448
Transfers-In	-	25,000	26,783	51,783
Transfers-Out	(51,783)	-	-	(51,783)
	<u>(49,335)</u>	<u>25,000</u>	<u>184,603</u>	<u>160,268</u>
Total Other Financing Receipts (Disbursements)				
Extraordinary Item	22,059	-	-	22,059
Net Change in Fund Cash Balances	134,881	89,752	(12,953)	211,680
Fund Cash Balances, January 1	163,072	196,223	208,510	567,805
Fund Cash Balances, December 31	<u>\$ 297,953</u>	<u>\$ 285,975</u>	<u>\$ 195,557</u>	<u>\$ 779,485</u>

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

**VILLAGE OF HASKINS
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 1,191,602
Miscellaneous	2,520
	1,194,122
 Total Operating Cash Receipts	 1,194,122
Operating Cash Disbursements:	
Personal Services	204,382
Employee Fringe Benefits	53,104
Contractual Services	669,604
Supplies and Materials	55,170
Other	27,713
	1,009,973
 Total Operating Cash Disbursements	 1,009,973
 Operating Income (Loss)	 184,149
Non-Operating Receipts (Disbursements)	
Miscellaneous receipts	3,388
Principal Retirement	(142,527)
Interest and Fiscal Charges	(44,737)
	(183,876)
 Total Non-Operating Cash Receipts (Disbursements)	 (183,876)
 Net Change in Fund Cash Balances	 273
 Fund Cash Balances, January 1	 1,165,145
 Fund Cash Balances, December 31	 \$ 1,165,418

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

**VILLAGE OF HASKINS
WOOD COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Fiduciary Fund Types		Totals
	Private Purpose Trust	Custodial	(Memorandum Only)
		Other Custodial	
Additions			
Fines, Licenses and Permits for Distribution	-	8,131	8,131
Total Additions	-	8,131	8,131
Deductions			
Distributions as Fiscal Agent	-	1,352	1,352
Distributions to Other Governments	-	2,068	2,068
Distributions to Other Funds (Primary Gov't)	-	106	106
Total Deductions	-	3,526	3,526
Net Change in Fund Balances	-	4,605	4,605
Fund Cash Balances, January 1	415	20,094	20,509
Fund Cash Balances, December 31	\$ 415	\$ 24,699	\$ 25,114

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

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 - Reporting Entity

The Village of Haskins (the Village), Wood 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, electric, and sewer utilities, park operations, and police services.

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

The Village participates in one public entity risk pool, two joint ventures, and three long term purchase commitments. Notes 6 and 10-12 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. These organizations are:

Joint Ventures, Public Entity Risk Pools and Long-Term Purchase Commitments

Joint Ventures:

Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)

Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)

Long Term Purchase Commitments:

American Municipal Power Generating Station Project

American Municipal Power Fremont Energy Center

Meldahl Hydroelectric Project and Greenup

Public Entity Risk Pool:

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

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) for 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

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

EPA Sewer Fund This fund is used to account for WWTP grant expenditures.

Special Levy Police Fund This fund receives revenues from a tax levy and is used to pay for police operations.

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

Income Tax Capital Improvement Fund This fund receives a portion of the income tax monies for capital improvements.

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.

Electric Operating Fund This fund receives charges for services from residents to cover electric service costs.

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

The Village's private purpose trust fund receives donations for the future construction of a Library.

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

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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

The Ohio Revised Code requires that each fund budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object 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 re-appropriated.

A summary of 2020 budgetary activity appears in Note 3.

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 Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

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

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 13.

Note 3 - Budgetary Activity

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$454,121	\$477,239	\$23,118
Special Revenue	312,732	305,149	(7,583)
Capital Projects	303,000	184,603	(118,397)
Enterprise	1,190,100	1,197,510	7,410
Custodial	10,000	8,131	(1,869)
Total	\$2,269,953	\$2,172,632	(\$97,321)

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$421,364	\$342,358	\$79,006
Special Revenue	397,748	215,397	182,351
Capital Projects	500,000	197,556	302,444
Enterprise	1,842,144	1,197,237	644,907
Custodial	9,100	3,526	5,574
Total	\$3,170,356	\$1,956,074	\$1,214,282

Note 4 – Deposits and Investments

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

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$ 1,109,678
Other time deposits (MMDA)	815,339
Total Deposits	1,925,017
STAR Ohio	45,000
Total Investments	45,000
Total carrying amount of deposits and investments held in the Pool	\$ 1,970,017

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. All employee payroll withholdings were remitted as of December 31, 2020.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback 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.

