OHIO AUDITOR OF STATE
KEITH FABER

VILLAGE OF OAK HARBOR
OTTAWA COUNTY
DECEMBER 31, 2019 AND 2018

TABLE OF CONTENTS

VILLAGE OF OAK HARBOR
OTTAWA COUNTY
DECEMBER 31, 2019 AND 2018

TABLE OF CONTENTS
(Continued)

TITLE **PAGE**

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KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Village of Oak Harbor
Ottawa County
P.O. Box 232
Oak Harbor, Ohio 43449-0232

To the Village Council:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Oak Harbor, Ottawa County, Ohio (the Village), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, business-type activities**,** each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2019 and 2018, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

January 26, 2021

Village of Oak Harbor

Ottawa County

Statement of Net Position - Cash Basis

December 31, 2019

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$1,857,966	$4,451,153	$6,309,119
Net Position			
Restricted for:			
Other Purposes	$805,300		$805,300
Unrestricted	1,052,666	$4,451,153	5,503,819
Total Net Position	$1,857,966	$4,451,153	$6,309,119

See accompanying notes to the basic financial statements

Village of Oak Harbor
Ottawa County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2019

		Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Current:							
Security of Persons and Property	$899,634	$124,937	$6,471		($768,226)		($768,226)
Public Health Services	7,918				(7,918)		(7,918)
Leisure Time Activities	66,857				(66,857)		(66,857)
Community Environment	6,485	3,565	1,513		(1,407)		(1,407)
Transportation	345,240	5,502	256,159		(83,579)		(83,579)
General Government	293,877	11,824	130		(281,923)		(281,923)
Capital Outlay	1,314,705	37,500		$2,543	(1,274,662)		(1,274,662)
Debt Service:							
Principal Retirement	8,545				(8,545)		(8,545)
Interest and Fiscal Charges	1,455				(1,455)		(1,455)
Total Governmental Activities	2,944,716	183,328	264,273	2,543	(2,494,572)		(2,494,572)
Business-Type Activities							
Water	1,085,176	1,239,775				$154,599	154,599
Sanitary Sewer	1,115,277	1,027,536				(87,741)	(87,741)
Electric	2,753,422	2,962,213				208,791	208,791
Storm Drainage	218,829	337,426				118,597	118,597
Utilities Deposit	7,539	12,664				5,125	5,125
Total Business-Type Activities	5,180,243	5,579,614				399,371	399,371
Total Primary Government	$8,124,959	$5,762,942	$264,273	$2,543	(2,494,572)	399,371	(2,095,201)
		General Receipts:					
		Property Taxes Levied for:					
		General Purposes			239,284		239,284
		Security of Persons and Property			122,511		122,511
		Street			99,676		99,676
		Income Taxes			811,129		811,129
		Grants and Entitlements not Restricted to Specific Programs			69,380		69,380
		Loans Issued			1,180,422		1,180,422
		Sale of Capital Assets			5,125	13,447	18,572
		Cable Franchise Fees			32,220		32,220
		Earnings on Investments			117,544		117,544
		Miscellaneous			17,710	36,000	53,710
		Total General Receipts			2,695,001	49,447	2,744,448
		Change in Net Position			200,429	448,818	649,247
		Net Position Beginning of Year			1,657,537	4,002,335	5,659,872
		Net Position End of Year			$1,857,966	$4,451,153	$6,309,119

See accompanying notes to the basic financial statements

Village of Oak Harbor
Ottawa County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2019

	General	West Water Extension	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$993,273	$8,374	$856,319	$1,857,966
Fund Balances				
Nonspendable	$2,006			$2,006
Restricted		$8,374	$794,920	803,294
Committed			61,399	61,399
Assigned	17,249			17,249
Unassigned	974,018			974,018
Total Fund Balances	$993,273	$8,374	$856,319	$1,857,966

See accompanying notes to the basic financial statements

Village of Oak Harbor

Ottawa County

Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis

Governmental Funds

For the Year Ended December 31, 2019

	General	West Water Extension	Other Governmental Funds	Total Governmental Funds
Receipts				
Municipal Income Taxes	$811,129			$811,129
Property and Other Local Taxes	239,284		$222,187	461,471
Intergovernmental	71,580		198,966	270,546
Special Assessments			5,502	5,502
Charges for Services	133,579	$37,500		171,079
Fines, Licenses and Permits	5,548		1,200	6,748
Cable Franchise Fees	32,220			32,220
Gifts and Contributions	130		646	776
Earnings on Investments	117,544		883	118,427
Miscellaneous	21,929		59,771	81,700
Total Receipts	1,432,943	37,500	489,155	1,959,598
Disbursements				
Current:				
Security of Persons and Property	724,496		175,138	899,634
Public Health Services	7,918			7,918
Leisure Time Activities	66,857			66,857
Community Environment	6,485			6,485
Transportation	214,240		131,000	345,240
General Government	291,361		2,516	293,877
Capital Outlay	3,672	836,086	474,947	1,314,705
Debt Service:				
Principal Retirement			8,545	8,545
Interest and Fiscal Charges			1,455	1,455
Total Disbursements	1,315,029	836,086	793,601	2,944,716
Excess of Receipts Over (Under) Disbursements	117,914	(798,586)	(304,446)	(985,118)
Other Financing Sources				
Loans Issued		806,960	373,462	1,180,422
Sale of Capital Assets	5,125			5,125
Total Other Financing Sources	5,125	806,960	373,462	1,185,547
Net Change in Fund Balances	123,039	8,374	69,016	200,429
Fund Balances Beginning of Year	870,234		787,303	1,657,537
Fund Balances End of Year	$993,273	$8,374	$856,319	$1,857,966

See accompanying notes to the basic financial statements

Village of Oak Harbor
Ottawa County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Municipal Income Taxes	$749,017	$789,047	$811,129	$22,082
Property and Other Local Taxes	125,520	232,770	239,284	6,514
Intergovernmental	66,099	69,631	71,580	1,949
Charges for Services	123,350	129,942	133,579	3,637
Fines, Licenses and Permits	5,123	5,397	5,548	151
Cable Franchise Fees	29,753	31,343	32,220	877
Gifts and Contributions	120	126	130	4
Earnings on Investments	108,543	114,344	117,544	3,200
Miscellaneous	24,328	21,332	21,929	597
Total Receipts	1,231,853	1,393,932	1,432,943	39,011
Disbursements				
Current:				
Security of Persons and Property	744,343	775,654	725,462	50,192
Public Health Services	8,124	8,466	7,918	548
Leisure Time Activities	68,725	71,616	66,982	4,634
Community Environment	6,654	6,934	6,485	449
Transportation	220,584	229,863	214,989	14,874
General Government	314,754	327,994	306,770	21,224
Capital Outlay	3,768	3,926	3,672	254
Total Disbursements	1,366,952	1,424,453	1,332,278	92,175
Excess of Receipts Over (Under) Disbursements	(135,099)	(30,521)	100,665	131,186
Other Financing Sources				
Sale of Capital Assets		4,985	5,125	140
Net Change in Fund Balance	(135,099)	(25,536)	105,790	131,326
Unencumbered Fund Balance Beginning of Year	859,133	859,133	859,133	
Prior Year Encumbrances Appropriated	11,101	11,101	11,101	
Unencumbered Fund Balance End of Year	$735,135	$844,698	$976,024	$131,326

