

**VILLAGE OF HASKINS  
WOOD COUNTY  
Regular Audit  
December 31, 2008 and 2007**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Mary Taylor, CPA

Auditor of State

Village Council  
Village of Haskins  
100 N. Church Street  
P.O. Box 182  
Haskins, Ohio 43525-0182

We have reviewed the *Independent Accountants' Report* of the Village of Haskins, Wood County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2007 through December 31, 2008. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 21, 2009

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**VILLAGE OF HASKINS  
WOOD COUNTY**

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**INDEPENDENT ACCOUNTANTS' REPORT**

July 29, 2009

Village of Haskins  
Wood County  
100 North Church St.  
P.O. Box 182  
Haskins, OH 43525-0182

To the Board of Trustees:

We have audited the accompanying financial statements of the **Village of Haskins, Wood County, Ohio**, (the Village) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the second following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2008 and 2007 or their changes in financial position or cash flows for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances for the Village of Haskins, Wood County, Ohio, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2009 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

**VILLAGE OF HASKINS  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$ 67,075	\$ 40,688	\$ -	\$ -	\$ 107,763
Municipal Income Tax	-	177,612	-	-	177,612
Intergovernmental Receipts	22,364	55,539	-	-	77,903
Fines, Licenses, and Permits	24,017	-	-	-	24,017
Earnings on Investments	29,635	375	-	5	30,015
Miscellaneous	3,810	-	-	-	3,810
	<u>146,901</u>	<u>274,214</u>	<u>-</u>	<u>5</u>	<u>421,120</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	147,161	9,685	-	-	156,846
Public Health Service	1,350	-	-	-	1,350
Leisure Time Activities	19,530	-	-	-	19,530
Community Environment	2,069	-	-	-	2,069
Basic Utility Services	7,060	-	-	-	7,060
Transportation	-	87,019	-	-	87,019
General Government	72,865	6,527	-	-	79,392
Capital Outlay	-	-	14,966	-	14,966
Debt Service:					
Principal Payments	3,190	8,319	-	-	11,509
Interest Payments	170	566	-	-	736
	<u>253,395</u>	<u>112,116</u>	<u>14,966</u>	<u>-</u>	<u>380,477</u>
Total Cash Receipts Over/(Under) Disbursements	<u>(106,494)</u>	<u>162,098</u>	<u>(14,966)</u>	<u>5</u>	<u>40,643</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Operating Transfers-In	164,395	16,200	6,850	-	187,445
Operating Transfers-Out	(16,200)	(171,245)	-	-	(187,445)
	<u>148,195</u>	<u>(155,045)</u>	<u>6,850</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	41,701	7,053	(8,116)	5	40,643
Fund Cash Balances, January 1 (restated - see note 13)	<u>219,036</u>	<u>162,531</u>	<u>112,484</u>	<u>400</u>	<u>494,451</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 260,737</b></u>	<u><b>\$ 169,584</b></u>	<u><b>\$ 104,368</b></u>	<u><b>\$ 405</b></u>	<u><b>\$ 535,094</b></u>

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



**VILLAGE OF HASKINS  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 800,271
Permits	600
Miscellaneous	177,261
Total Operating Cash Receipts	978,132
<b>Operating Cash Disbursements:</b>	
Personal Services	123,496
Fringe Benefits	29,643
Contractual Services	499,973
Material and Supplies	168,836
Other	25,688
Total Operating Cash Disbursements	847,636
Operating Income/(Loss)	130,496
<b>Non-Operating Cash Receipts</b>	
Loan Proceeds	24,434
Intergovernmental	61,200
Special Assessments	175,323
Miscellaneous	593
Total Non-Operating Cash Receipts	261,550
<b>Non-Operating Cash Disbursements</b>	
Capital Outlay	63,049
Debt Service:	
Principal Payments	88,977
Interest Payments	16,343
Total Non-Operating Cash Disbursements	168,369
Net Receipts Over/(Under) Disbursements	223,677
Fund Cash Balances, January 1 (restated - see note 13)	829,586
<b>Fund Cash Balances, December 31</b>	<b>\$ 1,053,263</b>