Income Taxes

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 - Risk Management

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$40,318,971
Actuarial liabilities	\$14,111,510

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Five 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 healthcare and survivor and disability benefits.

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

Ohio Police and Fire Retirement System

Other Village full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2020.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 9 – Debt

Debt outstanding at December 31, 2020 was as follows:

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

	Principal	Interest Rate
OWDA Loan 4435 FWF	\$238,293	3.99%
OWDA Loan 4435 CAF	1,571,566	1.50%
Town Hall Promissory Note	299,101	2.50%
Back Hoe/Utility Truck Promissory Note	52,743	3.75%
Bucket Truck Promissory Note	137,704	2.26%
Total	\$2,299,407	

During 2006, the Village entered into an agreement for two loans (OWDA Loan #4435 FWF and #4435 CAF) with the Ohio Water Development Authority for the purpose of building a wastewater treatment plant. The Village will make semi-annual payments of \$65,570 for thirty years.

During 2013, the Village took out a \$400,000 tax exempt bond anticipation note at an annual interest rate of 1.47% from Key Bank to finance the construction of a new administration building. During 2015, the Village rolled over their existing bond anticipation note into a new bond anticipation note, totaling \$386,140 at an interest rate of 2.47%, for a period of one year. This note, plus a lump-sum principal payment totaling \$10,000, and scheduled principal and interest payments, paid off the old note. During 2016, the Village took out a \$325,000 promissory note at a variable interest rate for a period of twenty years. For the first five years, the interest rate will be 2.5%. Thereafter, the interest is subject to change from time to time. This note, plus scheduled principal and interest payments, paid off the existing bond anticipation note.

During 2019, the Village took out a \$74,890 promissory note at an annual interest rate of 3.75% from First Federal Bank to finance a backhoe/utility truck. The Village will make monthly payments of \$1,377 for 60 months. This note is scheduled to be paid off during 2024.

During 2020, the Village took out a \$157,820 promissory note at an annual interest rate of 2.26% from First Federal Bank to finance a bucket truck. The Village will make monthly payments of \$2,787 for 60 months. This note is scheduled to be paid off during 2025.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Amortization

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

Year Ending December 31:	OWDA 4435 FWF	OWDA 4435 CAF	Promissory Note	Promissory Note	Promissory Note
2021	\$ 20,293	\$ 110,847	23,838	16,524	\$ 33,438
2022	20,293	110,847	27,204	16,524	33,438
2023	20,293	110,847	27,204	16,524	33,438
2024	20,293	110,847	27,204	6,885	33,438
2025	20,293	110,847	27,204	0	10,714
2026-2030	101,464	554,234	136,020	0	0
2031-2035	101,464	554,234	136,020	0	0
2036	20,293	110,845	11,335	0	0
Total	<u>\$324,686</u>	<u>\$1,773,548</u>	<u>\$416,029</u>	<u>\$56,457</u>	<u>\$144,466</u>

AMPGS Stranded Costs

The following information related to American Municipal Power is as of December 31, 2019, which is the most current available information. The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 700 kilowatts of a total 771,281 kilowatts, giving the Village a 0.09 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share at March 31, 2014 of the impaired costs is \$120,602. The Village received a credit of \$67,164 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$31,657 related to the AMPGS costs deemed to have future benefit for the project participants. In addition, the Village made payments totaling \$60,000 leaving a net impaired cost estimate of \$21,781. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement amount the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Funds' project share.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Since March 31, 2014 the Village has made payments of \$15,017 to AMP toward its net impaired cost estimate. Also, since March 31, 2014, the Village’s allocation of additional costs incurred by the project is \$1,469 and interest expense incurred on AMP’s line-of-credit of \$1,573, resulting in a net impaired cost estimated at December 31, 2019 of \$9,806. The Village does have a potential Plant Held for Future Use (PHFU) Liability of \$31,657 resulting in a net total potential liability of \$35,163, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village’s credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include such negative items as property taxes, as well as positive items from leases or sale of all or a portion of the Meigs County site property.

The Village intends to recover these costs and repay AMP over the next four years through a power cost adjustment.