See accompanying notes to the basic financial statements

Village of Oak Harbor
Ottawa County
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2019

	Business-Type Activities				
	Water Fund	Sewer Fund	Electric Fund	Other Enterprise Funds	Total Enterprise Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$1,177,905	$688,874	$1,996,237	$588,137	$4,451,153
Net Position					
Unrestricted	$1,177,905	$688,874	$1,996,237	$588,137	$4,451,153

See accompanying notes to the basic financial statements

Village of Oak Harbor
Ottawa County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities				
	Water	Sewer	Electric	Other Enterprise Funds	Total Enterprise Funds
Operating Receipts					
Charges for Services	$1,229,119	$1,009,835	$2,846,745	$349,790	$5,435,489
Other Operating Receipts	10,656	17,701	115,468	300	144,125
Total Operating Receipts	1,239,775	1,027,536	2,962,213	350,090	5,579,614
Operating Disbursements					
Personal Services	182,391	276,832	276,744		735,967
Employee Fringe Benefits	66,375	132,583	110,832		309,790
Contractual Services	706,926	145,150	2,183,187	3,225	3,038,488
Supplies and Materials	61,216	36,310	62,650		160,176
Travel and Transportation	166	174	1,270		1,610
Total Operating Disbursements	1,017,074	591,049	2,634,683	3,225	4,246,031
Operating Income	222,701	436,487	327,530	346,865	1,333,583
Non-Operating Receipts (Disbursements)					
Sale of Capital Assets	5,125	3,197	5,125		13,447
Capital Outlay	(62,248)	(106,703)	(33,430)		(202,381)
Principal Retirement	(3,242)	(353,981)	(79,884)	(157,153)	(594,260)
Interest and Other Fiscal Charges	(1,710)	(63,544)	(5,319)	(58,451)	(129,024)
Other Financing Sources		36,000			36,000
Other Financing Uses	(902)		(106)	(7,539)	(8,547)
Total Non-Operating Receipts (Disbursements)	(62,977)	(485,031)	(113,614)	(223,143)	(884,765)
Change in Net Position	159,724	(48,544)	213,916	123,722	448,818
Net Position Beginning of Year	1,018,181	737,418	1,782,321	464,415	4,002,335
Net Position End of Year	$1,177,905	$688,874	$1,996,237	$588,137	$4,451,153

See accompanying notes to the basic financial statements

Note 1 - Reporting Entity

The Village of Oak Harbor, Ottawa County, Ohio (the Village), 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. The Village is directed by a six-member council elected at large for four year terms. The Mayor is elected to a four-year term.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Village are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The primary government of the Village of Oak Harbor provides the following services to its citizens: general government, police protection, parks and recreation, street maintenance and repairs, and water, sewer and electric utilities.

Public Entity Risk Pool, Joint Ventures, and Jointly Governed Organization

The Village participates in a public entity risk pool, several joint ventures, and a jointly governed organization. Notes 7, 11, and 15 to the basic financial statements provides additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the general receipts of the Village.

Fund Financial Statements During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

Fund Accounting

The Village uses fund accounting 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 in two categories: governmental and proprietary.

Governmental Funds Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

> ***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.
>
> ***West Water Extension Fund*** The West Water Extension Fund accounts for the activity related to the Ohio Water Development Authority (OWDA) west water extension capital improvement project.

The other governmental funds of the Village account for and report grants and other resources, whose use is restricted or committed to a particular purpose.

Proprietary Funds The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified either as enterprise funds or internal service funds. The Village did not have any internal service funds.

> ***Enterprise Funds*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major enterprise funds:

Water Fund The Water Fund accounts for the provision of water to the residents and commercial users located within the Village.

Sewer Fund The Sewer Fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Electric Fund The Electric Fund is used to record user charges for the costs of providing electric service to Village residents and businesses.

Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriation were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2019, the Village invested in negotiable certificates of deposit, federal agency securities, and STAR Ohio. Investments are reported at cost, except for STAR Ohio.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Village measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2019 were $117,544, which includes $100,041 assigned from other Village funds.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the Village are reported as restricted.

Inventory and Prepaid Items

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

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

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for road improvements, capital improvements, and police operations.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

> ***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.
>
> ***Restricted*** Fund balance is reported as 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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Village Council or a Village official delegated that authority by resolution or by State Statute. State Statute authorizes the Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not contained 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.

Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	West Water Extension	Other Governmental Funds	Total Govenmental Funds
Nonspendable				
Unclaimed monies	$ 2,006	$ -	$ -	$ 2,006
Total nonspendable	2,006	-	-	2,006
Restricted for				
Capital Improvements	-	8,374	139,980	148,354
Road Improvements	-	-	579,316	579,316
Police Operations	-	-	64,271	64,271
Other	-	-	11,353	11,353
Total restricted	-	8,374	794,920	803,294
Committed to				
Capital Improvements	-	-	55,142	55,142
Park Improvements	-	-	6,257	6,257
Total committed	-	-	61,399	61,399
Assigned				
Encumbrances	17,249	-	-	17,249
Total assigned	17,249	-	-	17,249
Unassigned	974,018	-	-	974,018
Total fund balances	$ 993,273	$ 8,374	$ 856,319	$ 1,857,966

Note 4 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes In Fund Balance - Budget and Actual - Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned fund balance (cash basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

		General
Cash Basis	$	993,273
Encumbrances		17,249
Budget Basis	$	976,024

Note 5 - Deposits and Investments

Monies held by the Village are classified by State statute into three categories:

Active deposits are public deposits determined to be necessary to meet current demands upon the Village treasury. Such monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies held by the Village may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Village had $975 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

At December 31, 2018, the carrying amount of all Village deposits was $2,995,927. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2018, $1,308,557 of the Village's bank balance of $3,060,714 was covered by the FDIC, while $1,752,157 was exposed to custodial risk as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Village has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Village to a successful claim by the FDIC.

Investments

The fair value of these investments is not materially different than measurement value. As of December 31, the Village had the following investments:

Investment Type	Measurement Value	Investment Maturities (in Years) Less than 1	1-2	3-5
Negotiable CDs	$ 1,647,519	$ -	$ 378,165	$ 1,269,354
STAR Ohio	1,031,210	1,031,210		
FFCB	324,734			324,734
FHLMC	54,841			54,841
FNMA	253,913			253,913
Total Investments	$ 3,312,217	$ 1,031,210	$378,165	$1,902,842

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by limiting investment portfolio maturities to five years or less.

Credit Risk The Village's investments were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard rating service. The Village has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the Village's name. The Village has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk The Village places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Village at December 31, 2019:

Investment type	Amount	Percent of Total
Negotiable CDs	$ 1,647,519	49.74%
STAR Ohio	1,031,210	31.13%
FFCB	324,734	9.80%
FHLMC	54,841	1.66%
FNMA	253,913	7.67%
Total	$ 3,312,217	100%

Note 6 - Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2019, was $11.17 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2019 property tax receipts were based are as follows:

	2019 Collection Year
Real Property	$ 48,741,190
Public Utility Personal Property	755,530
Total Assessed Value	$ 49,496,720

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

Income Taxes

The Village levies a 1% income tax on substantially all income earned in the Village as well as certain income of residents earned outside the Village. Employers within the Village withhold income tax on employee compensation. Corporations and other individual taxpayers remit estimated taxes quarterly and file a declaration annually. In 2019, the receipts were allocated to the General Fund.