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

**VILLAGE OF HASKINS  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$ 62,717	\$ 94,829	\$ -	\$ -	\$ 157,546
Municipal Income Tax	-	162,241	-	-	162,241
Intergovernmental Receipts	19,002	41,995	-	-	60,997
Charges for Services	162	-	-	-	162
Fines, Licenses, and Permits	22,402	-	-	-	22,402
Earnings on Investments	62,759	400	-	5	63,164
Miscellaneous	2,061	-	-	-	2,061
<b>Total Cash Receipts</b>	<u>169,103</u>	<u>299,465</u>	<u>-</u>	<u>5</u>	<u>468,573</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	117,782	37,697	-	-	155,479
Public Health Service	1,755	-	-	-	1,755
Leisure Time Activities	17,655	-	-	-	17,655
Community Environment	2,721	-	-	-	2,721
Basic Utility Services	6,500	-	-	-	6,500
Transportation	-	81,909	-	-	81,909
General Government	78,198	6,221	-	-	84,419
Capital Outlay	-	36,387	19,609	-	55,996
Debt Service:					
Principal Payments	3,923	7,790	-	-	11,713
Interest Payments	333	1,095	-	-	1,428
<b>Total Cash Disbursements</b>	<u>228,867</u>	<u>171,099</u>	<u>19,609</u>	<u>-</u>	<u>419,575</u>
<b>Total Cash Receipts Over/(Under) Disbursements</b>	<u>(59,764)</u>	<u>128,366</u>	<u>(19,609)</u>	<u>5</u>	<u>48,998</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Transfers-In	124,923	-	34,320	-	159,243
Transfers-Out	(3,090)	(156,153)	-	-	(159,243)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>121,833</u>	<u>(156,153)</u>	<u>34,320</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	62,069	(27,787)	14,711	5	48,998
Fund Cash Balances, January 1 (restated - See note 13)	151,574	167,406	83,601	395	402,976
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 213,643</b></u>	<u><b>\$ 139,619</b></u>	<u><b>\$ 98,312</b></u>	<u><b>\$ 400</b></u>	<u><b>\$ 451,974</b></u>

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

**VILLAGE OF HASKINS  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 749,419
Permits	2,175
Miscellaneous	<u>19,063</u>
Total Operating Cash Receipts	<u>770,657</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	125,718
Fringe Benefits	29,604
Contractual Services	476,020
Material and Supplies	46,822
Other	<u>22,188</u>
Total Operating Cash Disbursements	<u>700,352</u>
Operating Income/(Loss)	<u>70,305</u>
<b>Non-Operating Cash Receipts</b>	
Loan Proceeds	169,418
Special Assessments	229,913
Miscellaneous	<u>4,105</u>
Total Non-Operating Cash Receipts	<u>403,436</u>
<b>Non-Operating Cash Disbursements</b>	
Capital Outlay	236,329
Debt Service:	
Principal Payments	123,295
Interest Payments	<u>63,337</u>
Total Non-Operating Cash Disbursements	<u>422,961</u>
Net Receipts Over/(Under) Disbursements	50,780
Fund Cash Balances, January 1 (restated - see note 13)	<u>773,706</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 824,486</u></b>

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

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Haskins, Wood County, Ohio (the Village) as a body corporate and politic. A publicly elected six member Council governs the Village. The Village provides sewer and electric utilities, park operations and police services.

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

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

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-Ohio 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, 2008 the Village of Haskins has met their 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 134.081 MW is the participants' entitlement and 4.569 MW 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-Ohio, which acts as the joint venture's agent. During 2001, AMP-Ohio issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2.

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

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

**A. Description of the Entity (Continued)**

**Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2) (Continued)**

The net proceeds of the bond issue of \$45,904,712 was contributed to OMEGA JV2. The Village's net obligation for these bonds at December 31, 2008 was \$20,564 (Including amounts withheld for Debt Service Reserve, amounts held in the Bond Fund, previous billings to members, interest payable and debt service paid and collected). The Village's net investment in OMEGA JV2 was \$20,091 at December 31, 2008. Complete financial statements for OMEGA JV2 may be obtained from AMP-Ohio or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2008 are:

<u>Municipality</u>	<u>Percent Ownership</u>	<u>Kw Entitlement</u>	<u>Municipality</u>	<u>Percent Ownership</u>	<u>Kw Entitlement</u>
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.48%	15,400	Monroeville	0.57%	764
Cuyahoga Falls	7.46%	10,000	Milan	0.55%	737
Wadsworth	5.81%	7,784	Oak Harbor	0.55%	737
Painesville	5.22%	7,000	Elmore	0.27%	364
Dover	5.22%	7,000	Jackson Center	0.22%	300
Galion	4.29%	5,753	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161
Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	0.79%	1,066	Custar	0.00%	4
	<u>95.20%</u>	<u>127,640</u>		<u>4.80%</u>	<u>6,441</u>
			Grand Total	100.00%	138,650

The Village's liability for the bonds is disclosed in Note 8

**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.

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

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

**A. Description of the Entity (Continued)**

**Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5) (Continued)**

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-Ohio.

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.

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, 2008, the Village of Haskins has met their debt coverage obligation. The liability for the bonds is disclosed in Note 8.

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 nondefaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP-Ohio, which acts as the joint venture's agent. During 1993 and 2001 AMP-Ohio 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.

The Village's net investment to date in OMEGA JV5 was \$11,647 at December 31, 2008. Complete financial statements for OMEGA JV5 may be obtained from AMP-Ohio or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

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

**B. Basis of Accounting**

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

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

**C. Deposits and Investments**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The Village Treasurer invests all available funds of the Village in an interest bearing checking account, a Mutual Fund Investment Sweep Account, and STAROhio. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer and is classified as a cash equivalent. The mutual fund account is recorded at share values the mutual fund reports.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Village has the following significant Special Revenue Funds:

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

Income Tax Fund - This fund receives income tax revenues from businesses and residents within the Village. Transfers of 80 percent to the General Fund and 20 percent to the income Tax Capital Improvement Fund are made after the tax collections fees charged by the Regional Income Tax Authority (RITA) are deducted.

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

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

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

**D. Fund Accounting (Continued)**

**3. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

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

CSX Noise Abatement Fund - This fund received a grant from the CSX railroad that is being used for noise abatement along the railroad tracks in the Village.

**4. 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 Fund – This fund receives charges for service from residents to cover the cost of providing electric service.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

Sanitary Sewer OWDA – This fund receives charges for services to make loan payments to the Ohio Water Development Authority.

**5. Permanent Fund (Trust Fund)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable permanent fund. Other trust funds are classified as expendable. The Village had the following significant Permanent Fund:

Haskins Library Fund – This fund receives donations for the future construction of a Library.



**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

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

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. 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 also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are closed out, and re-appropriated in the subsequent year.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

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

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

	<b>2008</b>	<b>2007</b>
Demand deposits	\$ 38,367	\$ 38,000
Investments in STAR Ohio	45,000	45,000
Total deposits	\$ 83,367	\$ 83,000
Money Market Mutual Fund	1,504,990	1,193,460
Total investments	1,504,990	1,193,460
Total deposits and investments	\$ 1,588,357	\$ 1,276,460

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

**Investments:** in STAR Ohio and the mutual fund sweep account are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 288,353	\$ 311,296	\$ 22,943
Special Revenue	265,126	290,414	25,288
Capital Projects	33,340	6,850	(26,490)
Permanent	31	5	(26)
Enterprise	1,052,444	1,239,682	187,238
Total	\$ 1,639,294	\$ 1,848,247	\$ 208,953

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 296,712	\$ 269,595	\$ 27,117
Special Revenue	399,439	283,361	116,078
Capital Projects	125,782	14,966	110,816
Enterprise	1,446,380	1,016,005	430,375
Total	\$ 2,268,313	\$ 1,583,927	\$ 684,386

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

**3. BUDGETARY ACTIVITY (Continued)**

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 285,929	\$ 294,026	\$ 8,097
Special Revenue	289,964	299,465	9,501
Capital Projects	33,000	34,320	1,320
Permanent	30	5	(25)
Enterprise	884,200	1,174,093	289,893
Total	\$ 1,493,123	\$ 1,801,909	\$ 308,786

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 259,983	\$ 231,957	\$ 28,026
Special Revenue	449,874	327,252	122,622
Capital Projects	82,437	19,609	62,828
Enterprise	1,320,031	1,123,313	196,718
Total	\$ 2,112,325	\$ 1,702,131	\$ 410,194

Contrary to ORC Section 5705.41(D), the certification of availability of unencumbered appropriations for expenditures was not obtained for 31% of the expenditures testing during 2008 and 34% of expenditures testing during 2007.