Installment Contract

In November 2015, the Village passed a Resolution to purchase the former Middleton Township building located within the Village. The agreement, dated December 2, 2015, sold the building to the Village at a price of \$49,999, with annual payments made to the Township of \$5,000 for a period of ten years. No interest would be charged on the payments, unless the Village did not make the payment by January 15th of each year, at which point the Township could elect to charge the Village up to 10% per year. The Village made two payments in 2016 and has made annual payments since that time. Payments are due as follows:

Year Ending December 31:	Installment Amount
2021	\$5,000
2022	5,000
2023	5,000
2024	4,999
Total	<u>\$19,999</u>

Note 10 – Long-Term Purchase Commitments

A. Fremont Energy Center (AFEC)

On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation (“FirstEnergy”) the Fremont Energy Center (“AFEC”), then nearing completion of construction and located in Fremont, Sandusky County, Ohio. Following completion of the commissioning and testing, AMP declared AFEC to be in commercial operation as of January 20, 2012. The AMP Fremont Energy Center is a natural gas fired, combined cycle, electric power generation plant with a capacity of 512 MW (unfired)/675 MW (fired), consisting of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser.

AMP subsequently sold a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the “90.69% Interest”) is sold to AMP Members pursuant to a take-or-pay power sales contract with 87 of its members (the “AFEC Power Sales Contract”).

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

To provide permanent financing for the 90.69% Interest, in 2012, AMP issued, in two series \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the “AFEC Bonds”), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. On December 20, 2018, AMP issued bonds to refund all of the callable tax-exempt AFEC Bonds issued in 2012. As of December 31, 2019, \$489,280,000 aggregate principal amount of AFEC Bonds was outstanding.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the AFEC of 625 kW or 0.13% of capacity and associated energy from the AFEC.

Meldahl Hydroelectric Project

AMP owns and, together with the City of Hamilton, Ohio, an AMP Member, developed and constructed a 108.8 MW, three-unit hydroelectric generation facility on the Captain Anthony Meldahl Locks and Dam, an existing Army Corps dam on the Ohio River, and related equipment and associated transmission facilities (the “Meldahl Project”). The Meldahl Project is operated by the City of Hamilton.

In order to finance the construction of the Meldahl Project and related costs, AMP issued seven series of its Meldahl Hydroelectric Project Revenue Bonds (“Meldahl Bonds”) in an original aggregate principal amount of \$820,185,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. As of December 31, 2019, \$675,680,000 aggregate principal amount of the Meldahl Bonds and approximately \$2.4 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Meldahl Bonds.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the Meldahl Project of 71 kW or 0.07% of capacity and associated energy from the Meldahl Project.

B. Greenup Hydroelectric Project

In connection with the development of the Meldahl Project, Hamilton agreed to sell, and AMP agreed to purchase a 48.6% undivided ownership interest (the “AMP Interest”) in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the “2016 Greenup Bonds”) and, with a portion of the proceeds thereof, acquired the AMP Interest. The 2016 Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 31, 2019, (the most recent available information), \$124,035,000 aggregate principal amount of the 2016 Greenup Bonds were outstanding under the indenture securing the 2016 Greenup Bonds.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Village has executed a take-or-pay power sales contract with AMP as a participant of the Greenup Hydroelectric Facility of 46 kW or 0.13% of capacity and associated energy from the Greenup Hydroelectric Facility.

Note 11 – Joint Ventures

The Village of Haskins is a Financing Participant and an Owner Participant with percentages of liability and ownership of .07% and .05% respectively and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement (Agreement), the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the Agreement.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2020, Haskins has not met its debt coverage obligation.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20-year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2019, the outstanding debt was \$0. The Village's net investment in OMEGA JV2 was \$1,601 at December 31, 2019 (the most current information available). Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2019 (the most recent available information) are:

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

OMEGA JV2		
Municipality	Project kW Entitlement	Percent Project Ownership and Entitlement
Hamilton	32,000	23.87
Bowling Green	19,198	14.32
Niles	15,400	11.48
Cuyahoga Falls	10,000	7.46
Wadsworth	7,784	5.81
Painesville	7,000	5.22
Dover	7,000	5.22
Galion	5,753	4.29
Amherst	5,000	3.73
St. Mary's	4,000	2.98
Montpelier	4,000	2.98
Shelby	2,536	1.89
Versailles	1,660	1.24
Edgerton	1,460	1.09
Yellow Springs	1,408	1.05
Oberlin	1,217	0.91
Pioneer	1,158	0.86
Seville	1,066	0.8
Grafton	1,056	0.79
Brewster	1,000	0.75
Monroeville	764	0.57
Milan	737	0.55
Oak Harbor	737	0.55
Elmore	364	0.27
Jackson Center	300	0.22
Napoleon	264	0.2
Lodi	218	0.16
Genoa	199	0.15
Pemberville	197	0.15
Lucas	161	0.12
South Vienna	123	0.09
Bradner	119	0.09
Woodville	81	0.06
Haskins	73	0.05
Arcanum	44	0.03
Custar	4	0.00
Totals	134,081	100.00
Reserves	4,569	
Capacity	138,650	

