



**VILLAGE OF ELMORE  
OTTAWA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2023-2022**



VILLAGE OF ELMORE  
OTTAWA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2023 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2023 .....	6
Notes to the Financial Statements For the Year Ended December 31, 2023 .....	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2022 .....	26
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2022 .....	27
Notes to the Financial Statements For the Year Ended December 31, 2022 .....	28
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	47
Schedule of Findings.....	49
Prepared by Management:	
Summary Schedule of Prior Audit Findings .....	52

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

## INDEPENDENT AUDITOR'S REPORT

Village of Elmore  
Ottawa County  
344 Rice Street  
P.O. Box 3  
Elmore, Ohio 43416-0003

To the Village Council:

### **Report on the Audit of the Financial Statements**

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of the Village of Elmore, Ottawa County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2023 and 2022, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 3, 2024

**This page intentionally left blank.**



**Village of Elmore**  
*Ottawa County*  
*Combined Statement of Receipts, Disbursements, and*  
*Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2023*

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Combined Total</b>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$200,747	\$171,407		\$372,154
Municipal Income Tax	503,169		\$503,169	1,006,338
Intergovernmental	47,084	124,065		171,149
Charges for Services	27,529			27,529
Fines, Licenses and Permits	13,713			13,713
Earnings on Investments	144,502	1,517		146,019
Miscellaneous	12,236	8,075		20,311
<i>Total Cash Receipts</i>	<u>948,980</u>	<u>305,064</u>	<u>503,169</u>	<u>1,757,213</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	588,218	11,925		600,143
Public Health Services	4,459			4,459
Leisure Time Activities	22,756			22,756
Community Environment	52,329			52,329
Basic Utility Services		71,625	304,754	376,379
Transportation		300,070		300,070
General Government	302,697	21,379	15,081	339,157
Debt Service:				
Principal Retirement			218,181	218,181
<i>Total Cash Disbursements</i>	<u>970,459</u>	<u>404,999</u>	<u>538,016</u>	<u>1,913,474</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(21,479)</u>	<u>(99,935)</u>	<u>(34,847)</u>	<u>(156,261)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In			425,372	425,372
Transfers Out			(425,372)	(425,372)
<i>Total Other Financing Receipts (Disbursements)</i>				
<i>Net Change in Fund Cash Balances</i>	(21,479)	(99,935)	(34,847)	(156,261)
<i>Fund Cash Balances, January 1</i>	<u>612,450</u>	<u>577,161</u>	<u>1,744,310</u>	<u>2,933,921</u>
<i>Fund Cash Balances, December 31</i>	<u>\$590,971</u>	<u>\$477,226</u>	<u>\$1,709,463</u>	<u>\$2,777,660</u>

*See accompanying notes to the financial statements*

**Village of Elmore**  
Ottawa County  
*Combined Statement of Receipts, Disbursements, and  
Changes in Fund Balances (Regulatory Cash Basis)*  
Proprietary Fund Type  
For the Year Ended December 31, 2023

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts</b>	
Charges for Services	\$2,094,878
Miscellaneous	19,661
	<u>2,114,539</u>
<i>Total Operating Cash Receipts</i>	<i>2,114,539</i>
<b>Operating Cash Disbursements</b>	
Personal Services	320,409
Employee Fringe Benefits	105,426
Contractual Services	1,461,078
Supplies and Materials	124,679
Other	1,988
	<u>2,013,580</u>
<i>Total Operating Cash Disbursements</i>	<i>2,013,580</i>
<i>Operating Income</i>	<i>100,959</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Loans Issued	23,920
Miscellaneous Receipts	8,221
Capital Outlay	(205,279)
Principal Retirement	(9,332)
Interest and Other Fiscal Charges	(52,095)
	<u>(234,565)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(234,565)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(133,606)</i>
<i>Fund Cash Balances, January 1</i>	<i>1,943,733</i>
<i>Fund Cash Balances, December 31</i>	<i><u><u>\$1,810,127</u></u></i>

*See accompanying notes to the financial statements*

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 1 - Reporting Entity**

The Village of Elmore, 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. A publicly-elected six-member Council directs the Village. The Village provides water, sewer, and electric utilities, park operations (leisure time activities), police services, general government services, zoning operations (community environment), street and highway maintenance (transportation), and refuse collection (basic utility services). The Village contracts with Harris Township to receive fire protection and emergency medical services.

***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 6, 11 and 12 to the financial statements provide additional information for these entities.

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

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for the proprietary fund type which are all organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

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

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

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

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

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

---

***Other Capital Projects Fund*** The Other Capital Projects Fund receives a portion of the Village income tax as well as proceeds from the sale of capital assets and is used to account for expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

***Sewer Treatment Plant Fund*** The Sewer Treatment Plant Fund receives a portion of the Village income tax and is used to pay for costs associated with upgrading the current Wastewater Treatment Plant, including debt service payments.

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

***Electric Operating Fund*** The Electric Operating Fund accounts for the provision of electric services to the residents and commercial users located within the Village.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires each fund be budgeted annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

***Encumbrances*** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 3.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

---

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village's investment in STAR Ohio is measured 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.

