



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF HASKINS
WOOD COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 389-5775 • FAX (614) 467-3920
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

www.bhmcgroup.com

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPARreport@ohioauditor.gov
(800) 282-0370

Village Council
Village of Haskins
405 North Findlay Road
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, 2021 through December 31, 2022. 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

November 03, 2023

This page intentionally left blank.

VILLAGE OF HASKINS
WOOD COUNTY

Table of Contents
For the Years Ended 2022 and 2021

<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, 2022	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary Fund Types For the Year Ended December 31, 2022	5
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) – All Fiduciary Fund Types For the Year Ended December 31, 2022	6
Notes to the Basic Financial Statements For the Year Ended December 31, 2022	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2021	25
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary Fund Types For the Year Ended December 31, 2021	26
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) – All Fiduciary Fund Types For the Year Ended December 31, 2021	27
Notes to the Basic Financial Statements For the Year Ended December 31, 2021	28
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	46
Schedule of Findings.....	48
Schedule of Prior Audit Findings.....	49

This page intentionally left blank.



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 Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Haskins, Wood County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements*

section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

Emphasis of Matter

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2023, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



BHM CPA Group, Inc.
Piketon, Ohio
August 31, 2023

**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, 2022**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Taxes	\$ 107,911	\$ 160,954	\$ -	\$ 268,865
Municipal Income Tax	286,903	-	45,993	332,896
Intergovernmental	26,580	152,989	-	179,569
Fines, Licenses, and Permits	8,451	94	-	8,545
Earnings on Investments	6,028	864	-	6,892
Miscellaneous	4,738	-	-	4,738
Total Cash Receipts	<u>440,611</u>	<u>314,901</u>	<u>45,993</u>	<u>801,505</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	143,269	99,931	-	243,200
Public Health Services	2,836	-	-	2,836
Leisure Time Activities	33,353	-	-	33,353
Community Environment	5,221	-	-	5,221
Basic Utility Services	18,800	1,200	-	20,000
Transportation	-	120,883	-	120,883
General Government	97,949	57,839	-	155,788
Capital Outlay	-	-	92,332	92,332
Debt Service:				
Principal Retirement	5,751	-	-	5,751
Interest and Fiscal Charges	3,049	-	-	3,049
Total Cash Disbursements	<u>310,228</u>	<u>279,853</u>	<u>92,332</u>	<u>682,413</u>
Excess of Receipts Over/(Under) Disbursements	130,383	35,048	(46,339)	119,092
Other Financing Receipts (Disbursements):				
Sale of Capital Assets	54,603	-	-	54,603
Transfers-In	-	25,000	17,000	42,000
Transfers-Out	(42,000)	-	-	(42,000)
Total Other Financing Receipts (Disbursements)	<u>12,603</u>	<u>25,000</u>	<u>17,000</u>	<u>54,603</u>
Extraordinary Item	1,752	-	-	1,752
Net Change in Fund Cash Balances	144,738	60,048	(29,339)	175,447
Fund Cash Balances, January 1	411,358	387,735	223,374	1,022,467
Fund Cash Balances, December 31	<u>\$ 556,096</u>	<u>\$ 447,783</u>	<u>\$ 194,035</u>	<u>\$ 1,197,914</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, 2022**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 1,334,282
Miscellaneous	2,520
	1,336,802
Total Operating Cash Receipts	1,336,802
Operating Cash Disbursements:	
Personal Services	211,507
Employee Fringe Benefits	46,746
Contractual Services	691,490
Supplies and Materials	74,945
Other	27,274
	1,051,962
Total Operating Cash Disbursements	1,051,962
Operating Income (Loss)	284,840
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	2,092
Principal Retirement	(158,367)
Interest and Fiscal Charges	(38,096)
	(194,371)
Total Non-Operating Cash Receipts (Disbursements)	(194,371)
Net Change in Fund Cash Balances	90,469
Fund Cash Balances, January 1	1,220,850
Fund Cash Balances, December 31	\$ 1,311,319