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5)

The Village of Haskins is a Financing Participant with an ownership percentage of .13 %, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2020, Haskins has not met its debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs. The Village's net investment to date in OMEGA JV5 was \$3,884 at December 31, 2019 (the most current information available). Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Note 12 – AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 11. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

	<u>2020</u>
Total Fund Cash Balance	\$263,399
Total Long-Term Debt	\$59,073
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	759,468
Total Operating Receipts	<u>759,468</u>
Operating Expenses	
Personal Services	108,212
Employee Fringe Benefits	31,766
Contractual Services	587,562
Supplies and Materials	39,249
Other	27,713
Total Operating Expenses	<u>794,502</u>
Operating Income (Loss)	(35,034)
Nonoperating Receipts (Disbursements)	
Principal Payments	(10,730)
Interest Payments	(3,733)
Other Nonoperating Receipts (Disbursements)	3,388
Change in Fund Cash Balance	<u>(46,109)</u>
Beginning Fund Cash Balance	309,508
Ending Fund Cash Balance	<u><u>\$263,399</u></u>

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 13 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the Village had no outstanding encumbrances.

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.

Note 14 – Change in Accounting Principles

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) -- All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

The effect of this change had no impact on the beginning cash balance in the Special Revenue Fund Type or in the Fiduciary Fund Type.

Note 15 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding. Of the amounts received, \$6,000 was returned to the granting agency. The amounts returned to the granting agency are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund.

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**VILLAGE OF HASKINS
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)**

**ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Taxes	\$ 94,866	\$ 137,037	\$ -	\$ 231,903
Municipal Income Tax	262,530	-	-	262,530
Intergovernmental	12,323	68,206	-	80,529
Fines, Licenses, and Permits	9,655	98	-	9,753
Earnings on Investments	7,674	625	-	8,299
Miscellaneous	2,553	-	-	2,553
Total Cash Receipts	<u>389,601</u>	<u>205,966</u>	<u>-</u>	<u>595,567</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	145,280	76,768	-	222,048
Public Health Services	2,243	-	-	2,243
Leisure Time Activities	24,778	-	-	24,778
Community Environment	6,862	-	-	6,862
Basic Utility Services	16,000	600	-	16,600
Transportation	-	106,743	-	106,743
General Government	87,887	1,851	-	89,738
Capital Outlay	-	-	100,032	100,032
Debt Service:				
Redemption of Principal	6,564	-	5,000	11,564
Interest and Fiscal Charges	3,013	-	-	3,013
Total Cash Disbursements	<u>292,627</u>	<u>185,962</u>	<u>105,032</u>	<u>583,621</u>
Excess of Receipts Over/(Under) Disbursements	96,974	20,004	(105,032)	11,946
Other Financing Receipts (Disbursements):				
Loans Issued	-	-	74,890	74,890
Transfers-In	-	25,000	52,506	77,506
Transfers-Out	(77,506)	-	-	(77,506)
Total Other Financing Receipts (Disbursements)	<u>(77,506)</u>	<u>25,000</u>	<u>127,396</u>	<u>74,890</u>
Extraordinary Item	2,520	-	-	2,520
Net Change in Fund Cash Balances	21,988	45,004	22,364	89,356
Fund Cash Balances, January 1 <i>(restated - Note 13)</i>	<u>141,084</u>	<u>151,219</u>	<u>186,146</u>	<u>478,449</u>
Fund Cash Balances, December 31				
Restricted	-	196,223	-	196,223
Committed	-	-	208,510	208,510
Unassigned (Deficit)	163,072	-	-	163,072
Fund Cash Balances, December 31	<u>\$ 163,072</u>	<u>\$ 196,223</u>	<u>\$ 208,510</u>	<u>\$ 567,805</u>