**4. PROPERTY TAX**

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

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

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

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

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

**5. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1 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.

**6. DEBT**

Debt outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Rate</u>
OWDA Loan A	\$ 2,828,523	1.50%
OWDA Loan B	48,644	3.99%
Backhoe Loan	<u>17,431</u>	5.77%
Total	<u><u>\$ 2,894,598</u></u>	

During 2006, the Village entered into an agreement for two loans (OWDA Loan A and B) with the Ohio Water Development Authority (OWDA) for the purpose of building a wastewater treatment plant. During the audit period, OWDA disbursed an additional \$169,471 on behalf of the Village. This amount is reflected in the 2008 principal balance due. The Village will make semi-annual payments of \$74,113 for thirty years, with the first payment made in July 2007.

The prior audit reflected incorrect OWDA loan balances of \$3,416,753. The actual beginning balances should have been \$2,895,097.

During the audit period, the Village paid off an outstanding loan related to land purchased for the development of a new sewer/wastewater treatment plant. The loan was originally issued in 2002.

During the audit period, the Village paid off an outstanding pickup truck loan. The loan was originally issued in 2004.

In 2008, the Village obtained a loan for the purchase of a backhoe. The loan will be repaid in monthly payments including interest over three years.

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

**6. DEBT (Continued)**

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

Year ending <u>December 31:</u>	OWDA <u>Loans A and B</u>	Backhoe <u>Loan</u>	<u>Total</u>
2009	\$ 131,140	\$ 6,790	\$ 137,930
2010	131,140	8,418	139,558
2011	131,140	2,037	133,177
2012	131,140	-	131,140
2013	131,140	-	131,140
Thereafter	<u>3,081,790</u>	-	<u>3,081,790</u>
Total	<u>\$ 3,737,490</u>	<u>\$ 17,245</u>	<u>\$ 541,805</u>

**7. LEASE OBLIGATIONS**

On August 30, 2006, the Village entered into a lease purchase agreement with Ford Motor Credit Company for a Ford Explorer. Under the terms of the agreement, the Village made three annual payments of \$8,885. The first payment was made in 2006. The final payment was paid in August 2008.

During 2005, the Village entered into a lease purchase agreement with Advance Accept for a lawn mower. Payment terms of the agreement were eight quarterly payments of \$1,135. The final payment of \$1,135 was paid in January 2007.

**8. JOINT VENTURES**

The Village is a participant with forty-one other municipalities in the Ohio Municipal Electric Generation Agency Joint Venture 5- Belleville Project. The Village ownership share of this project is 0.13 percent. Each member is required to make debt service payments for the project based upon their percentage of ownership. Payments began in 1994 and are a part of the cost of electricity purchased by the Village.

Amortization of the above debt follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 6,097	\$ 8,081	\$ 14,178
2010	6,435	7,751	14,186
2011	6,793	7,403	14,196
2012	7,171	7,035	14,206
2013	7,569	6,647	14,216
Thereafter	<u>115,302</u>	<u>40,585</u>	<u>155,887</u>
Total	<u>\$ 149,367</u>	<u>\$ 77,502</u>	<u>\$ 226,869</u>

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

**8. JOINT VENTURES (Continued)**

The Village is a participant with thirty-five other municipalities in the Ohio Municipal Electric Generation Agency Joint Venture 2. The Village ownership share of this project is 0.05 percent. Each member is required to make debt service payments for the project based upon their percentage of ownership. Payments began in 2001 and are a part of the cost of electricity purchased by the Village.