Note 7 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first $250,000 casualty treaty and 30% of the first $1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between $200,000 and $1,000,000. The reimbursement is based on the amount of loss between $200,000 and $1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first $250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first $250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	$ 15,920,504
Liabilities	(11,329,011)
Members' Equity	$ 4,591,493

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

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description - Village employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/investments/cafr.shtml, by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14%
Employee	10%
2019 Actual Contribution Rates	
Employer:	
Pension	14%
Post-employment Health Care Benefits	0%
Total Employer	14%
Employee	10%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was $135,840 for year 2019.

Ohio Police and Fire Pension Fund

Plan Description - Village full-time police in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police
2019 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2019 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50 %
Total Employer	19.50 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OPF was $90,833 for 2019.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0 percent during calendar year 2019 for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Substantially all of the Village's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The Village's contractually required contribution was $0 for 2019.

Ohio Police and Fire Pension Fund

Plan Description - The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The Village's contractually required contribution to OP&F was $454 for 2019.

Note 10 - Debt

Long-Term Obligations

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Ohio Water Development Authority (OWDA) Loans:			
1999 Sludge Handling - 2166	5.56%	$ 1,003,563	January 1, 2021
2007 Combined Sewer Overflow (CSO) - 4806	2.86%	5,916,611	January 1, 2029
2009 Supplemental CSO - 5212	2.93%	348,916	January 1, 2029
2011 CSO Basin Improvements - 5953	3.36 - 3.77%	976,324	January 1, 2023
2019 Church Street Sewer Separation - 8341	3.60%	373,462	January 1, 2025
2019 West Water Service Extension - 8546	0.00%	806,960	July 1, 2040
Ohio Public Works Commission (OPWC) Loan:			
CE03R State Route 163 Waterline Replacement Phase II	0.00%	129,675	January 1, 2036
Croghan Colonial Bank Loan:			
Street Sweeper - 26091559	3.15%	197,035	May 25, 2023
AMP Ohio Loan:			
OMEGA JV5	Varies	1,572,761	February 15, 2030

The changes in the Village's long-term debt during 2019 were as follows:

	Interest Rates	Balance at 1/1/2019	Increase	Decrease	Balance at 12/31/2019	Due in Less Than 1 Year
Governmental Activities:						
Street Sweeper	3.15%	$ 145,088	$ -	$ (27,224)	$ 117,864	$ 28,084
Business-Type Activities:						
OMEGA JV5	Varies	$ 606,747	$ -	$ (79,884)	$ 526,863	$ -
OPWC Loan	0%	110,224	-	(3,242)	106,982	6,484
OWDA Loans	2.86% - 5.56%	4,168,420	1,180,422	(1,096,007)	4,252,835	509,540
Total Business-Type Activities		$ 4,885,391	$ 1,180,422	$ (1,179,133)	$ 4,886,680	$ 516,024

The Ohio Water Development Authority Loans were used for improvements to the Village's water treatment and sewer treatment systems. The loans will be paid from user charges.

The Village was the recipient of $603,552 in OWDA loan principal forgiveness during 2019 for OWDA loan 8546. The amount of principal forgiveness is reflected as a decrease in the schedule of changes in the Village's long-term debt above, but not as a disbursement in the financial statements. The Village is required to follow the guidelines of the loan agreements. The failure to do so could result in the Village being liable for the principal forgiven. The principal outstanding above assumes the Village will fully comply with the loan guidelines and assumes full principal forgiveness.

During 2015, the Village completed Phase II of the State Route 163 Waterline Replacement Project financed through the Ohio Public Works Commission totaling $129,676 with 0% interest to be paid from user charges.

During 2016, the Village purchased a street sweeper for use by the street department and sewer department financed through a loan from Croghan Colonial Bank. The loan totaled $197,035 and had an interest rate of 3.15%. The loan matures in 2023.

The Omega JV5 debt relates to the purchase of Ohio Municipal Electronic Generation Agency Joint Venture (OMEGA JV5). OMEGA JV5 are distributive generation projects. OMEGA JV5 debt is composed of two series of bonds, the 2001 and the 2016 bonds. The 2001 bonds are accretion bonds with a series of balloon payments coming due around 2025. In order to not cause mass fluctuation in member rates, AMP Ohio is currently collecting ahead to be able to make those payments. As such the debt paid down will not always equal the amount of principal collected each year. An amortization schedule for the repayment of the debt is currently not available and, therefore, is not included in the schedule below.

OWDA loan 8341 for Church Street sewer separation and loan 8546 for west water service extension have not been completed and no amortization schedules are available at this time. Accordingly, the schedule below does not reflect future debt service payments for these loans. As of December 31, 2019 the Village had borrowed $373,462 and $806,960, respectively.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019 are as follows:

Year ending December 31:	OPWC Loan	OWDA Loans	Street Sweeper Loan
2020	$ 6,484	$ 614,186	$ 31,858
2021	6,484	531,359	31,858
2022	6,484	531,359	31,858
2023	6,484	414,131	31,859
2024	6,484	414,131	-
2025-2029	32,418	1,656,522	-
2030-2034	32,418	-	-
2035-2039	9,726	-	-
Total	$ 106,982	$ 4,161,688	$ 127,433

Note 11 - Joint Ventures and Projects

AMP Generating Station (AMPGS) Project

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 1,000 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.13 percent project 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 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 of the impaired costs at March 31, 2014 was $172,840. The Village received a credit of $47,283 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of $45,225 related to the AMPGS costs deemed to have future benefit for the project participants. In addition the Village made payments totaling $57,039 leaving an estimated net impaired cost balance of $23,293. 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.

Since March 31, 2014 the Village has made payments of $29,099 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 $2,102 and interest on its credit balance due to its payments, credited to the Village of $320, resulting in a net credit balance at December 31, 2016 of $4,024. The Village has opted to leave the credit balance with AMP to offset any additional AMPGS Project costs in the future. The Village does have a potential PHFU Liability of $44,894 resulting in a net total potential liability of $40,870, 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 items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

OMEGA JV2

The Village is a Non-Financing Participant and an Owner Participant with an ownership percentage of .55% 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, 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 JV2 Agreement.

OMEGA JV2 is a cooperative project composed of 36 AMP member communities. The joint venture owns three gas turbine peaking generation units and 35 diesel units. The project has a subscribed capacity of 134,096 megawatts. Thirty-four of the diesel units were upgraded in 2015 with Diesel Oxidation Catalysts to meet the new RICE NESHAP rules. AMP manages the project on behalf of participants and can operate the diesel units remotely from its Energy Control Center to provide participating communities with reduced capacity costs, energy and transmission charges, and distributed generation during times of high market energy prices.