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

**VILLAGE OF HASKINS
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Custodial</u>	<u>Private Purpose Trust</u>	
Operating Cash Receipts:				
Charges for Services	\$ 1,133,799	\$ -	\$ -	\$ 1,133,799
Fines, Licenses and Permits	175	7,485	-	7,660
Total Operating Cash Receipts	<u>1,133,974</u>	<u>7,485</u>	<u>-</u>	<u>1,141,459</u>
Operating Cash Disbursements:				
Personal Services	190,332	-	-	190,332
Employee Fringe Benefits	58,115	-	-	58,115
Contractual Services	648,580	5,888	-	654,468
Supplies and Materials	98,449	-	-	98,449
Other	25,727	2,238	-	27,965
Total Operating Cash Disbursements	<u>1,021,203</u>	<u>8,126</u>	<u>-</u>	<u>1,029,329</u>
Operating Income (Loss)	112,771	(641)	-	112,130
Non-Operating Receipts (Disbursements)				
Miscellaneous receipts	2,611	-	-	2,611
Principal Retirement	(114,332)	-	-	(114,332)
Interest and Fiscal Charges	(40,871)	-	-	(40,871)
Total Non-Operating Cash Receipts (Disbursements)	<u>(152,592)</u>	<u>-</u>	<u>-</u>	<u>(152,592)</u>
Net Change in Fund Cash Balances	(39,821)	(641)	-	(40,462)
Fund Cash Balances, January 1 <i>(restated - Note 13)</i>	<u>1,204,966</u>	<u>20,735</u>	<u>415</u>	<u>1,226,116</u>
Fund Cash Balances, December 31	<u>\$ 1,165,145</u>	<u>\$ 20,094</u>	<u>\$ 415</u>	<u>\$ 1,185,654</u>

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

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Village of Haskins (the Village), Wood 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, electric, and sewer utilities, park operations, and police services

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

The Village participates in one public entity risk pool, two joint ventures, and three long term purchase commitments. Notes 6 and 10-12 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. These organizations are:

Joint Ventures, Public Entity Risk Pools and Long-Term Purchase Commitments

Joint Ventures:

Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)

Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)

Long Term Purchase Commitments:

American Municipal Power Generating Station Project

American Municipal Power Fremont Energy Center

Meldahl Hydroelectric Project and Greenup

Public Entity Risk Pool:

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

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 and fiduciary fund types which are 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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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.

EPA Sewer Fund This fund is used to account for WWTP grant expenditures.

Special Levy Police Fund This fund receives revenues from a tax levy and is used to pay for police operations.

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

Income Tax Capital Improvement Fund This fund receives a portion of the income tax monies for capital improvements.

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.

Electric Operating Fund This fund receives charges for services from residents to cover electric service costs.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

The Village's private purpose trust fund receives donations for the future construction of a Library.

Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's custodial fund accounts for Mayor's Court fines and forfeitures.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund or object 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 re-appropriated.

A summary of 2019 budgetary activity appears in Note 3.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$370,716	\$392,121	\$21,405
Special Revenue	222,410	230,966	8,556
Capital Projects	117,890	127,396	9,506
Enterprise	1,164,400	1,136,585	(27,815)
Custodial	12,000	7,485	(4,515)
Total	\$1,887,416	\$1,894,553	\$7,137

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$400,000	\$370,133	\$29,867
Special Revenue	330,422	185,962	144,460
Capital Projects	274,890	105,032	169,858
Enterprise	1,846,580	1,176,406	670,174
Custodial	19,300	8,126	11,174
Total	\$2,871,192	\$1,845,659	\$1,025,533

Note 4 – Deposits and Investments

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

	2019
Demand deposits	\$ 894,701
Other time deposits (MMDA)	813,758
Total Deposits	1,708,459
STAR Ohio	45,000
Total deposits and investments	\$ 1,753,459

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 5 – 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 homestead and rollback deductions. The financial statements include homestead and rollback 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.

Income Taxes

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 - Risk Management

Risk Pool Membership

The (Village) is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2018</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$ 14,705,917

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Five 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Ohio Police and Fire Retirement System

Other Village full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Beginning January 1, 2019, OP&F changed its retiree health care to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 9 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
OWDA Loan 4435 FWF	\$248,764	3.99%
OWDA Loan 4435 CAF	1,657,867	1.50%
Town Hall Promissory Note	316,595	2.50%
Back Hoe/Utility Truck Promissory Note	66,888	3.75%
Total	\$2,290,114	

During 2006, the Village entered into an agreement for two loans (OWDA Loan #4435 FWF and #4435 CAF) with the Ohio Water Development Authority for the purpose of building a wastewater treatment plant. The Village will make semi-annual payments of \$65,570 for thirty years.

During 2013, the Village took out a \$400,000 tax exempt bond anticipation note at an annual interest rate of 1.47% from Key Bank to finance the construction of a new administration building. During 2015, the Village rolled over their existing bond anticipation note into a new bond anticipation note, totaling \$386,140 at an interest rate of 2.47%, for a period of one year. This note, plus a lump-sum principal payment totaling \$10,000, and scheduled principal and interest payments, paid off the old note. During 2016, the Village took out a \$325,000 promissory note at a variable interest rate for a period of twenty years. For the first five years, the interest rate will be 2.5%. Thereafter, the interest is subject to change from time to time. This note, plus scheduled principal and interest payments, paid off the existing bond anticipation note.