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

***Committed*** Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ended December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$696,710	\$948,980	\$252,270
Special Revenue	287,370	305,064	17,694
Capital Projects	925,372	928,541	3,169
Enterprise	2,357,013	2,146,680	(210,333)
Total	\$4,266,465	\$4,329,265	\$62,800

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,150,765	\$974,809	\$175,956
Special Revenue	566,827	405,977	160,850
Capital Projects	994,048	963,388	30,660
Enterprise	3,125,965	2,282,988	842,977
Total	\$5,837,605	\$4,627,162	\$1,210,443

**Note 4 - Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

	2023
<b><i>Cash Management Pool (the Pool):</i></b>	
Demand deposits	\$1,270,488
Certificate of Deposit	1,550,699
Cash on Hand	660
Total deposits	2,821,847
STAR Ohio	1,765,940
<b><i>Total carrying amount of deposits and investments held in the Pool</i></b>	<b>\$4,587,787</b>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through 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.

***Investments***

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

**Note 5 - Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

***Income Taxes***

The Village levies a municipal income tax of 1.75 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. The Village contracts with Regional Income Tax Authority (RITA) to administer the Village's municipal income taxes.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

---

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

**Note 6 - Risk Management**

***Risk Pool Membership***

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), an unincorporated non-profit association providing formalized, jointly administered self-insurance risk management programs 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 Rev. 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.

Effective November 1, 2016, OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Plan's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets	\$ 23,113,696
Liabilities	(16,078,587)
Members' Equity	<u>\$ 7,035,109</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.



**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

---

***Ohio Police and Fire Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2023.

***Social Security***

One Village employee contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The employee contributed 6.2 percent of his gross salary. The Village contributed an amount equal to 6.2 percent of the participant's gross salary. The Village has paid all contributions required through December 31, 2023.

**Note 8 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

THIS SPACE INTENTIONALLY LEFT BLANK

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

**Note 9 - Debt**

Debt outstanding at December 31, 2023 was as follows:

	Principal	Interest Rate
<b>Ohio Water Development Authority</b>		
Ohio Water Development Authority Loan - 6225	\$1,954,195	0%
Ohio Water Development Authority Loan - 9071	5,128	0%
Ohio Water Development Authority Loan - 9387	137,369	0.25%
Ohio Water Development Authority Loan - 9922	25,178	0%
Ohio Water Development Authority Loan - 10486	371	0%
<b>Ohio Public Works Commission</b>		
Ohio Public Works Commission Loan - CT22M	58,865	0%
Ohio Public Works Commission Loan - CE27L	157,738	0%
Street Sweeper Loan	160,209	2.65%
Omega JV5	294,986	2-5%
Total	\$2,794,039	

Ohio Water Development Authority (OWDA) Loan - 6225 relates to wastewater treatment plant upgrade project which was mandated by the National Pollutant Discharge Elimination System (NPDES) Permit No. 2PB00051 after a required study found the need to eliminate an existing plant overflow and at the same time meeting both current and proposed effluent requirements. The OWDA approved \$4,114,093 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$102,852, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirement.

OWDA Loan - 9071 relates to an asset management plan that was approved in the amount of \$15,871. The loan will be repaid in semiannual installments at a 0% interest rate. The amortization schedule for the repayment of the loan is currently not available and, therefore, is not included in the schedule below.

OWDA Loan - 9387 relates to an elevated tank rehabilitation project that was approved in the amount of \$170,362. The loan will be repaid in semiannual installments of \$3,802, including interest, over 20 years, at a .25% interest rate.

OWDA Loan - 9922 relates to a Dischinger Road Waterline Extension project that was approved in the amount of \$94,413. The loan will be repaid in semiannual installments at a 0% interest rate. The amortization schedule for the repayment of the loan is currently not available and is not included in the schedule below.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

OWDA Loan - 10486 relates to Water System Optimal Corrosion Control Study that was approved in 2023 for \$27,871. At December 31, 2023 \$371 has been drawn on this loan. The loan will be repaid in semiannual installments at a 0% interest rate. The amortization schedule for the repayment of the loan is currently not available and is not included in the schedule below.

Ohio Public Works (OPWC) Loan - CE27L relates to the replacement of the river sanitary sewer interceptor and was approved in the amount of \$270,407. The loan will be repaid in semiannual installments of \$4,507 over 30 years, at a 0% interest rate.

OPWC Loan - CT22M relates to Rice Street sanitary sewer project and was approved in the amount of \$103,878. The loan will be repaid in semiannual installments of \$1,731 over 30 years, at a 0% interest rate.

The street sweeper loan relates to a loan obtained for the purchase of a street sweeper to be used by the street and sewer departments. The loan will be repaid through annual payments of \$29,235, including interest, through 2029.

OMEGA JV5 loan relates to the purchase of Ohio Municipal Electronic Generation Agency Joint Venture (OMEGA-JV5). OMEGA-JV5 is a distributive generation project. An amortization schedule for the repayment of the loan is currently not available and, therefore, is not included in the schedule below.