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, 2022**

	Fiduciary Fund Types		Totals
	Private Purpose Trust	Custodial	(Memorandum Only)
		Other Custodial	
Additions			
Fines, Licenses and Permits for Distribution	\$ -	\$ 4,829	\$ 4,829
Total Additions	-	4,829	4,829
Deductions			
Distributions as Fiscal Agent	-	1,520	1,520
Distributions to Other Governments	-	1,407	1,407
Distributions to Other Funds (Primary Gov't)	-	4,812	4,812
Total Deductions	-	7,739	7,739
Net Change in Fund Balances	-	(2,910)	(2,910)
Fund Cash Balances, January 1	415	5,586	6,001
Fund Cash Balances, December 31	<u>\$ 415</u>	<u>\$ 2,676</u>	<u>\$ 3,091</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, 2022

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:

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds.

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

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, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund be 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 2022 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, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 - Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$453,258	\$496,966	\$43,708
Special Revenue	335,916	339,901	3,985
Capital Projects	60,000	62,993	2,993
Enterprise	1,249,320	1,338,894	89,574
Custodial	5,001	4,829	(172)
Total	\$2,103,495	\$2,243,583	\$140,088

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$452,094	\$352,228	\$99,866
Special Revenue	481,250	279,853	201,397
Capital Projects	200,000	92,332	107,668
Enterprise	1,805,015	1,248,425	556,590
Custodial	10,586	7,739	2,847
Total	\$2,948,945	\$1,980,577	\$968,368

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:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$1,648,136
Other time deposits (savings and NOW accounts)	819,188
Total deposits	2,467,324
STAR Ohio	45,000
Total investments	45,000
Total carrying amount of deposits and investments held in the Pool (ties to FS)	2,512,324

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (Continued)

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, 2022.

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 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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 - Risk Management

Risk Pool Membership

The (local entity) 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 (local entity'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>2022</u>
Cash and investments	\$ 42,310,794
Actuarial liabilities	\$15,724,479

This is the latest information currently available.

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, 2022.

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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 - Defined Benefit Pension Plans (Continued)

Ohio Police and Fire Retirement System (Continued)

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, 2022.

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 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. 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.

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

Note 9 – Debt

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan 4435 FWF	\$216,069	3.99%
OWDA Loan 4435 CAF	1,395,046	1.50%
Town Hall Promissory Note	264,070	2.50%
Back Hoe/Utility Truck Promissory Note	20,781	3.75%
Bucket Truck Promissory Note	78,032	2.26%
Total	<u>\$1,973,998</u>	

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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (Continued)

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.

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
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	16,719
2026	20,293	110,847	27,204	0	0
2027	20,293	110,847	27,204	0	0
2028-2032	101,464	554,234	136,020	0	0
2033-2036	81,171	443,387	92,447	0	0
Total	<u>\$284,100</u>	<u>\$1,551,856</u>	<u>\$364,487</u>	<u>\$23,409</u>	<u>\$83,595</u>

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (Continued)

AMPGS Stranded Costs

The following information related to American Municipal Power is as of December 31, 2021, 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 \$18,874 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 \$1,490 and interest expense incurred on AMP's line-of-credit of \$1,765, resulting in a net impaired cost estimated at December 31, 2021 of \$6,162. The Village does have a potential Plant Held for Future Use (PHFU) Liability of \$31,657 resulting in a net total potential liability of \$35,957, 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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (Continued)

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. During 2021, the Village did not receive an invoice for payment from Middleton Township until January of 2022; therefore, the Village made two payments in FY 2022. Payments are due as follows:

Year Ending December 31:	Installment Amount
2023	\$5,000
2024	4,999
2025	-
Total	<u>\$9,999</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”).