During 2019, the Village took out a \$74,890 promissory note at an annual interest rate of 3.75% from First Federal Bank to finance a backhoe/utility truck. The Village will make monthly payments of \$1,377 for 60 months. This note is scheduled to be paid off during 2024.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Amortization

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

Year Ending December 31:	OWDA 4435 FWF	OWDA 4435 CAF	Promissory Note	Promissory Note
2020	\$ 20,293	\$ 110,847	\$ 23,926	\$ 16,524
2021	20,293	110,847	25,838	16,524
2022	20,293	110,847	27,204	16,524
2023	20,293	110,847	27,204	16,524
2024	20,293	110,847	27,204	6,885
2025-2029	101,464	554,234	136,020	0
2030-2034	101,464	554,234	136,020	0
2035-2036	40,586	221,692	38,539	0
Total	<u>\$344,979</u>	<u>\$1,884,395</u>	<u>\$441,955</u>	<u>\$72,981</u>

The following information related to American Municipal Power is as of December 31, 2018, which is the most current available information. The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 700 kilowatts of a total 771,281 kilowatts, giving the Village a 0.09 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share at March 31, 2014 of the impaired costs is \$120,602. The Village received a credit of \$67,164 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$31,657 related to the AMPGS costs deemed to have future benefit for the project participants. In addition, the Village made payments totaling \$60,000 leaving a net impaired cost estimate of \$21,781. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement amount the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Funds' project share.

Since March 31, 2014 the Village has made payments of \$12,689 to AMP toward its net impaired cost estimate. Also, since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$1,455 and interest expense incurred on AMP's line-of-credit of \$1,239, resulting in a net impaired cost

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

estimated at December 31, 2018 of \$11,786. The Village does have a potential Plant Held for Future Use (PHFU) Liability of \$31,657 resulting in a net total potential liability of \$34,128, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village’s credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include such negative items as property taxes, as well as positive items from leases or sale of all or a portion of the Meigs County site property.

The Village intends to recover these costs and repay AMP over the next four years through a power cost adjustment.

Installment Contract

In November 2015, the Village passed a Resolution to purchase the former Middleton Township building located within the Village. The agreement, dated December 2, 2015, sold the building to the Village at a price of \$49,999, with annual payments made to the Township of \$5,000 for a period of ten years. No interest would be charged on the payments, unless the Village did not make the payment by January 15th of each year, at which point the Township could elect to charge the Village up to 10% per year. The Village made two payments in 2016 and has made annual payments since that time. Payments are due as follows:

Year Ending December 31:	Installment Amount
2020	\$5,000
2021	5,000
2022	5,000
2023	5,000
2024	4,999
Total	<u>\$24,999</u>

Note 10 – Long-Term Purchase Commitments

A. Fremont Energy Center (AFEC)

On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation (“FirstEnergy”) the Fremont Energy Center (“AFEC”), then nearing completion of construction and located in Fremont, Sandusky County, Ohio. Following completion of the commissioning and testing, AMP declared AFEC to be in commercial operation as of January 20, 2012. The AMP Fremont Energy Center is a natural gas fired, combined cycle, electric power generation plant with a capacity of 512 MW (unfired)/675 MW (fired), consisting of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser.

AMP subsequently sold a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the “90.69% Interest”) is sold to AMP Members pursuant to a take-or-pay power sales contract with 87 of its members (the “AFEC Power Sales Contract”).

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

To provide permanent financing for the 90.69% Interest, in 2012, AMP issued, in two series \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the “AFEC Bonds”), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. On December 20, 2018, AMP issued bonds to refund all of the callable tax-exempt AFEC Bonds issued in 2012. As of December 31, 2019, \$499,105,000 aggregate principal amount of AFEC Bonds was outstanding.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the AFEC of 625 kW or 0.13% of capacity and associated energy from the AFEC.

Meldahl Hydroelectric Project

AMP owns and, together with the City of Hamilton, Ohio, an AMP Member, developed and constructed a 108.8 MW, three-unit hydroelectric generation facility on the Captain Anthony Meldahl Locks and Dam, an existing Army Corps dam on the Ohio River, and related equipment and associated transmission facilities (the “Meldahl Project”). The Meldahl Project is operated by the City of Hamilton.

In order to finance the construction of the Meldahl Project and related costs, AMP issued seven series of its Meldahl Hydroelectric Project Revenue Bonds (“Meldahl Bonds”) in an original aggregate principal amount of \$820,185,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. As of December 31, 2019, \$685,215,000 aggregate principal amount of the Meldahl Bonds and approximately \$2.4 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Meldahl Bonds.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the Meldahl Project of 71 kW or 0.07% of capacity and associated energy from the Meldahl Project.