***Amortization***

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	OPWC Loans	OWDA Loans	Street Sweeper Loan
2024	\$12,476	\$209,506	\$29,235
2025	12,476	213,308	29,235
2026	12,476	213,308	29,235
2027	12,476	213,308	29,235
2028	12,476	213,308	29,235
2029-2033	62,381	963,687	29,235
2034-2038	62,381	38,015	
2039-2042	29,461	30,412	
Total	\$216,603	\$2,094,852	\$175,410

**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 intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 1,000 kilowatts of a total 771,281 kilowatts, giving the Village a 0.13 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

---

As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share at March 31, 2014 of the impaired costs is \$173,962. The Village received a credit of \$28,477 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$45,255 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$100,260. 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 \$104,128 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 \$2,171 and interest expense incurred on AMP's line-of-credit of \$866, resulting in a net credit balance for impaired cost estimate at December 31, 2023 of \$831. 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 \$55,475 resulting in a net total potential liability of \$54,643, 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. AMP still intends to develop this site for the construction of a generating asset; however, at December 31, 2023, the type of future generating asset had not been determined. In August 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the project. Following mediation, AMP and Bechtel reached a settlement which resolved all claims. The terms of such settlement are confidential.

**Note 10 - Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 11 - Joint Ventures and Projects**

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

The Village is a Non-Financing Participant and an Owner Participant with an ownership percentage of .27% 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.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

---

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.

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 JV2, 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 JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 2023, the Village has met its debt coverage obligation.

The Agreement provides that the failure of any JV2 participant to makes any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV2 may take certain actions including the termination of a defaulting JV2 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV2 Participant's entitlement of Project Power, which together with the share of the other non-defaulting JV2 Participants, is equal to the defaulting JV2 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 JV2 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV2 Participant's ownership share of the project prior to any such increases.

The debt was extinguished in January of 2018. The Village's net investment in OMEGA JV2 was \$5,318 at December 31, 2023. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

THIS SPACE INTENTIONALLY LEFT BLANK

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2023 are:

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

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

The Village is a Financing Participant with an ownership percentage of 0.58%, 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 equipment 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.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

---

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 2023, the Village has not met its debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement 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, 2023, the outstanding debt was \$47,243,614.

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 \$17,358 at December 31, 2023. 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](http://www.ohioauditor.gov).

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

---

**C. Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6)**

The Village is a Financing Participant with an ownership percentage of 1.39% and shares participation with nine other subdivisions within the State of Ohio in the OMEGA JV6. Financing Participants, after consideration of the potential risks and benefits can choose to be Owner Participants or Purchaser Participants. Owner Participants own undivided interests, as tenants in common in the Project in the amount of its Project Share. Purchaser Participants purchase the Project Power associated with its Project Share.

Pursuant to the OMEGA JV6 Agreement (Agreement), the participants agree to jointly plan, acquire, construct, operate and maintain the Project, and hereby agree, to pay jointly for the electric power, energy and other services associated with the Project.

OMEGA JV6 was created to construct four (4) wind turbines near Bowling Green, Ohio. Each turbine has nominal capacity of 1.8 MW and sells electricity from its operations to OMEGA JV6 Participants.

Also pursuant to this Agreement, each participant has an obligation to pay its share of debt service on Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess fund shall be paid to the Participants in proportion to their respective Project Shares. 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 JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 2023, Village of Elmore has met its debt coverage obligation.

The Agreement provides that the failure of any JV6 participant to makes any payment due by the due date thereof constitutes a default. In the event of a default and one in which the defaulting Participant failed to cure its default as provided for in the Agreement, the remaining participants would acquire the defaulting Participant's interest in the project and assume responsibility for the associated payments on a pro rata basis up to a maximum amount equal to 25% of such non-defaulting Participant's Project share (Step Up Power).

OMEGA JV6 is managed by AMP, which acts as the joint venture's agent. On July 30, 2004 AMP issued \$9,861,000 adjustable rate bonds that mature on August 15, 2019. The interest rate on the bonds will be set every six months until maturity. No fixed amortization schedule exists. The net proceeds of the bond issues were used to construct the OMEGA JV6 Project. On August 15, 2015 the remaining balance was paid on the OMEGA JV6 Bonds.

The Village's net investment in OMEGA JV6 was \$24,482 at December 31, 2023. Complete financial statements for OMEGA JV6 can be obtained from AMP at 1111 Schrock Road, Columbus, Ohio 43229, or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).



**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

The ten participating subdivisions and their respective ownership shares at December 31, 2023 are:

<u>Municipality</u>	<u>kW Entitlement</u>	<u>Percent Project Ownership and Entitlement</u>
Bowling Green	4,100	56.94%
Cuyahoga Falls	1,800	25.00%
Napoleon	300	4.17%
Oberlin	250	3.47%
Wadsworth	250	3.47%
Edgerton	100	1.39%
Elmore	100	1.39%
Montpelier	100	1.39%
Pioneer	100	1.39%
Monroeville	100	1.39%
Total	<u>7,200</u>	<u>100.00%</u>

**D. 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, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued ten series of its Combined Hydroelectric Projects Revenue Bonds (the Combined Hydroelectric Bonds), in an original aggregate principal amount of \$2,142,071,461 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, 2023, \$2,059,888,824 aggregate principal amount of the Combined Hydroelectric Bonds were outstanding under the indenture securing the Combined Hydroelectric Bonds.