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. In 2021, AMP issued series 2021A bonds to partially refund the series 2012B Bonds. As of December 31, 2021, \$405,280,000 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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Long-Term Purchase Commitments (Continued)

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, 2021, \$672,615,000 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, 2021, (the most recent available information), \$150,020,000 aggregate principal amount of the 2016 Greenup Bonds were outstanding under the indenture securing the 2016 Greenup Bonds.

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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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, 2022, 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, 2022, the outstanding debt was \$0. The Village's net investment in OMEGA JV2 was \$(262.49) at December 31, 2021 (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, 2021 (the most recent available information) are:

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Joint Ventures (Continued)

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, 2022

Note 11 – Joint Ventures (Continued)

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, 2022, 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, 2022

Note 11 – Joint Ventures (Continued)

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, 2021 (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, 2022

Note 12 – AMP Revenue Coverage (Continued)

	<u>2022</u>
Total Fund Cash Balance	\$333,193
Total Long-Term Debt	\$37,437
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	<u>866,793</u>
Total Operating Receipts	866,793
 Operating Expenses	
Personal Services	109,655
Employee Fringe Benefits	32,374
Contractual Services	597,159
Supplies and Materials	35,188
Other	<u>27,274</u>
Total Operating Expenses	801,650
 Operating Income (Loss)	65,143
 Nonoperating Receipts (Disbursements)	
Principal Payments	(10,674)
Interest Payments	(3,402)
Other Nonoperating Receipts (Disbursements)	<u>2,092</u>
Change in Fund Cash Balance	53,159
Beginning Fund Cash Balance	<u>280,034</u>
Ending Fund Cash Balance	<u>\$333,193</u>

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 – Fund Balances

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed or assigned.

Note 14 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 15 – Interfund Activity

Interfund activity as reported includes transfers. The following represent the transfers during 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 42,000
Street Construction, Maintenance & Repair	25,000	-
Income Tax Capital Improvement	17,000	-
	\$ 42,000	\$ 42,000

**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, 2021**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Taxes	\$ 113,441	\$ 155,184	\$ -	\$ 268,625
Municipal Income Tax	296,508	-	-	296,508
Intergovernmental	16,598	154,937	-	171,535
Fines, Licenses, and Permits	26,402	62	-	26,464
Earnings on Investments	1,697	210	-	1,907
Miscellaneous	60	-	-	60
Total Cash Receipts	<u>454,706</u>	<u>310,393</u>	<u>-</u>	<u>765,099</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	134,747	120,338	-	255,085
Public Health Services	2,374	-	-	2,374
Leisure Time Activities	28,339	-	-	28,339
Community Environment	5,460	-	-	5,460
Basic Utility Services	16,800	1,200	-	18,000
Transportation	-	106,757	-	106,757
General Government	97,009	7,498	-	104,507
Capital Outlay	-	-	50,520	50,520
Debt Service:				
Principal Retirement	6,000	-	-	6,000
Interest and Fiscal Charges	2,682	-	-	2,682
Total Cash Disbursements	<u>293,411</u>	<u>235,793</u>	<u>50,520</u>	<u>579,724</u>
Excess of Receipts Over/(Under) Disbursements	161,295	74,600	(50,520)	185,375
Other Financing Receipts (Disbursements):				
Transfers-In	-	25,000	75,000	100,000
Transfers-Out	(100,000)	-	-	(100,000)
Total Other Financing Receipts (Disbursements)	<u>(100,000)</u>	<u>25,000</u>	<u>75,000</u>	<u>-</u>
Extraordinary Item	61,319	-	-	61,319
Net Change in Fund Cash Balances	122,614	99,600	24,480	246,694
Fund Cash Balances, January 1, <i>Restated Note 16</i>	<u>288,744</u>	<u>288,135</u>	<u>198,894</u>	<u>775,773</u>
Fund Cash Balances, December 31	<u>\$ 411,358</u>	<u>\$ 387,735</u>	<u>\$ 223,374</u>	<u>\$ 1,022,467</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, 2021**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 1,249,339
Miscellaneous	2,520
	1,251,859
Total Operating Cash Receipts	1,251,859
Operating Cash Disbursements:	
Personal Services	200,351
Employee Fringe Benefits	43,485
Contractual Services	683,926
Supplies and Materials	72,780
Other	28,653
	1,029,195
Total Operating Cash Disbursements	1,029,195
Operating Income (Loss)	222,664
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	1,910
Principal Retirement	(155,291)
Interest and Fiscal Charges	(42,623)
	(196,004)
Total Non-Operating Cash Receipts (Disbursements)	(196,004)
Net Change in Fund Cash Balances	26,660
Fund Cash Balances, January 1, <i>Restated Note 16</i>	1,194,190
Fund Cash Balances, December 31	\$ 1,220,850