Amortization of the above debt follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,546	\$ 1,235	\$ 2,781
2010	1,622	1,158	2,780
2011	1,709	1,073	2,782
2012	1,799	983	2,782
2013	1,893	889	2,782
Thereafter	<u>16,211</u>	<u>3,253</u>	<u>19,464</u>
Total Gross Liability	<u>\$ 24,780</u>	<u>\$ 8,591</u>	<u>\$ 33,371</u>
Less: Amounts Held in Reserve	<u>(4,216)</u>		
Net Obligation	<u>\$ 20,564</u>		

**9. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost sharing, multiple-employer plans. The Ohio Revised Code prescribes the plans' retirement benefits, including postretirement healthcare and survivor and disability benefits.

Contribution rates are also prescribed by the Ohio Revised Code. For 2008 and 2007, OP&F participants contributed 10 percent of their wages. The Village contributes an amount equal to 19.5 percent of police participant wages. For 2008 and 2007, members of PERS contributed 10% (2008) and 9.5% (2007) of their gross salaries. The Village contributed an amount equal to 14% (2008) and 13.85% (2007) of participants' gross salaries. The Village has paid all contributions required through December 31, 2008.

**10. RISK MANAGEMENT**

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

The Pool cedes certain premiums to reinsurers or excess reinsurers. The Pool is contingently liable should any reinsurer be unable to meet its reinsurance obligations.

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

**10. RISK MANAGEMENT (Continued)**

Members may withdraw at the end of any coverage period upon 60 days prior notice to the Pool. A withdrawing member not providing the required notification remains responsible for its unpaid claims, and also remains liable for additional assessments (if any) for years during which they were members.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities, and retained deficit at December 31, 2008 and 2007 (the latest information available):

	2008	2007
Assets	\$2,552,519	\$2,405,834
Liabilities	(2,814,306)	(2,877,385)
Accumulated deficit	\$ (261,787)	\$ (471,551)

The Village also provides health and life insurance to full-time employees through a private carrier.

**11. SEGMENT INFORMATION**

The Village maintains two Enterprise funds to account for the operations of the Electric Utility. The table below reflects, in a summarized format, the more significant financial data relating to the Electric Operating Fund and the Electric Enterprise Improvement Fund for the year ended December 31, 2008.

Fund Type	Electric Operating	Electric Enterprise Improvement	Total
Operating Revenue	\$ 617,582	\$ 6,000	\$ 623,582
Operating Income	77,927	6,000	83,927
Net Income	34,839	6,000	40,839
Fund Balance, 12/31/08	398,390	56,324	454,714
Long Term Debt	\$ 169,931	\$ -	\$ 169,931

**VILLAGE OF HASKINS  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(CONTINUED)**

**12. PRIOR PERIOD FUND BALANCE ADJUSTMENTS**

The Village made several fund balance adjustments in 2008 and 2007 in various funds to adjust for voided warrants that were reflected in the balances as of December 31, 2007 and 2006.

	General Fund	Sewer Operating Fund
Balance as of 12/31/06	\$ 151,543	\$ 773,375
Adjustments for 2006 Voided Warrants	31	331
Adjusted 1/1/07 Fund Balance	\$ 151,574	\$ 773,706

	General	Special Revenue	Capital Projects	Sewer Operating Fund
Balance as of 12/31/07	\$ 213,644	\$ 139,619	\$ 98,312	\$ 824,486
Adjustments for Voided Warrants	5,392	22,912	14,172	5,100
Adjusted 1/1/08 Fund Balance	\$ 219,036	\$ 162,531	\$ 112,484	\$ 829,586

**13. TRANSFERS**

During 2008, the Village transferred monies from the Income Tax Fund to the General Fund and the Income Tax Capital Improvement Fund, and from the General Fund to the Street Construction, Maintenance, and Repair Fund. During 2007, the Village transferred monies from the Income Tax Fund to the General Fund and the Income Tax Capital Improvement Fund, and from the General Fund to the Income Tax Capital Improvement Fund. These transfers were determined to be appropriate and in compliance with the Ohio Revised Code.



***Perry & Associates***  
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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

July 29, 2009

Village of Haskins  
Wood County  
100 North Church Street  
P.O. Box 182  
Haskins, OH 43525-0182

To the Village Council:

We have audited the financial statements of the **Village of Haskins, Wood County, Ohio** (the Village) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated July 29, 2009, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

**Internal Control Over Financial Reporting (Continued)**

We consider findings 2008-001 through 2008-004 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the Village's management in a separate letter dated July 29, 2009.