On August 14, 2017, AMP filed a lawsuit in the U.S. District Court for the Southern District of Ohio (the Court) against Voith Hydro, Inc. (Voith), which was the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project (the Projects). In the lawsuit, AMP alleged, among other things, that Voith failed to deliver equipment on a timely basis and that certain of the equipment delivered was materially defective, causing significant delays. On October 16, 2017, Voith filed its answer, denying each of AMP's claims, and asserting two counterclaims seeking the payment of amounts it claimed were due under the contract, amounts held by AMP as purported liquidated damages and additional damages, plus interest and legal fees. On December 1, 2017, AMP filed its answer to the Voith counterclaims, denying all liability to Voith.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

---

On February 1, 2023, AMP and Voith executed a Settlement Agreement and Mutual Release resolving all claims between the parties, and the Court dismissed the case with prejudice. Pursuant to the terms of the Settlement Agreement and Mutual Release: Voith will provide to AMP, at Voith's cost, certain equipment, parts, and services; AMP will make payments to Voith totaling \$25 million; and the future purchase and sale of goods and services for the Projects will be governed by agreed-upon terms and conditions.

Resolution of the claims pursuant to the Settlement Agreement and Mutual Release will not result in an impact that is material to the financial condition of AMP, the Projects, or the Participants in either of the Projects.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the Combined Hydroelectric Projects of 300 kW or 0.14% of capacity and associated energy from the Combined Hydroelectric Projects.

**E. 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).

In 2012, to provide permanent financing for the 90.69% Interest, AMP issued, in two series, \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the 2012 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. In 2017, AMP issued bonds (the AFEC Refunding Bonds and, together with the 2012 AFEC Bonds, the AFEC Bonds) to refund a portion of the 2012 AFEC Bonds. As of December 31, 2023, \$378,790,000 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 265 kW or 0.06% of capacity and associated energy from the AFEC.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

---

**F. 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. In 2015, 2017 and 2019, AMP issued bonds (the *Prairie State Refunding Bonds* and, together with the Initial Prairie State Bonds, the *Prairie State Bonds*) to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009, certain of callable outstanding Initial Prairie State Bonds issued as Build America Bonds and certain of the bonds issued in 2015 to refund the Initial Prairie State Bonds. As of December 31, 2023, AMP had \$1,315,450 aggregate principal amount of Prairie State Bonds outstanding.

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 498 kW or 0.14% of capacity and associated energy from the PSEC.

**Note 12 - Jointly Governed Organization**

***Regional Income Tax Agency***

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2023, the Village paid RITA \$15,887 for income tax collection services.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

---

**Note 13 - Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$4,350	\$978	\$5,328

The fund balance of Special Revenue funds is either restricted or committed. The fund balance of Capital Projects funds is restricted, committed, or assigned. These restricted and committed amounts in the Special Revenue funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

**Note 14 - AMP Revenue Coverage**

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

THIS SPACE INTENTIONALLY LEFT BLANK

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

	2023
Total Fund Cash Balance	\$875,872
Total Long-Term Debt	\$294,986
 <b>Condensed Operating Information:</b>	
Operating Receipts	
Charges for Services	\$1,511,615
Other Operating Receipts	16,406
Total Operating Receipts	1,528,021
Operating Expenses	
Personal Services	127,464
Employee Fringe Benefits	54,028
Contractual Services	1,277,121
Supplies and Materials	51,475
Total Operating Expenses	1,510,088
Operating Income	17,933
Nonoperating Receipts (Disbursements)	
Principal Payments	(51,711)
Other Nonoperating Receipts	480
Other Nonoperating Disbursements	(66,094)
Change in Fund Cash Balance	(99,392)
Beginning Fund Cash Balance	975,264
Ending Fund Cash Balance	\$875,872
 <b>Condensed Cash Flows Information:</b>	
	2023
Net Cash Provided by:	
Operating Activities	\$17,933
Capital and Related Financing Activities	
Principal Payments on Capital and Related Debt	(51,711)
Other Capital and Related Financing Activities	(65,614)
Net Cash Used by Capital and Related Financing Activities	(117,325)
Net Decrease	(99,392)
Beginning Fund Cash Balance	975,264
Ending Fund Cash Balance	\$875,872

**Village of Elmore**  
*Ottawa County*  
*Combined Statement of Receipts, Disbursements, and*  
*Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2022*

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Combined Total</u>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$194,028	\$171,071		\$365,099
Municipal Income Tax	443,687		\$443,686	887,373
Intergovernmental	63,126	180,977		244,103
Charges for Services	28,110			28,110
Fines, Licenses and Permits	14,398			14,398
Earnings on Investments	31,421	501		31,922
Miscellaneous	58,505	7,031		65,536
<i>Total Cash Receipts</i>	<u>833,275</u>	<u>359,580</u>	<u>443,686</u>	<u>1,636,541</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	498,154			498,154
Public Health Services	4,000			4,000
Leisure Time Activities	20,162			20,162
Community Environment	47,374			47,374
Basic Utility Services		73,110	237,622	310,732
Transportation		361,219		361,219
General Government	281,542	15,210	13,079	309,831
Debt Service:				
Principal Retirement			218,182	218,182
<i>Total Cash Disbursements</i>	<u>851,232</u>	<u>449,539</u>	<u>468,883</u>	<u>1,769,654</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(17,957)</u>	<u>(89,959)</u>	<u>(25,197)</u>	<u>(133,113)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued		61,518		61,518
Sale of Capital Assets		372		372
Transfer In	1,796			1,796
Transfer Out		(1,796)		(1,796)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,796</u>	<u>60,094</u>		<u>61,890</u>
<i>Net Change in Fund Cash Balances</i>	(16,161)	(29,865)	(25,197)	(71,223)
<i>Fund Cash Balances, January 1</i>	<u>628,611</u>	<u>607,026</u>	<u>1,769,507</u>	<u>3,005,144</u>
<i>Fund Cash Balances, December 31</i>	<u>\$612,450</u>	<u>\$577,161</u>	<u>\$1,744,310</u>	<u>\$2,933,921</u>