The debt was extinguished in January of 2018. The Village's net investment in OMEGA JV2 was $17,609 at December 31, 2019. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2019 are:

Municipality	Percent Ownership	Kw Entitlement	Municipality	Percent Ownership	Kw Entitlement
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.48%	15,400	Monroeville	0.57%	764
Cuyahoga Falls	7.46%	10,000	Milan	0.55%	737
Wadsworth	5.81%	7,784	Oak Harbor	0.55%	737
Painesville	5.22%	7,000	Elmore	0.27%	364
Dover	5.22%	7,000	Jackson Center	0.22%	300
Galion	4.29%	5,753	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161
Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	0.80%	1,066	Custar	0.00%	4
	95.20%	127,640		4.80%	6,441
			Grand Total	100.00%	134,081

Under the Village's cash basis of accounting, the equity interest in OMEGA JV2 is not reported as an asset in the accompanying cash basis financial statements.

OMEGA JV5

The Village is a Financing Participant with an ownership percentage of .94%, and shares participation with forty-one other subdivisions within the State of Ohio in the OMEGA JV5. Financing Participants own undivided interests, as tenants in common, without right of participation in the OMEGA JV5 Project.

Pursuant to the OMEGA 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 this Agreement, each participant has an obligation to pay its share of debt service on 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 2019, Village has met its debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to makes 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 of 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.

In 1993, OMEGA JV5 assigned to a trustee the obligations of its participants to make payments for their respective ownership shares in the "Belleville Project," a 42 MW run-of-the-river hydroelectric generating facility on an Army Corps dam near Belleville, Ohio, an associated transmission line in Ohio and backup diesel generation owned by OMEGA JV5. AMP is responsible for operation of the Belleville Project. The hydroelectric generation associated with the Belleville Project has been operational since June 1999. The diesel generation units have been in service since 1995. OMEGA JV5 Participants have approved the retirement and sale of diesel units. The Federal Energy Regulatory Commission license for the Belleville Project runs through August 31, 2039. As of June 1, 2018, $34,840,755 of the 2001 Belleville Beneficial Interest Certificates (*2001 BICs*) with a final maturity of 2030 was outstanding. The 2001 BICs are capital appreciation bonds with a final aggregate maturity amount of $56,125,000. In addition, on February 15, 2014, AMP redeemed $70,990,000 of the 2004 Belleville Beneficial Interest Certificates with the proceeds of a draw on the Line of Credit, which draw was evidenced by the proceeds of a note (the *JV5 Note*). On January 29, 2016, OMEGA JV5 caused the issuance of $49,745,000 Belleville Beneficial Interest Refunding Certificates, Series 2016 (the *2016 BICs*) to pay a portion of the outstanding balance of the JV5 Note and to pay costs of issuance. The balance of the JV5 Note has since been retired. The 2016 BICs bear interest at a variable rate, mature on February 1, 2024 and are subject to redemption and mandatory tender at the option of the holder commencing February 15, 2021. The 2001 BICs and 2016 BICs are non-recourse to AMP. AS of December 31, 2019, the outstanding debt was $58,946,680.

The Village's net investment and its share of the operating results of OMEGA JV5 are reported in the Village's Electric Operating Fund (an Enterprise Fund). The Village's net investment to date in OMEGA JV5 was $28,172 at December 31, 2019. Complete financial statements for OMEGA JV5 can be obtained from AMP at 1111 Schrock Road, Columbus, Ohio 43229, or from the State Auditor's website at www.ohioauditor.gov.

Combined Hydroelectric Projects

AMP owns and operates three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the Combined Hydroelectric Projects), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects.

To provide financing for the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the Combined Hydroelectric Bonds), in an original aggregate principal amount of $2,254,955,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2019, $2,354,485,000 aggregate principal amount of the Combined Hydroelectric Bonds and approximately $31.1 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the Combined Hydroelectric Projects of 500 kW or 0.24% of capacity and associated energy from the Combined Hydroelectric Projects.

AMP 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, 2017, AMP issued bonds to refund all of the callable tax-exempt AFEC Bonds issued in 2012. As of December 31, 2019, $489,280,000 aggregate principal amount of AFEC Bonds was outstanding.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the AFEC of 440 kW or 0.09% of capacity and associated energy from the AFEC.

Prairie State Energy Campus

On December 20, 2007, AMP acquired a 23.26% undivided ownership interest (the PSEC Ownership Interest) in the Prairie State Energy Campus (PSEC), a two-unit, supercritical coal-fired power plant designed to have a net rated capacity of approximately 1,582 MW and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company (AMP 368 LLC). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012.

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the Initial Prairie State Bonds) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of $1,696,800,000. On January 14, 2015 and November 30, 2017, AMP issued bonds to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of December 31, 2019, AMP had $1,696,800,000 aggregate principal amount of Prairie State Bonds.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract with 68 Members (the Prairie State Participants). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the PSEC of 995 kW or 0.27% of capacity and associated energy from the PSEC.

Solar Electricity Prepayment Project

In 2016, AMP entered into the NextEra PPA pursuant to the terms of which AMP agreed to purchase and a subsidiary of NextEra agreed to sell all of the power and energy generated by solar generation facilities (each, a System), each of which is located behind the meter of an AMP Member's Electric System. Under the terms of the NextEra PPA, AMP is required to prepay for twenty-five years of energy to be generated by each System at a "P90" confidence interval, meaning that, in any given year, the probability of exceeding such level of production is ninety percent (90%), and assuming a 0.5% degradation factor. Sixteen Systems with a rated capacity of approximately 58.325 MW have entered commercial operation. Amp has issued two series of Bonds consisting of the Series 2019A and 2020A in the amount of $80,675,000 to provide financing for the project.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the System of 667 kW or 1.14% of capacity and associated energy from the System.

Note 12 - Contingent Liabilities

Management believes there are no pending claims or lawsuits.

Note 13 - Miscellaneous Receipts

Other Governmental Funds miscellaneous receipts consist primarily of the amount received with regards to a trash bid.

Note 14 - Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

The Village has approved the following bonds:

- $3,830,000 on February 23, 2020 for improving and replacing Church Street water and sewer services.
- $1,500,000 on February 23, 2020 for improving and replacing Church Street water and sewer services.
- $900,000 on November 16, 2020 for improving municipal electrical utilities.
- $1,500,000 on November 16, 2020 for improving municipal electrical utilities.

Note 15 - Jointly Governed Organization

The Village is a member of Portage Fire District (the District). The District is comprised of the Village of Oak Harbor (the Village) and Salem Township (the Township). A three-member Board of Trustees governs the District. The Village and the Township each appoint one member. The third member is a citizen of the District and is approved jointly by the Village and Township. The District provides fire protection services within the District and by contract to areas outside the District. Financial information can be obtained by contacting the District Fiscal Officer at 242 West Water Street, Oak Harbor, Ohio 43449.