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, 2021**

	Fiduciary Fund Types		Totals
	Private Purpose Trust	Custodial Other Custodial	(Memorandum Only)
Additions			
Fines, Licenses and Permits for Distribution	\$ -	\$ 4,768	\$ 4,768
Total Additions	-	4,768	4,768
Deductions			
Distributions as Fiscal Agent	-	18,027	18,027
Distributions to Other Governments	-	1,211	1,211
Distributions to Other Funds (Primary Gov't)	-	62	62
Total Deductions	-	19,300	19,300
Net Change in Fund Balances	-	(14,532)	(14,532)
Fund Cash Balances, January 1, <i>Restated Note 16</i>	415	20,118	20,533
Fund Cash Balances, December 31	<u>\$ 415</u>	<u>\$ 5,586</u>	<u>\$ 6,001</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, 2021

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:

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Accounting Continued

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds.

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

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, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund 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 2021 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, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance Continued

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

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$470,019	\$516,025	\$46,006
Special Revenue	331,859	335,393	3,534
Capital Projects	0	75,000	75,000
Enterprise	1,253,020	1,253,769	749
Custodial	7,505	4,768	(2,737)
Total	\$2,062,403	\$2,184,955	\$122,552

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$450,046	\$393,411	\$56,635
Special Revenue	461,487	235,793	225,694
Capital Projects	190,000	50,520	139,480
Enterprise	1,869,623	1,227,109	642,514
Custodial	19,300	19,300	0
Total	\$2,990,456	\$1,926,133	\$1,064,323

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:

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$1,388,075
Other time deposits (MMDA)	816,243
Total deposits	2,204,318
STAR Ohio	45,000
Total investments	45,000
Total carrying amount of deposits and investments held in the Pool	2,249,318

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (Continued)

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, 2021.

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 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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 (local entity'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>2021</u>
Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

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, 2021.

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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 - Defined Benefit Pension Plans

Ohio Police and Fire Retirement System continued

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, 2021.

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 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. 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, 2021 was as follows:

	Principal	Interest Rate
OWDA Loan 4435 FWF	\$227,400	3.99%
OWDA Loan 4435 CAF	1,483,966	1.50%
Town Hall Promissory Note	281,155	2.50%
Back Hoe/Utility Truck Promissory Note	36,085	3.75%
Bucket Truck Promissory Note	109,510	2.26%
Total	\$2,138,116	

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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt (Continued)

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.

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
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	16,719
2026	20,293	110,847	27,204	0	0
2027-2031	101,464	554,234	136,020	0	0
2032-2036	101,464	554,234	120,151	0	0
Total	<u>\$304,393</u>	<u>\$1,662,703</u>	<u>\$392,191</u>	<u>\$39,933</u>	<u>\$117,033</u>

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt (Continued)

AMPGS Stranded Costs

The following information related to American Municipal Power is as of December 31, 2020, 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 \$18,874 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 \$1,490 and interest expense incurred on AMP's line-of-credit of \$1,765, resulting in a net impaired cost estimated at December 31, 2021 of \$6,162. The Village does have a potential Plant Held for Future Use (PHFU) Liability of \$31,657 resulting in a net total potential liability of \$35,957, 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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt (Continued)

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. During 2021, the Village did not receive an invoice for payment from Middleton Township until January of 2022; therefore, the Village will make two payments in FY 2022. Payments are due as follows:

Year Ending December 31:	Installment Amount
2022	\$10,000
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”).