*See accompanying notes to the financial statements*

**Village of Elmore**  
Ottawa County  
*Combined Statement of Receipts, Disbursements, and  
Changes in Fund Balances (Regulatory Cash Basis)  
Proprietary Fund Type  
For the Year Ended December 31, 2022*

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts</b>	
Charges for Services	\$2,363,650
Miscellaneous	10,101
	<b>2,373,751</b>
<i>Total Operating Cash Receipts</i>	<i>2,373,751</i>
<b>Operating Cash Disbursements</b>	
Personal Services	273,321
Employee Fringe Benefits	92,039
Contractual Services	1,592,816
Supplies and Materials	154,296
Other	122,765
	<b>2,235,237</b>
<i>Total Operating Cash Disbursements</i>	<i>2,235,237</i>
<i>Operating Income</i>	<i>138,514</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Loans Issued	258,507
Miscellaneous Receipts	5,310
Capital Outlay	(423,066)
Principal Retirement	(9,532)
Interest and Other Fiscal Charges	(52,290)
	<b>(221,071)</b>
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(221,071)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(82,557)</i>
<i>Fund Cash Balances, January 1</i>	<i>2,026,290</i>
<i>Fund Cash Balances, December 31</i>	<i>\$1,943,733</i>

*See accompanying notes to the financial statements*

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 1 - Reporting Entity**

The Village of Elmore, 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. A publicly-elected six-member Council directs the Village. The Village provides water, sewer, and electric utilities, park operations (leisure time activities), police services, general government services, zoning operations (community environment), street and highway maintenance (transportation), and refuse collection (basic utility services). The Village contracts with Harris Township to receive fire protection and emergency medical services.

***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 6, 11 and 12 to the financial statements provide additional information for these entities.

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

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for the proprietary fund type which are all organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

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

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

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

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



**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

---

***Other Capital Projects Fund*** The Other Capital Projects Fund receives a portion of the Village income tax as well as proceeds from the sale of capital assets and is used to account for expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

***Sewer Treatment Plant Fund*** The Sewer Treatment Plant Fund receives a portion of the Village income tax and is used to pay for costs associated with upgrading the current Wastewater Treatment Plant, including debt service payments.

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

***Electric Operating Fund*** The Electric Operating Fund accounts for the provision of electric services to the residents and commercial users located within the Village.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires each fund be budgeted annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

***Encumbrances*** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2022 budgetary activity appears in Note 3.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

---

***Deposits and Investments***

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village's investment in STAR Ohio is measured 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.

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

***Committed*** Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**Note 3 - Budgetary Activity**

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$714,790	\$835,071	\$120,281
Special Revenue	527,600	421,470	(106,130)
Capital Projects	360,000	443,686	83,686
Enterprise	2,407,784	2,637,568	229,784
Total	\$4,010,174	\$4,337,795	\$327,621

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,053,830	\$855,595	\$198,235
Special Revenue	794,528	451,771	342,757
Capital Projects	601,638	468,883	132,755
Enterprise	3,275,845	2,722,130	553,715
Total	\$5,725,841	\$4,498,379	\$1,227,462

**Note 4 - Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

	2022
<b><i>Cash Management Pool (the Pool):</i></b>	
Demand deposits	\$1,700,807
Certificates of Deposit	1,500,000
Cash on Hand	660
Total deposits	3,201,467
STAR Ohio	1,676,187
<b><i>Total carrying amount of deposits and investments held in the Pool</i></b>	<b>\$4,877,654</b>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through 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.

***Investments***

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

**Note 5 - Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

***Income Taxes***

The Village levies a municipal income tax of 1.75 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. The Village contracts with Regional Income Tax Authority (RITA) to administer the Village's municipal income taxes.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

---

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

**Note 6 - Risk Management**

***Risk Pool Membership***

The Village 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 Rev. 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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated, and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$21,662,291
Liabilities	<u>(\$18,158,351)</u>
Members' Equity	<u><u>\$3,503,940</u></u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

---

***Ohio Police and Fire Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2022.

***Social Security***

One Village employee contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The employee contributed 6.2 percent of his gross salary. The Village contributed an amount equal to 6.2 percent of the participant's gross salary. The Village has paid all contributions required through December 31, 2022.