Village of Oak Harbor

Ottawa County

Statement of Net Position - Cash Basis

December 31, 2018

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$1,657,537	$4,002,335	$5,659,872
Net Position			
Restricted for:			
Other Purposes	$603,267		$603,267
Unrestricted	1,054,270	$4,002,335	5,056,605
Total Net Position	$1,657,537	$4,002,335	$5,659,872

See accompanying notes to the basic financial statements

Village of Oak Harbor
Ottawa County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2018

	Cash Disbursements	Program Cash Receipts: Charges for Services and Sales	Program Cash Receipts: Operating Grants and Contributions	Program Cash Receipts: Capital Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position: Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Current:							
Security of Persons and Property	$835,869	$101,954			($733,915)		($733,915)
Public Health Services	7,918				(7,918)		(7,918)
Leisure Time Activities	54,448	610			(53,838)		(53,838)
Community Environment	6,235	2,220			(4,015)		(4,015)
Transportation	294,273	5,307	$214,229		(74,737)		(74,737)
General Government	267,658	10,217	90		(257,351)		(257,351)
Capital Outlay	224,998			$13,999	(210,999)		(210,999)
Debt Service:							
Principal Retirement	8,281				(8,281)		(8,281)
Interest and Fiscal Charges	1,719				(1,719)		(1,719)
Total Governmental Activities	1,701,399	120,308	214,319	13,999	(1,352,773)		(1,352,773)
Business-Type Activities							
Water	1,073,569	1,203,095				$129,526	129,526
Sanitary Sewer	1,120,774	1,020,571				(100,203)	(100,203)
Electric	2,757,484	2,943,507				186,023	186,023
Storm Drainage	384,484	337,126				(47,358)	(47,358)
Utilities Deposit	5,800	14,325				8,525	8,525
Total Business-Type Activities	5,342,111	5,518,624				176,513	176,513
Total Primary Government	$7,043,510	$5,638,932	$214,319	$13,999	(1,352,773)	176,513	(1,176,260)
		General Receipts:					
		Property Taxes Levied for:					
		General Purposes			225,952		225,952
		Security of Persons and Property			120,363		120,363
		Street			98,570		98,570
		Other Local Taxes			28,658		28,658
		Income Taxes			811,787		811,787
		Grants and Entitlements not Restricted to Specific Programs			26,785		26,785
		Sale of Capital Assets			1,510	5,849	7,359
		Cable Franchise Fees			21,958		21,958
		Earnings on Investments			84,682		84,682
		Miscellaneous			14,075	72,000	86,075
		Total General Receipts			1,434,340	77,849	1,512,189
		Change in Net Position			81,567	254,362	335,929
		Net Position Beginning of Year			1,575,970	3,747,973	5,323,943
		Net Position End of Year			$1,657,537	$4,002,335	$5,659,872

See accompanying notes to the basic financial statements

Village of Oak Harbor

Ottawa County

Statement of Assets and Fund Balances - Cash Basis

Governmental Funds

December 31, 2018

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$870,234	$787,303	$1,657,537
Fund Balances			
Nonspendable	$2,006		$2,006
Restricted		$601,261	601,261
Committed		186,042	186,042
Assigned	25,535		25,535
Unassigned	842,693		842,693
Total Fund Balances	$870,234	$787,303	$1,657,537

See accompanying notes to the basic financial statements

Village of Oak Harbor
Ottawa County
Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2018

	General	Other Governmental Funds	Total Governmental Funds
Receipts			
Municipal Income Taxes	$811,787		$811,787
Property and Other Local Taxes	225,952	$247,591	473,543
Intergovernmental	55,443	149,248	204,691
Special Assessments		5,307	5,307
Charges for Services	108,698		108,698
Fines, Licenses and Permits	5,703	600	6,303
Cable Franchise Fees	21,958		21,958
Gifts and Contributions	90		90
Earnings on Investments	84,682	1,141	85,823
Miscellaneous	14,076	49,180	63,256
Total Receipts	1,328,389	453,067	1,781,456
Disbursements			
Current:			
Security of Persons and Property	714,479	121,390	835,869
Public Health Services	7,918		7,918
Leisure Time Activities	54,448		54,448
Community Environment	6,235		6,235
Transportation	160,107	134,166	294,273
General Government	267,428	230	267,658
Capital Outlay	5,956	219,042	224,998
Debt Service:			
Principal Retirement		8,281	8,281
Interest and Fiscal Charges		1,719	1,719
Total Disbursements	1,216,571	484,828	1,701,399
Excess of Receipts Over (Under) Disbursements	111,818	(31,761)	80,057
Other Financing Sources (Uses)			
Sale of Capital Assets	1,510		1,510
Transfers In		90,000	90,000
Transfers Out	(90,000)		(90,000)
Total Other Financing Sources (Uses)	(88,490)	90,000	1,510
Net Change in Fund Balances	23,328	58,239	81,567
Fund Balances Beginning of Year	846,906	729,064	1,575,970
Fund Balances End of Year	$870,234	$787,303	$1,657,537

See accompanying notes to the basic financial statements

Village of Oak Harbor
Ottawa County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Municipal Income Taxes	$808,736	$861,017	$811,787	($49,230)
Property and Other Local Taxes	133,560	133,560	225,952	92,392
Intergovernmental	55,235	58,805	55,443	(3,362)
Charges for Services	108,289	115,290	108,698	(6,592)
Fines, Licenses and Permits	5,682	6,049	5,703	(346)
Cable Franchise Fees	21,875	23,290	21,958	(1,332)
Gifts and Contributions	90	95	90	(5)
Earnings on Investments	84,364	89,817	84,682	(5,135)
Miscellaneous	14,023	14,930	14,076	(854)
Total Receipts	1,231,854	1,302,853	1,328,389	25,536
Disbursements				
Current:				
Security of Persons and Property	699,258	737,309	715,029	22,280
Public Health Services	7,743	8,165	7,918	247
Leisure Time Activities	56,120	59,174	57,386	1,788
Community Environment	6,097	6,429	6,235	194
Transportation	158,729	167,367	162,309	5,058
General Government	266,821	281,341	272,839	8,502
Capital Outlay	5,825	6,142	5,956	186
Total Disbursements	1,200,593	1,265,927	1,227,672	38,255
Excess of Receipts Over Disbursements	31,261	36,926	100,717	63,791
Other Financing Sources (Uses)				
Sale of Capital Assets			1,510	1,510
Transfers Out	(90,000)	(90,000)	(90,000)	
Total Other Financing Sources (Uses)	(90,000)	(90,000)	(88,490)	1,510
Net Change in Fund Balance	(58,739)	(53,074)	12,227	65,301
Unencumbered Fund Balance Beginning of Year	841,238	841,238	841,238	
Prior Year Encumbrances Appropriated	5,668	5,668	5,668	
Unencumbered Fund Balance End of Year	$788,167	$793,832	$859,133	$65,301

See accompanying notes to the basic financial statements

Village of Oak Harbor
Ottawa County
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2018

	Business-Type Activities				
	Water Fund	Sewer Fund	Electric Fund	Other Enterprise Funds	Total Enterprise Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$1,018,181	$737,418	$1,782,321	$464,415	$4,002,335
Net Position					
Unrestricted	$1,018,181	$737,418	$1,782,321	$464,415	$4,002,335