B. Greenup Hydroelectric Project

In connection with the development of the Meldahl Project, Hamilton agreed to sell, and AMP agreed to purchase a 48.6% undivided ownership interest (the “AMP Interest”) in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the “2016 Greenup Bonds”) and, with a portion of the proceeds thereof, acquired the AMP Interest. The 2016 Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 31, 2018, (the most recent available information), \$125,300,000 aggregate principal amount of the 2016 Greenup Bonds were outstanding under the indenture securing the 2016 Greenup Bonds.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

The Village has executed a take-or-pay power sales contract with AMP as a participant of the Greenup Hydroelectric Facility of 46 kW or 0.13% of capacity and associated energy from the Greenup Hydroelectric Facility.

Note 11 – Joint Ventures

The Village of Haskins is a Financing Participant and an Owner Participant with percentages of liability and ownership of .07% and .05% respectively and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement (Agreement), the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the Agreement.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2019, Haskins has not met its debt coverage obligation.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20-year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2019, the outstanding debt was \$0. The Village's net investment in OMEGA JV2 was \$3,318 at December 31, 2018 (the most current information available). Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2018 (the most recent available information) are:

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

OMEGA JV2		
Municipality	Project kW Entitlement	Percent Project Ownership and Entitlement
Hamilton	32,000	23.87
Bowling Green	19,198	14.32
Niles	15,400	11.48
Cuyahoga Falls	10,000	7.46
Wadsworth	7,784	5.81
Painesville	7,000	5.22
Dover	7,000	5.22
Galion	5,753	4.29
Amherst	5,000	3.73
St. Mary's	4,000	2.98
Montpelier	4,000	2.98
Shelby	2,536	1.89
Versailles	1,660	1.24
Edgerton	1,460	1.09
Yellow Springs	1,408	1.05
Oberlin	1,217	0.91
Pioneer	1,158	0.86
Seville	1,066	0.8
Grafton	1,056	0.79
Brewster	1,000	0.75
Monroeville	764	0.57
Milan	737	0.55
Oak Harbor	737	0.55
Elmore	364	0.27
Jackson Center	300	0.22
Napoleon	264	0.2
Lodi	218	0.16
Genoa	199	0.15
Pemberville	197	0.15
Lucas	161	0.12
South Vienna	123	0.09
Bradner	119	0.09
Woodville	81	0.06
Haskins	73	0.05
Arcanum	44	0.03
Custar	4	0.00
Totals	134,081	100.00
Reserves	4,569	
Capacity	138,650	

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5)

The Village of Haskins is a Financing Participant with an ownership percentage of .13 %, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2019, Haskins has not met its debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs. The Village's net investment to date in OMEGA JV5 was \$3,984 at December 31, 2018 (the most current information available). Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Note 12 – AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 11. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

	<u>2019</u>
Total Fund Cash Balance	\$309,508
Total Long-Term Debt	\$69,803
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	<u>743,869</u>
Total Operating Receipts	743,869
 Operating Expenses	
Personal Services	105,425
Employee Fringe Benefits	36,667
Contractual Services	556,559
Supplies and Materials	35,361
Other	<u>25,727</u>
Total Operating Expenses	759,739
 Operating Income (Loss)	 (15,870)
 Nonoperating Receipts (Disbursements)	
Principal Payments	(9,359)
Interest Payments	(3,016)
Other Nonoperating Receipts (Disbursements)	<u>2,611</u>
Change in Fund Cash Balance	(25,634)
Beginning Fund Cash Balance	<u>335,142</u>
Ending Fund Cash Balance	<u><u>\$309,508</u></u>

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Condensed Cash Flows Information:	2019
Net Cash Provided (Used) by:	
Operating Activities	(\$15,870)
Capital and Related Financing Activities	
Principal Payments on Capital and Related Debt	(9,359)
Interest Payments on Capital and Related Debt	(3,016)
Other Capital and Related Financing Activities	2,611
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,764)
Net Increase (Decrease)	(25,634)
Beginning Fund Cash Balance	335,142
Ending Fund Cash Balance	\$309,508

Note 13 – Restatement of Beginning Balances

The beginning fund balances for the General Fund, Special Revenue funds, Enterprise funds and Custodial funds were restated as follows:

	General Fund:	Special Revenue:	Enterprise:	Custodial:
2019 Beginning Fund Balances:	\$140,141	\$150,890	\$1,204,829	\$20,730
Prior period checks voided:	943	329	137	5
2019 Restated Beginning Fund Balances:	\$141,084	\$151,219	\$1,204,966	\$20,735