**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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under Government Auditing Standards which are described in the accompanying schedule of findings as items 2008-001 and 2008-002.

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

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

**VILLAGE OF HASKINS  
WOOD COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2008 AND 2007**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2008-001**

**Noncompliance Citation / Significant Deficiency**

**Ohio Revised Code Section 2743.79** requires the court in which any person is convicted of or pleads guilty to any offense other than a traffic offense that is not a moving violation, shall impose either a thirty dollar or a nine dollar misdemeanor court cost to be transmitted on or before the first day of the month to the Treasurer of State, Reparations Fund. Ohio Revised Code 2949.091 requires an additional sum of eleven dollars in court costs be imposed in these cases, to be transmitted on or before the twentieth day of the following month to the Treasurer of State, General Revenue Fund.

The Village did not transmit court costs due to the Treasurer of State for 2008 and 2007 in a timely manner.

We recommend that the Mayor’s Court Clerk transmit the appropriate court costs to the Treasurer of State at the appropriate time.

**Management’s Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2008-002**

**Noncompliance Citation / Significant Deficiency**

**Ohio Revised Code § 5705.41(D)** requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision’s fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

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

1. “Then and Now” certificate - If the fiscal officer can certify that both at the time that the contract or order was made (“then”), and at the time that the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

VILLAGE OF HASKINS  
WOOD COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2008 AND 2007

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

FINDING NUMBER 2008-002 (CONTINUED)

**Noncompliance Citation / Significant Deficiency (Continued)**

2. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.
3. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
4. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 31% of the expenditures tested in 2008 and 34% of the expenditures tested during 2007 and there was no evidence that the Village followed the aforementioned exceptions.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Treasurer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

**Management's Response** – We did not receive a response from officials to this finding.

**VILLAGE OF HASKINS  
WOOD COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2008 AND 2007**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2008-003**

**Significant Deficiency**

**Complete Voucher Packages**

The completed voucher packages should be the basis for the preparation of checks. The package should include the voucher signed by the appropriate officials to document their approval, the original invoice approved by the receiving employee or official to document the receipt of the goods or services and the accuracy of the quantity and price, and a copy of the requisition or purchase order to document the fiscal officer's prior certification that sufficient appropriations and resources were available to meet the obligation.

The Village did not always present complete voucher packages to support expenditures. 12% of tested transactions in 2008 and 14% of tested transactions in 2007 did not have adequate voucher packages. It was determined through alternative testing procedures that these expenditures were allowable and for a proper public purpose. However, this practice and lack of adequate supporting documentation could result in loss of Village funds or personal liability of the Village's Officials.

We recommend that all expenditures be supported by complete voucher packages, including the voucher signed by the appropriate officials to document their approval, the original invoice approved by the receiving employee or official to document the receipt of goods or services and the accuracy of the quantity and price, a copy of the requisition or purchase order to document the Clerk's prior certification, to help insure that all Village expenditures are for goods or services received, properly approved, and for a proper public purpose.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2008-004**

**Significant Deficiency**

**Posting Receipts and Expenditures**

Receipts and expenditures should be posted to the fund and line item accounts as established by Ohio Administrative Code Section 117-7-01.

During 2008 and 2007, debt payments were not posted into accurate expense classifications based on the source of the expenditure. For example, the expenditures for the debt payments were incorrectly separated when posting Principal and Interest payments. Note proceeds and subsequent capital outlay were not recorded. This resulted in several reclassification entries being made to the financial statements.

We recommend the Clerk refer to Ohio Administrative Code Section 117-7-01, the Ohio Village Handbook, and/or specific debt amortization schedules for guidance to determine the proper posting of expenditures.

**Management's Response** – We did not receive a response from officials to this finding.

**VILLAGE OF HASKINS  
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008 AND 2007**

	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Posting Estimated Revenues and Appropriations	No	Partially; to management letter
2006-002	Failure to Record Receipts and Disbursements	No	Repeated as finding 2008-004
2006-003	Ohio Revised Code 5705.41(D) – Not properly encumbering	No	Repeated as finding 2008-002



**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF HASKINS**

**WOOD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 1, 2009**