See accompanying notes to the basic financial statements

Village of Oak Harbor
Ottawa County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities				
	Water	Sewer	Electric	Other Enterprise Funds	Total Enterprise Funds
Operating Receipts					
Charges for Services	$1,200,074	$1,002,778	$2,828,653	$351,251	$5,382,756
Other Operating Receipts	3,021	17,793	114,854	200	135,868
Total Operating Receipts	1,203,095	1,020,571	2,943,507	351,451	5,518,624
Operating Disbursements					
Personal Services	173,492	285,358	274,213		733,063
Employee Fringe Benefits	58,821	119,247	115,350		293,418
Contractual Services	792,411	135,026	2,213,123	16,499	3,157,059
Supplies and Materials	30,448	39,421	44,853		114,722
Travel and Transportation	213	21	4,073		4,307
Total Operating Disbursements	1,055,385	579,073	2,651,612	16,499	4,302,569
Operating Income	147,710	441,498	291,895	334,952	1,216,055
Non-Operating Receipts (Disbursements)					
Sale of Capital Assets	5,849				5,849
Capital Outlay	(11,317)	(156,479)	(20,668)	(119,506)	(307,970)
Principal Retirement	(6,483)	(311,049)	(79,050)	(183,037)	(579,619)
Interest and Other Fiscal Charges		(74,173)	(6,154)	(65,442)	(145,769)
Other Financing Sources		72,000			72,000
Other Financing Uses	(384)			(5,800)	(6,184)
Total Non-Operating Receipts (Disbursements)	(12,335)	(469,701)	(105,872)	(373,785)	(961,693)
Change in Net Position	135,375	(28,203)	186,023	(38,833)	254,362
Net Position Beginning of Year	882,806	765,621	1,596,298	503,248	3,747,973
Net Position End of Year	$1,018,181	$737,418	$1,782,321	$464,415	$4,002,335

See accompanying notes to the basic financial statements

Note 1 - Reporting Entity

The Village of Oak Harbor, Ottawa County, Ohio (the Village), 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. The Village is directed by a six-member council elected at large for four year terms. The Mayor is elected to a four-year term.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Village are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The primary government of the Village of Oak Harbor provides the following services to its citizens: general government, police protection, parks and recreation, street maintenance and repairs, and water, sewer and electric utilities.

Public Entity Risk Pool, Joint Ventures, and Jointly Governed Organization

The Village participates in a public entity risk pool, several joint ventures, and a jointly governed organization. Notes 7, 11, and 16 to the basic financial statements provides additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the general receipts of the Village.

Fund Financial Statements During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

Fund Accounting

The Village uses fund accounting 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 in two categories: governmental and proprietary.

Governmental Funds Governmental funds are those through which most governmental functions of the Village are financed. The following is the Village's major governmental fund:

> ***General*** 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.

The other governmental funds of the Village account for and report grants and other resources, whose use is restricted or committed to a particular purpose.

Proprietary Funds The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified either as enterprise funds or internal service funds. The Village did not have any internal service funds.

> ***Enterprise Funds*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major enterprise funds:
>
> > ***Water Fund*** The Water Fund accounts for the provision of water to the residents and commercial users located within the Village.

Sewer Fund The Sewer Fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Electric Fund The Electric Fund is used to record user charges for the costs of providing electric service to Village residents and businesses.

Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriation were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2018, the Village invested in negotiable certificates of deposit, federal agency securities, U.S. treasury notes, and STAR Ohio. Investments are reported at cost, except for STAR Ohio.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Village measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2018 were $84,682, which includes $71,586 assigned from other Village funds.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the Village are reported as restricted.

Inventory and Prepaid Items

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

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

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for road improvements and police operations.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

> ***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.
>
> ***Restricted*** Fund balance is reported as 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.
>
> Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Village Council or a Village official delegated that authority by resolution or by State Statute. State Statute authorizes the Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not contained 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.

Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental fund and all other governmental funds are presented below:

Fund Balances	General	Other Governmental Funds	Total Governmental Funds
Nonspendable			
Unclaimed monies	$ 2,006	$ -	$ 2,006
Total nonspendable	2,006	-	2,006
Restricted for			
Road Improvements	-	486,761	486,761
Police Operations	-	103,147	103,147
Other	-	11,353	11,353
Total restricted	-	601,261	601,261
Committed to			
Capital Improvements	-	178,783	178,783
Park Improvements	-	7,259	7,259
Total committed	-	186,042	186,042
Assigned			
Subsequent Year Appropriations	25,535	-	25,535
Total assigned	25,535	-	25,535
Unassigned	842,693	-	842,693
Total fund balances	$ 870,234	$ 787,303	$ 1,657,537

Note 4 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes In Fund Balance - Budget and Actual - Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned fund balance (cash basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General
Cash Basis	$ 870,234
Encumbrances	11,101
Budget Basis	$ 859,133

Note 5 - Deposits and Investments

Monies held by the Village are classified by State statute into three categories:

Active deposits are public deposits determined to be necessary to meet current demands upon the Village treasury. Such monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies held by the Village may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Village had $975 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

At December 31, 2018, the carrying amount of all Village deposits was $2,899,565. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2018, $2,542,667 of the Village's bank balance of $2,934,966 was covered by the FDIC, while $392,299 was exposed to custodial risk as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Village has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Village to a successful claim by the FDIC.

Investments

The fair value of these investments is not materially different than measurement value. As of December 31, the Village had the following investments:

		Investment Maturities (in Years)		
Investment Type	Measurement Value	Less than 1	1-3	3-5
Negotiable CDs	$ 124,688	$ -	$ -	$ 124,688
STAR Ohio	1,007,593	1,007,593		
FNMA	247,510	247,510		
FHLB	125,000			125,000
U.S. Treasury Notes	1,254,541	1,254,541		
Total Investments	$ 2,759,332	$ 2,509,644		$249,688

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by limiting investment portfolio maturities to five years or less.

Credit Risk The Village's investments were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard rating service. The Village has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the Village's name. The Village has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk The Village places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Village at December 31, 2018:

Investment type	Amount	Percent of Total
Negotiable CDs	$ 124,688	4.52%
STAR Ohio	1,007,593	36.52%
FNMA	247,510	8.97%
FHLBC	125,000	4.53%
U.S. Treasury Notes	1,254,541	45.47%
Total	$ 2,759,332	100.00%

Note 6 - Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2018, was $11.17 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2018 property tax receipts were based are as follows:

	2018 Collection Year
Real Property	$ 43,510,810
Public Utility Personal Property	448,350
Total Assessed Value	$ 43,959,160

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

Income Taxes

The Village levies a 1% income tax on substantially all income earned in the Village as well as certain income of residents earned outside the Village. Employers within the Village withhold income tax on employee compensation. Corporations and other individual taxpayers remit estimated taxes quarterly and file a declaration annually. In 2018, the receipts were allocated to the General Fund.

Note 7 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first $250,000 casualty treaty and 30% of the first $1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first $250,000 casualty treaty and 30% of the first $1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first $250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	$15,065,412
Liabilities	(10,734,623)
Members' Equity	$ 4,330,789

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

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description - Village employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/investments/cafr.shtml, by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14%
Employee	10%
2018 Actual Contribution Rates	
Employer:	
Pension	14%
Post-employment Health Care Benefits	0%
Total Employer	14%
Employee	10%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was $170,325 for year 2018.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description - Village full-time police participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police
2018 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2018 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50 %
Total Employer	19.50 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OPF was $55,913 for 2018.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was $0 for 2018.

Ohio Police and Fire Pension Fund

Plan Description - The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The Village's contractually required contribution to OP&F was $1,471 for 2018.