**Note 8 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

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

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

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

**Note 9 - Debt**

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest Rate
<b>Ohio Water Development Authority</b>		
Ohio Water Development Authority Loan - 6225	\$2,159,899	0%
Ohio Water Development Authority Loan - 9071	7,814	0%
Ohio Water Development Authority Loan - 9387	144,071	0.25%
Ohio Water Development Authority Loan - 9922	1,258	0%
<b>Ohio Public Works Commission</b>		
Ohio Public Works Commission Loan - CT22M	62,327	0%
Ohio Public Works Commission Loan - CE27L	166,751	0%
Street Sweeper Loan	184,554	2.65%
Omega JV5 Loan	286,042	2-5%
Total	\$3,012,716	

Ohio Water Development Authority (OWDA) Loan - 6225 relates to wastewater treatment plant upgrade project which was mandated by the National Pollutant Discharge Elimination System (NPDES) Permit No. 2PB00051 after a required study found the need to eliminate an existing plant overflow and at the same time meeting both current and proposed effluent requirements. The OWDA approved \$4,114,093 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$102,852, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirement.

OWDA Loan - 9071 relates to an asset management plan that was approved in the amount of \$26,858. The loan will be repaid in semiannual installments at a 0% interest rate. The amortization schedule for the repayment of the loan is currently not available and, therefore, is not included in the schedule below.

OWDA Loan - 9387 relates to an elevated tank rehabilitation project that was approved in the amount of \$170,551. The loan will be repaid in semiannual installments of \$3,802, including interest, over 20 years, at a .25% interest rate.

OWDA Loan - 9922 relates to a Dischinger Road Waterline Extension project that was approved in the amount of \$94,413. The loan will be repaid in semiannual installments at a 0% interest rate. The amortization schedule for the repayment of the loan is currently not available and is not included in the schedule below.

Ohio Public Works (OPWC) Loan - CE27L relates to the replacement of the river sanitary sewer interceptor and was approved in the amount of \$270,407. The loan will be repaid in semiannual installments of \$4,507 over 30 years, at a 0% interest rate.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

OPWC Loan - CT22M relates to a Rice Street sanitary sewer project and was approved in the amount of \$103,878. The loan will be repaid in semiannual installments of \$1,731 over 30 years, at a 0% interest rate.

The street sweeper loan relates to a loan obtained for the purchase of a street sweeper to be used by the street and sewer departments. The loan will be repaid through annual payments of \$29,235, including interest, through 2029.

OMEGA JV5 loan relates to the purchase of Ohio Municipal Electronic Generation Agency Joint Venture (OMEGA-JV5). OMEGA-JV5 is a distributive generation project. An amortization schedule for the repayment of the loan is currently not available and, therefore, is not included in the schedule below.

***Amortization***

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

Year Ending December 31:	OPWC Loans	OWDA Loans	Street Sweeper Loan
2023	\$12,476	\$215,421	\$29,235
2024	12,476	209,506	29,235
2025	12,476	213,308	29,235
2026	12,476	213,308	29,235
2027	12,476	213,308	29,235
2028-2032	62,381	1,066,539	58,470
2033-2037	62,381	140,869	
2038-2042	41,936	38,015	
Total	\$229,078	\$2,310,274	\$204,645

**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 intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 1,000 kilowatts of a total 771,281 kilowatts, giving the Village a 0.13 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share at March 31, 2014 of the impaired costs is \$173,962. The Village received a credit of \$28,477 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$45,255 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$100,260. 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.



**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

---

Since March 31, 2014 the Village has made payments of \$104,128 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 \$2,159 and interest expense incurred on AMP's line-of-credit of \$671, resulting in a net credit balance for impaired cost estimate at December 31, 2022 of \$1,039. 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 \$52,671 resulting in a net total potential liability of \$51,633, 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. AMP still intends to develop this site for the construction of a generating asset; however, at December 31, 2022, the type of future generating asset had not been determined. In August 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the project. Following mediation, AMP and Bechtel reached a settlement which resolved all claims. The terms of such settlement are confidential.

**Note 10 - Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 11 - Joint Ventures and Projects**

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

The Village is a Non-Financing Participant and an Owner Participant with an ownership percentage of .27% 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.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

---

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 JV2, 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 JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 2022, the Village has met its debt coverage obligation.

The Agreement provides that the failure of any JV2 participant to makes any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV2 may take certain actions including the termination of a defaulting JV2 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV2 Participant's entitlement of Project Power, which together with the share of the other non-defaulting JV2 Participants, is equal to the defaulting JV2 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 JV2 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV2 Participant's ownership share of the project prior to any such increases.

The debt was extinguished in January of 2018. The Village's net investment in OMEGA JV2 was \$2,788 at December 31, 2022. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

THIS SPACE INTENTIONALLY LEFT BLANK

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
(Continued)

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2022 are:

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

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

The Village is a Financing Participant with an ownership percentage of 0.58%, 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 equipment 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.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

---

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 2022, the Village has met its debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement 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, 2022, the outstanding debt was \$44,735,574.

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 \$17,358 at December 31, 2022. 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](http://www.ohioauditor.gov).

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

---

**C. Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6)**

The Village is a Financing Participant with an ownership percentage of 1.39% and shares participation with nine other subdivisions within the State of Ohio in the OMEGA JV6. Financing Participants, after consideration of the potential risks and benefits can choose to be Owner Participants or Purchaser Participants. Owner Participants own undivided interests, as tenants in common in the Project in the amount of its Project Share. Purchaser Participants purchase the Project Power associated with its Project Share.

Pursuant to the OMEGA JV6 Agreement (Agreement), the participants agree to jointly plan, acquire, construct, operate and maintain the Project, and hereby agree, to pay jointly for the electric power, energy and other services associated with the Project.