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, 2020, \$478,965,000 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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Long-Term Purchase Commitments (Continued)

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, 2020, \$665,630,000 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, 2020, (the most recent available information), \$122,350,000 aggregate principal amount of the 2016 Greenup Bonds were outstanding under the indenture securing the 2016 Greenup Bonds.

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.

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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, 2021, 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, 2021, the outstanding debt was \$0. The Village's net investment in OMEGA JV2 was \$(15.94) at December 31, 2020 (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, 2020 (the most recent available information) are:

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 11 – Joint Ventures (Continued)

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, 2021

Note 11 – Joint Ventures (Continued)

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, 2021, 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, 2021

Note 11 – Joint Ventures (Continued)

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, 2020 (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, 2021

Note 12 – AMP Revenue Coverage (Continued)

	2021
Total Fund Cash Balance	\$280,034
Total Long-Term Debt	\$48,111
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	789,854
Total Operating Receipts	789,854
 Operating Expenses	
Personal Services	102,866
Employee Fringe Benefits	26,283
Contractual Services	584,200
Supplies and Materials	20,044
Other	28,653
Total Operating Expenses	762,046
 Operating Income (Loss)	 27,808
 Nonoperating Receipts (Disbursements)	
Principal Payments	(10,962)
Interest Payments	(3,378)
Other Nonoperating Receipts (Disbursements)	1,910
Change in Fund Cash Balance	15,378
Beginning Fund Cash Balance	264,656
Ending Fund Cash Balance	\$280,034

Village of Haskins
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 – Fund Balances

The fund balance of special revenue funds is either restricted or committed. The capital projects funds are restricted, committed or assigned.

Note 14 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 15 – Interfund Activity

Interfund activity as reported includes transfers. The following represent the transfers during 2021:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 100,000
Street Construction, Maintenance & Repair	25,000	-
Income Tax Capital Improvement	75,000	-
	\$ 100,000	\$ 100,000

Note 16 – Restatement of Beginning Balances

The beginning fund balances for the General Fund, Special Revenue funds, Capital Projects funds, Enterprise funds and Custodial funds were restated as follows due to voiding of prior period disbursements and correction of accounting errors from prior periods:

	General Fund:	Special Revenue:	Capital Projects:	Enterprise:	Custodial:
2022 Beginning Fund Balances:	\$297,953	\$285,975	\$195,557	\$1,165,418	\$ 24,699
Prior period checks voided:	-	2,160	-	1,260	-
Correction of errors from prior periods:	(9,209)	-	3,337	27,512	(4,581)
2022 Restated Beginning Fund Balances:	\$288,744	\$288,135	\$198,894	\$1,194,190	\$ 20,118

This page intentionally left blank.



**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 the with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Haskins, Wood County, (the Village) and have issued our report thereon dated August 31, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-001.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the finding identified in our audit and described in the accompanying schedule of findings. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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



BHM CPA Group, Inc.
Piketon, Ohio
August 31, 2023

**Village of Haskins
Wood County
Schedule of Findings
December 31, 2022 and 2021**

1. SUMMARY OF AUDITOR'S RESULTS

FINDING NUMBER 2022-001

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, 2022 and December 31, 2021. 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: The Village is aware of this noncompliance. The Village has performed rate studies and is working to set rates that are sufficient to meet revenue coverage requirements.

**Village of Haskins
Wood County
Schedule of Prior Audit Findings
December 31, 2022 and 2021**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2020-001	Noncompliance – Joint Venture Agreement	No	Reissued as Finding 2022-001
2020-002	Material Weakness – Financial Reporting	Yes	

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 11/16/2023

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