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Note 10 - Debt

Long-Term Obligations

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Ohio Water Development Authority (OWDA) Loans:			
1999 Sludge Handling - 2166	5.56%	$ 1,003,563	January 1, 2021
2007 Combined Sewer Overflow (CSO) - 4806	2.86%	5,916,611	January 1, 2029
2009 Supplemental CSO - 5212	2.93%	348,916	January 1, 2029
2011 CSO Basin Improvements - 5953	3.36 - 3.77%	976,324	January 1, 2023
Ohio Public Works Commission (OPWC) Loan:			
CE03R State Route 163 Waterline Replacement Phase II	0.00%	129,675	January 1, 2036
Croghan Colonial Bank Loan:			
Street Sweeper - 26091559	3.15%	197,035	May 25, 2023
AMP Ohio Loan:			
OMEGA JV5	Varies	1,572,761	February 15, 2030

The changes in the Village's long-term debt during 2018 were as follows:

	Interest Rates	Balance at 1/1/2018	Increase	Decrease	Balance at 12/31/2018	Due in < 1 year
Governmental Activities:						
Street Sweeper	3.15%	$ 171,470	$ -	$ (26,382)	$ 145,088	$ 27,224
Business-Type Activities:						
OMEGA JV5	Varies	$ 685,797	$ -	$ (79,050)	$ 606,747	$ -
OPWC Loan	0%	116,708	-	(6,484)	110,224	6,484
OWDA Loans	2.86% to 5.56%	4,644,404	-	(475,984)	4,168,420	492,455
Total Business-Type Activities		$ 5,446,909	$ -	$ (561,518)	$ 4,885,391	$ 498,939

The Ohio Water Development Authority Loans were used for improvements to the Village's water treatment and sewer treatment systems. The loans will be paid from user charges.

During 2015, the Village completed Phase II of the State Route 163 Waterline Replacement Project financed through the Ohio Public Works Commission totaling $129,676 with 0% interest to be paid from user charges.

During 2016, the Village purchased a street sweeper for use by the street department and sewer department financed through a loan from Croghan Colonial Bank. The loan totaled $197,035 and had an interest rate of 3.15%. The loan matures in 2023.

The Omega JV5 debt relates to the purchase of Ohio Municipal Electronic Generation Agency Joint Venture (OMEGA JV5). OMEGA JV5 are distributive generation projects. OMEGA JV5 debt is composed of two series of bonds, the 2001 and the 2016 bonds. The 2001 bonds are accretion bonds with a series of balloon payments coming due around 2025. In order to not cause mass fluctuation in member rates, AMP Ohio is currently collecting ahead to be able to make those payments. As such the debt paid down will not always equal the amount of principal collected each year. An amortization schedule for the repayment of the debt is currently not available and, therefore, is not included in the schedule below.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2018 are as follows:

Year ending December 31:	OPWC Loan	OWDA Loans	Street Sweeper Loan
2019	$ 6,484	$ 612,982	$ 31,858
2020	6,484	614,186	31,858
2021	6,484	531,359	31,858
2022	6,484	531,359	31,858
2023	6,484	414,131	31,859
2024-2028	32,419	2,070,623	-
2029-2033	32,419	-	-
2034-2038	12,966	-	-
Total	$ 110,224	$ 4,774,640	$ 159,291

Note 11 - Joint Ventures and Projects

AMP Generating Station (AMPGS) Project

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 1,000 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.13 percent project 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 of the impaired costs at March 31, 2014 was $172,840. The Village received a credit of $47,283 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of $45,225 related to the AMPGS costs deemed to have future benefit for the project participants. In addition the Village made payments totaling $57,039 leaving an estimated net impaired cost balance of $23,293. 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.

Since March 31, 2014 the Village has made payments of $29,099 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 $2,078 and interest on its credit balance due to its payments, credited to the Village of $199, resulting in a net credit balance at December 31, 2018 of $3,927. The Village has opted to leave the credit balance with AMP to offset any additional AMPGS Project costs in the future. The Village does have a potential PHFU Liability of $43,593 resulting in a net total potential liability of $39,666, 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 items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

OMEGA JV2

The Village is a Non-Financing Participant and an Owner Participant with an ownership percentage of .55% 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, 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 JV2 Agreement.

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.

The debt was extinguished in January of 2018. The Village's net investment in OMEGA JV2 was $36,493 at December 31, 2018. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2018 are:

Municipality	Percent Ownership	Kw Entitlement	Municipality	Percent Ownership	Kw Entitlement
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.48%	15,400	Monroeville	0.57%	764
Cuyahoga Falls	7.46%	10,000	Milan	0.55%	737
Wadsworth	5.81%	7,784	Oak Harbor	0.55%	737
Painesville	5.22%	7,000	Elmore	0.27%	364
Dover	5.22%	7,000	Jackson Center	0.22%	300
Galion	4.29%	5,753	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161
Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	0.80%	1,066	Custar	0.00%	4
	95.20%	127,640		4.80%	6,441
			Grand Total	100.00%	134,081

Under the Village's cash basis of accounting, the equity interest in OMEGA JV2 is not reported as an asset in the accompanying cash basis financial statements.

OMEGA JV5

The Village is a Financing Participant with an ownership percentage of .94%, and shares participation with forty-one other subdivisions within the State of Ohio in the OMEGA JV5. Financing Participants own undivided interests, as tenants in common, without right of participation in the OMEGA JV5 Project.

Pursuant to the OMEGA 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 this Agreement, each participant has an obligation to pay its share of debt service on 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 2018, Village has met its debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to makes 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 of 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.

In 1993, OMEGA JV5 assigned to a trustee the obligations of its participants to make payments for their respective ownership shares in the "Belleville Project," a 42 MW run-of-the-river hydroelectric generating facility on an Army Corps dam near Belleville, Ohio, an associated transmission line in Ohio and backup diesel generation owned by OMEGA JV5. AMP is responsible for operation of the Belleville Project. The hydroelectric generation associated with the Belleville Project has been operational since June 1999. The diesel generation units have been in service since 1995. OMEGA JV5 Participants have approved the retirement and sale of diesel units. The Federal Energy Regulatory Commission license for the Belleville Project runs through August 31, 2039. As of June 1, 2018, $34,840,755 of the 2001 Belleville Beneficial Interest Certificates (*2001 BICs*) with a final maturity of 2030 was outstanding. The 2001 BICs are capital appreciation bonds with a final aggregate maturity amount of $56,125,000. In addition, on February 15, 2014, AMP redeemed $70,990,000 of the 2004 Belleville Beneficial Interest Certificates with the proceeds of a draw on the Line of Credit, which draw was evidenced by the proceeds of a note (the *JV5 Note*). On January 29, 2016, OMEGA JV5 caused the issuance of $49,745,000 Belleville Beneficial Interest Refunding Certificates, Series 2016 (the *2016 BICs*) to pay a portion of the outstanding balance of the JV5 Note and to pay costs of issuance. The balance of the JV5 Note has since been retired. The 2016 BICs bear interest at a variable rate, mature on February 1, 2024 and are subject to redemption and mandatory tender at the option of the holder commencing February 15, 2021. The 2001 BICs and 2016 BICs are non-recourse to AMP. AS of December 31, 2018, the outstanding debt was $64,281,390.

The Village's net investment and its share of the operating results of OMEGA JV5 are reported in the Village's Electric Operating Fund (an Enterprise Fund). The Village's net investment in OMEGA JV5 was $28,172 at December 31, 2018. Complete financial statements for OMEGA JV5 can be obtained from AMP at 1111 Schrock Road, Columbus, Ohio 43229, or from the State Auditor's website at www.ohioauditor.gov.