OMEGA JV6 was created to construct four (4) wind turbines near Bowling Green, Ohio. Each turbine has nominal capacity of 1.8 MW and sells electricity from its operations to OMEGA JV6 Participants.

Also pursuant to this Agreement, each participant has an obligation to pay its share of debt service on Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess fund shall be paid to the Participants in proportion to their respective Project Shares. 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 JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 2022, Village of Elmore has met its debt coverage obligation.

The Agreement provides that the failure of any JV6 participant to makes any payment due by the due date thereof constitutes a default. In the event of a default and one in which the defaulting Participant failed to cure its default as provided for in the Agreement, the remaining participants would acquire the defaulting Participant's interest in the project and assume responsibility for the associated payments on a pro rata basis up to a maximum amount equal to 25% of such non-defaulting Participant's Project share (Step Up Power).

OMEGA JV6 is managed by AMP, which acts as the joint venture's agent. On July 30, 2004 AMP issued \$9,861,000 adjustable rate bonds that mature on August 15, 2019. The interest rate on the bonds will be set every six months until maturity. No fixed amortization schedule exists. The net proceeds of the bond issues were used to construct the OMEGA JV6 Project. On August 15, 2015 the remaining balance was paid on the OMEGA JV6 Bonds.

The Village's net investment in OMEGA JV6 was \$38,025 at December 31, 2022. Complete financial statements for OMEGA JV6 can be obtained from AMP at 1111 Schrock Road, Columbus, Ohio 43229, or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

The ten participating subdivisions and their respective ownership shares at December 31, 2022 are:

<u>Municipality</u>	<u>kW Entitlement</u>	<u>Percent Project Ownership and Entitlement</u>
Bowling Green	4,100	56.94%
Cuyahoga Falls	1,800	25.00%
Napoleon	300	4.17%
Oberlin	250	3.47%
Wadsworth	250	3.47%
Edgerton	100	1.39%
Elmore	100	1.39%
Montpelier	100	1.39%
Pioneer	100	1.39%
Monroeville	100	1.39%
Total	<u>7,200</u>	<u>100.00%</u>

**D. 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, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued ten series of its Combined Hydroelectric Projects Revenue Bonds (the Combined Hydroelectric Bonds), in an original aggregate principal amount of \$2,142,071,461 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, 2022, \$2,119,182,647 aggregate principal amount of the Combined Hydroelectric Bonds were outstanding under the indenture securing the Combined Hydroelectric Bonds.

On August 14, 2017, AMP filed a lawsuit in the U.S. District Court for the Southern District of Ohio (the Court) against Voith Hydro, Inc. (Voith), which was the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project (the Projects). In the lawsuit, AMP alleged, among other things, that Voith failed to deliver equipment on a timely basis and that certain of the equipment delivered was materially defective, causing significant delays. On October 16, 2017, Voith filed its answer, denying each of AMP's claims, and asserting two counterclaims seeking the payment of amounts it claimed were due under the contract, amounts held by AMP as purported liquidated damages and additional damages, plus interest and legal fees. On December 1, 2017, AMP filed its answer to the Voith counterclaims, denying all liability to Voith.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

---

On February 1, 2023, AMP and Voith executed a Settlement Agreement and Mutual Release resolving all claims between the parties, and the Court dismissed the case with prejudice. Pursuant to the terms of the Settlement Agreement and Mutual Release: Voith will provide to AMP, at Voith's cost, certain equipment, parts, and services; AMP will make payments to Voith totaling \$25 million; and the future purchase and sale of goods and services for the Projects will be governed by agreed-upon terms and conditions.

Resolution of the claims pursuant to the Settlement Agreement and Mutual Release will not result in an impact that is material to the financial condition of AMP, the Projects, or the Participants in either of the Projects.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the Combined Hydroelectric Projects of 300 kW or 0.14% of capacity and associated energy from the Combined Hydroelectric Projects.

**E. 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).

In 2012, to provide permanent financing for the 90.69% Interest, AMP issued, in two series, \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the 2012 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. In 2017, AMP issued bonds (the AFEC Refunding Bonds and, together with the 2012 AFEC Bonds the AFEC Bonds) to refund a portion of the 2012 AFEC Bonds. As of December 31, 2022, \$393,905,000 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 265 kW or 0.06% of capacity and associated energy from the AFEC.

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

---

**F. 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. In 2015, 2017 and 2019, AMP issued bonds (the Prairie State Refunding Bonds and, together with the Initial Prairie State Bonds, the Prairie State Bonds) to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009, certain of callable outstanding Initial Prairie State Bonds issued as Build America Bonds and certain of the bonds issued in 2015 to refund the Initial Prairie State Bonds. As of December 31, 2022, AMP had \$1,380,660,000 aggregate principal amount of Prairie State Bonds outstanding.

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 498 kW or 0.14% of capacity and associated energy from the PSEC.

**Note 12 - Jointly Governed Organization**

***Regional Income Tax Agency***

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2022, the Village paid RITA \$16,182 for income tax collection services.



**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

---

**Note 13 - Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$4,363	\$436	\$4,799

The fund balance of Special Revenue funds is either restricted or committed. The fund balance of Capital Projects funds is restricted, committed, or assigned. These restricted and committed amounts in the Special Revenue funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

**Note 14 - Miscellaneous Receipts**

General Fund miscellaneous receipts consisted primarily of reimbursements for a school resource officer.