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

Village of Haskins
Wood County
405 North Findlay Road
P.O. Box 182
Haskins, Ohio 43525

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Haskins, Wood County, (the Village) and have issued our report thereon dated June 30, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-002 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2020-001.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
June 30, 2021

**Village of Haskins
Wood County
Schedule of Findings
December 31, 2020 and 2019**

1. SUMMARY OF AUDITOR'S RESULTS
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FINDING NUMBER 2020-001

Noncompliance

Joint Venture Agreement Among the Municipalities Listed Regarding Ohio Municipal Electric Aggregation Agency Joint Venture 5 Belleville Hydroelectric Project dated January 1, 1993, Section 17 (A) required each participant to fix, charge, and collect rates, fees, and charges, and from time to time as often as shall be necessary, revise such rates, fees, and charges, for electric power and energy and other services, facilities and commodities sold, furnished, supplied or otherwise provided by its municipal electric system at least sufficient in each year to provide revenues equal to:

- (1) In the case of a Financing Participant, the greater of:
 - (a) the sum of (i) the O&M Expenses, including its share of Operating Expenses under this Joint Venture Agreement and (ii) 110% of the sum of the debt service on any outstanding senior lien electric system revenue obligations of the Participant and its share of Bond Debt Service Payments, payable in such Year; or
 - (b) the sum of (i) the O&M Expenses, including its share of Operating Expenses under this Joint Venture Agreement, (ii) its share of Bond Debt Service Payments, (iii) debt service on outstanding electric system revenue obligations of the participant, and (iv) all other amounts payable from such revenues including, without limitation, debt service on general obligator, or other tax supported debt incurred for purposes of the Participant's municipal electric utility system, and its share of Other Bond Payments and Other Required Payments, payable in such year.

Due to deficiencies in the Village's policies and procedures over monitoring revenue coverage requirements, the Village did not set rates sufficient to meet the revenue coverage requirements of this section for the years ended December 31, 2020 and December 31, 2019. The failure to meet the revenue coverage requirements could result in the Village being considered in default of the project agreement, resulting in project termination.

The Village should periodically review and assess its electric charges in order to establish collections in accordance with this agreement.

Officials' Response: We did not receive a response from the client regarding this finding.

**Village of Haskins
Wood County
Schedule of Findings
December 31, 2020 and 2019**

FINDING NUMBER 2020-002

Material Weakness – Financial Reporting

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.

Accurate financial reporting is the responsibility of the Clerk/Treasurer, Mayor, and Village Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following errors were noted and required adjustment to the financial statements:

- The fund balance in the Income Tax Capital Projects Fund was reported as Restricted in 2019, when it should have been reported as Committed, totaling \$211,847.
- The Village failed to record Loans Issued and Capital Outlay disbursements in 2019 in the General Fund.
- Reclassifications relating to principal and interest were made in both years in the Capital Projects funds and Enterprise funds.
- Prior audit adjustments were not properly posted to the Village's UAN accounting system which caused the beginning balances reported in the Hinkle system to be misstated.

The errors noted above were due to an insufficiency of monitoring by management. The amounts noted above that were improperly classified or recorded have been adjusted and are properly presented on the financial statements. Additional errors were noted in smaller relative amounts.

The failure to correctly classify financial activity in the accounting records and financial statements may impact a user's understanding of the financial operations, the ability to make sound financial decisions, the ability to comply with budgetary laws, and may result in the material misstatement of the financial statements. In addition, such undetected errors may result in irregularities not being detected in a timely manner by the Council. Inaccurate note disclosures pose the risk of misleading the readers of the annual financial report.

The Village should adopt policies and procedures to identify and correct errors and omissions. The Fiscal Officer should review the Ohio Village Handbook, Uniform Accounting Network (UAN) Manual, Auditor of State Bulletins, and other resources for guidance in correctly classifying receipts and disbursements. Additionally, the Council should perform periodic reviews of the receipt and disbursement ledgers to help identify errors and/or irregularities.

Officials' Response: We did not receive a response from the client regarding this finding.

**Village of Haskins
Wood County
Schedule of Prior Audit Findings
December 31, 2020 and 2019**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2018-001	Noncompliance – Joint Venture Agreement	No	Reissued as Finding 2020-001
2018-002	Material Weakness – Financial Reporting	No	Reissued as Finding 2020-002
2018-003	Significant Deficiency – Cash Reconciliations	Yes	

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF HASKINS

WOOD 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 10/14/2021

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

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