Combined Hydroelectric Projects

AMP owns and operates three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the Combined Hydroelectric Projects), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects.

To provide financing for the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the Combined Hydroelectric Bonds), in an original aggregate principal amount of $2,254,955,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2018, $2,222,975,882 aggregate principal amount of the Combined Hydroelectric Bonds and approximately $31.6 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the Combined Hydroelectric Projects of 500 kW or 0.24% of capacity and associated energy from the Combined Hydroelectric Projects.

AMP 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, 2017, AMP issued bonds to refund all of the callable tax-exempt AFEC Bonds issued in 2012. As of December 31, 2018, $499,105,000 aggregate principal amount of AFEC Bonds was outstanding.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the AFEC of 440 kW or 0.09% of capacity and associated energy from the AFEC.

Prairie State Energy Campus

On December 20, 2007, AMP acquired a 23.26% undivided ownership interest (the PSEC Ownership Interest) in the Prairie State Energy Campus (PSEC), a two-unit, supercritical coal-fired power plant designed to have a net rated capacity of approximately 1,582 MW and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company (AMP 368 LLC). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012.

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the Initial Prairie State Bonds) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of $1,696,800,000. On January 14, 2015 and November 30, 2017, AMP issued bonds to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of December 31, 2018, AMP had $1,537,430,000 aggregate principal amount of Prairie State Bonds.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract with 68 Members (the Prairie State Participants). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract. The Village has executed a take-or-pay power sales contract with AMP as a participant of the PSEC of 995 kW or 0.27% of capacity and associated energy from the PSEC.

Solar Electricity Prepayment Project

In 2016, AMP entered into the NextEra PPA pursuant to the terms of which AMP agreed to purchase and a subsidiary of NextEra agreed to sell all of the power and energy generated by solar generation facilities (each, a System), each of which is located behind the meter of an AMP Member's Electric System. Under the terms of the NextEra PPA, AMP is required to prepay for twenty-five years of energy to be generated by each System at a "P90" confidence interval, meaning that, in any given year, the probability of exceeding such level of production is ninety percent (90%), and assuming a 0.5% degradation factor. Sixteen Systems with a rated capacity of approximately 58.325 MW have entered commercial operation. Amp has issued two series of Bonds consisting of the Series 2019A and 2020A in the amount of $80,675,000 to provide financing for the project.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the System of 667 kW or 1.14% of capacity and associated energy from the System

Note 12 - Contingent Liabilities

Management believes there are no pending claims or lawsuits.

Note 13 - Interfund Transfers

	Transfer From
Transfer To	General
Other Nonmajor Governmental Funds	$ 90,000

The General Fund transfers to the other governmental funds were made to provide additional resources for current operations and capital improvements.

Note 14 - Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 15 - Miscellaneous Receipts

Other Governmental Funds miscellaneous receipts consist primarily of the amount received with regards to a trash bid.

Note 16 - Jointly Governed Organization

The Village is a member of Portage Fire District (the District). The District is comprised of the Village of Oak Harbor (the Village) and Salem Township (the Township). A three-member Board of Trustees governs the District. The Village and the Township each appoint one member. The third member is a citizen of the District and is approved jointly by the Village and Township. The District provides fire protection services within the District and by contract to areas outside the District. Financial information can be obtained by contacting the District Fiscal Officer at 242 West Water Street, Oak Harbor, Ohio 43449.

One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

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

Village of Oak Harbor
Ottawa County
P.O. Box 232
Oak Harbor, Ohio 43449-0232

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Oak Harbor, Ottawa County, Ohio, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated January 26, 2021, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principals. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Village's Response to Finding

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Village's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

January 26, 2021

SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors requiring adjustment to the basic financial statements and/or notes to the basic financial statements for the year ended December 31, 2019 were identified:

- Governmental Activities loans issued and capital outlay disbursements related to on-behalf of Ohio Water Department Authority (OWDA) activity were understated in the amounts of $719,173 and $691,788, respectively;
- Governmental Activities unrestricted net position in the amount of $148,354 was reclassified to restricted for other purposes in accordance with the provisions of Government Accounting Standards Board Statement No. 54 (GASB Cod 1800.165 - .179);
- General Fund final budgeted property and other local taxes receipts were understated in the amount of $107,250 in the Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis;
- West Water Extension Fund loans issued and capital outlay disbursements related to on-behalf of Ohio Water Department Authority (OWDA) activity were understated in the amounts of $712,786 and $685,401, respectively. Recording these adjustments resulted in the West Water Extension Fund qualifying as a major governmental fund after being previously reported as part of Other Governmental Funds;
- West Water Extension Fund committed fund balance in the amount of $8,374 was reclassified to restricted in accordance with the provisions of Government Accounting Standards Board Statement No. 54 (GASB Cod 1800.165 - .179);
- Other Governmental Funds committed fund balance in the amount of $139,980 was reclassified to restricted in accordance with the provisions of Government Accounting Standards Board Statement No. 54 (GASB Cod 1800.165 - .179); and
- AMP Ohio OMEGA JV5 activity was incorrectly omitted from the Debt note in the notes to the basic financial statements.

Also identified were the following errors requiring adjustment to the basic financial statements and/or notes to the basic financial statements for the year ended December 31, 2018:

- General Fund original and final budgeted general government disbursements were overstated in the amounts of $115,237 and $100,717, respectively, in the Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis; and
- AMP Ohio OMEGA JV5 activity was incorrectly omitted from the Debt note in the notes to the basic financial statements.

FINDING NUMBER 2019-001
(Continued)

These errors were not identified and corrected prior to the Village preparing its basic financial statements and notes to the basic financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. The failure to adequately monitor financial statements could allow for misstatements to occur and go undetected. The accompanying basic financial statements and notes to the basic financial statements have been adjusted to reflect these changes. In addition to the adjustments noted above, we also identified additional misstatements ranging from $12 to $218,933 that we have brought to the Village's attention.

To help ensure the Village's basic financial statements and notes to the basic financial statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the basic financial statements and notes to the basic financial statements by the Fiscal Officer and Village Council to help identify and correct errors and omissions. The Fiscal Officer can refer to Auditor of State Bulletin 2011-004 at the following website address for information on Governmental Accounting Standards Board Statement No. 54:
http://www.ohioauditor.gov/publications/bulletins/2011/2011-004.pdf.

The Fiscal Officer can also refer to Auditor of State Bulletin 2002-004 at the following website address for information on how to properly account for on-behalf of transactions:
http://www.ohioauditor.gov/publications/bulletins/2002/2002-004.pdf.

Officials' Response:

The Fiscal Officer will review the mispostings and take them into consideration for future audits.

Village of Oak Harbor
146 N. Church Street
P.O. Box 232
Oak Harbor, Ohio 43449
419/898-5561
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019 AND 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Material weakness for errors in financial reporting.	Not corrected and reissued as finding 2019-001 in this report.	This matter was not corrected due to deficiencies in the Village's internal controls over financial reporting. The Fiscal Officer will perform a final review of the financial statements and notes to the financial statements to help identify and correct errors and omissions accordingly.
2017-002	Material weakness for inadequate policies and procedures over payroll transactions.	Fully corrected.	

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OHIO AUDITOR OF STATE
KEITH FABER

VILLAGE OF OAK HARBOR

OTTAWA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 2/9/2021

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