**Note 15 - AMP Revenue Coverage**

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

THIS SPACE INTENTIONALLY LEFT BLANK

**Village of Elmore**  
*Ottawa County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

	2022
Total Fund Cash Balance	\$975,264
Total Long-Term Debt	\$286,042
 <b>Condensed Operating Information:</b>	
Operating Receipts	
Charges for Services	\$1,772,964
Other Operating Receipts	9,020
Total Operating Receipts	1,781,984
Operating Expenses	
Personal Services	104,989
Employee Fringe Benefits	46,685
Contractual Services	1,412,317
Supplies and Materials	47,252
Total Operating Expenses	1,611,243
Operating Income	170,741
Nonoperating Receipts (Disbursements)	
Interest Payments	(52,077)
Other Nonoperating Receipts	5,283
Other Nonoperating Disbursements	(151,816)
Change in Fund Cash Balance	(27,869)
Beginning Fund Cash Balance	1,003,133
Ending Fund Cash Balance	\$975,264
 <b>Condensed Cash Flows Information:</b>	
	2022
Net Cash Provided by:	
Operating Activities	\$170,741
Capital and Related Financing Activities	
Interest Payments on Capital and Related Debt	(52,077)
Other Capital and Related Financing Activities	(146,533)
Net Cash Used by Capital and Related Financing Activities	(198,610)
Net Decrease	(27,869)
Beginning Fund Cash Balance	1,003,133
Ending Fund Cash Balance	\$975,264

# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Village of Elmore  
Ottawa County  
344 Rice Street  
P.O. Box 3  
Elmore, Ohio 43416-0003

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Elmore, Ottawa County, Ohio (the Village), and have issued our report thereon dated December 3, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 and 2023-003 that we consider to be material weaknesses.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2023-002 and 2023-003.

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 3, 2024

**VILLAGE OF ELMORE  
OTTAWA COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022**

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

**FINDING NUMBER 2023-001**

**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 notes to the financial statements were identified:

- The 2023 Debt note to the financial statements omitted the December 31, 2023 street sweeper loan outstanding balance in the amount of \$160,209. The Debt note amortization table also omitted \$175,410 in principal and interest repayments associated with street sweeper loan;
- In 2022, Special Revenue Fund Type budgeted receipts were increased in the amount of \$184,554 in order to bring the amount reported in the Budgetary Activity note to the financial statements in line with the authorized budget amount;
- In 2022, Enterprise Fund Type loans issued non-operating receipts and capital outlay other non-operating disbursements were incorrectly recorded as Special Revenue Fund Type loans issued other financing receipts and transportation disbursements all in the same amount of \$123,036;
- The 2022 Debt note to the financial statements omitted the December 31, 2022 street sweeper loan and AMP Ohio JV5 loan outstanding balances in the amounts of \$184,554 and \$286,042, respectively. The Debt note amortization table also omitted \$204,645 in principal and interest repayments associated with street sweeper loan.

These errors were not identified and corrected prior to the Village preparing its notes to the financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. The failure to adequately monitor the notes to the financial statements could allow for misstatements to occur and go undetected. The accompanying notes to the financial statements have been adjusted to reflect these changes. In addition to the adjustments noted above, we also identified misstatements ranging from \$140 to \$52,057 that we have brought to the Village's attention.

The Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Village Council to help identify and correct errors and omissions.

## FINDING NUMBER 2023-002

### Noncompliance Citation

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

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

Due to deficiencies in the Village's internal controls over debt covenant compliance, the Village did not set rates sufficient to meet the revenue coverage requirements of this section for the year ended December 31, 2023. The failure to meet the revenue coverage requirements could result in the Village being considered in default of the project agreement, resulting in project termination.

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

## FINDING NUMBER 2023-003

### Noncompliance Citation and Material Weakness

**Ohio Rev. Code § 135.21** provides in part that all other investment earnings, except as provided in Section 135.351 of the Ohio Rev. Code and by resolution adopted pursuant to Sections 3315.01 or 3375.391 of the Ohio Rev. Code, shall be credited to the general fund of the county, municipal corporation, township, taxing district, assessment district, or other local authority to which the principal sum thereof belongs.

Due to deficiencies in the Village's internal controls over compliance, the Village inappropriately recorded \$46,549 of earnings on investments receipts in the Other Capital Projects Fund during 2023. Given the source of the revenue, this should have been recorded in the General Fund. Audit adjustments are reflected in the financial statements, notes to the financial statements, and in the accounting records correcting the misstatement.

**FINDING NUMBER 2023-003  
(Continued)**

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

**Officials' Response:**

We did not receive a response from Officials to the findings above.

# THE VILLAGE OF ELMORE

344 Rice Street, P.O. Box 3

Elmore, Ohio 43416

Bus. (419) 862-3362

Fax (419) 862-2789

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2023 AND 2022

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2021-001	Finding was first issued in the 2013 and 2012 audit. Material weakness due to errors in financial reporting.	Not corrected and reissued as Finding 2023-001 in this report.	This matter was not corrected due to deficiencies in the Village's internal controls over financial reporting. The Village will review financial statements and notes to the financial statements to help and identify and correct errors.



# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF ELMORE**

**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 12/17/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)