



OHIO AUDITOR OF STATE
KEITH FABER

A small, thin-lined map of the state of Ohio is positioned to the right of the Auditor's name, with the text overlapping it slightly.

**VILLAGE OF PEMBerville
WOOD COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Village of Pemberville
Wood County
115 Main Street
P.O. Box 109
Pemberville, Ohio 43450-0109

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 Pemberville, Wood 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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, 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 *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 November 20, 2025, 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 20, 2025

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Village of Pemberville
 Wood County, Ohio
 Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Regulatory Cash Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2024

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$101,659				\$101,659
Municipal Income Tax		\$621,114			621,114
Intergovernmental	23,755	759,759			783,514
Charges for Services	35	370			405
Licenses, Permits and Fees	12,549				12,549
Fines, Forfeitures and Settlements	324	85			409
Earnings on Investments	30,492	2,454			32,946
Miscellaneous	16,561	4,550			21,111
<i>Total Cash Receipts</i>	<i>185,375</i>	<i>1,388,332</i>			<i>1,573,707</i>
Cash Disbursements					
Current:					
Security of Persons and Property	262,668				262,668
Public Health Services	920				920
Leisure Time Activities		3,307			3,307
Transportation		97,715			97,715
General Government	220,301	61,761			282,062
Capital Outlay		655,918		\$346,052	1,001,970
Debt Service:					
Principal Retirement				22,548	22,548
<i>Total Cash Disbursements</i>	<i>483,889</i>	<i>818,701</i>		<i>368,600</i>	<i>1,671,190</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(298,514)</i>	<i>569,631</i>		<i>(368,600)</i>	<i>(97,483)</i>
Other Financing Receipts (Disbursements)					
Transfers In	240,000			160,000	400,000
Transfers Out	(15,500)	(400,000)			(415,500)
Advances In		655,918		655,918	1,311,836
Advances Out		(655,918)		(655,918)	(1,311,836)
Other Financing Sources	1,854				1,854
Other Financing Uses		(11,212)			(11,212)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>226,354</i>	<i>(411,212)</i>		<i>160,000</i>	<i>(24,858)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(72,160)</i>	<i>158,419</i>		<i>(208,600)</i>	<i>(122,341)</i>
<i>Fund Cash Balances, January 1</i>	<i>261,985</i>	<i>773,064</i>	<i>\$11,992</i>	<i>771,291</i>	<i>1,818,332</i>
<i>Fund Cash Balances, December 31</i>	<i>\$189,825</i>	<i>\$931,483</i>	<i>\$11,992</i>	<i>\$562,691</i>	<i>\$1,695,991</i>

See accompanying notes to the basic financial statements

Village of Pemberville
 Wood County
 Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Regulatory Cash Basis)
 Proprietary Fund Type
 For the Year Ended December 31, 2024

	Enterprise
Operating Cash Receipts	
Charges for Services	\$2,360,157
Miscellaneous	<u>34,850</u>
<i>Total Operating Cash Receipts</i>	<u>2,395,007</u>
Operating Cash Disbursements	
Personal Services	403,779
Employee Fringe Benefits	115,412
Contractual Services	1,174,635
Supplies and Materials	193,026
Other	<u>576,646</u>
<i>Total Operating Cash Disbursements</i>	<u>2,463,498</u>
<i>Operating Loss</i>	<u>(68,491)</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	131,307
Special Assessments	98,823
Loans Issued	1,080,245
Miscellaneous Receipts	65,302
Capital Outlay	(1,057,130)
Principal Retirement	(245,374)
Interest and Other Fiscal Charges	(84,597)
Other Financing Uses	<u>(42,078)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(53,502)</u>
<i>Loss before Transfers</i>	<u>(121,993)</u>
Transfers In	260,500
Transfers Out	<u>(245,000)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(106,493)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,993,006</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,886,513</u>

See accompanying notes to the basic financial statements

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of Pemberville, Wood 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 and sewer utilities, electric utilities, park operations, and police services. The Village contracts with Pemberville-Freedom Township Fire Department to receive fire protection services.

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

The Village participates in one jointly governed organizations, two joint ventures, a public entity risk pool, and four long-term purchase commitments. Notes 6, 10, 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.

- *Joint Ventures:*
Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)
Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)
- *Jointly Governed Organization:*
Pemberville Union Cemetery
- *Public Entity Risk Pool:*
Ohio Plan Risk Management, Inc., (OPRM) is available to public entities in Ohio. OPRM provides property and casualty coverage for its members.
- *Long-Term Purchase Commitments:*
American Municipal Power Generating Station Project
Combined Hydroelectric Projects
Prairie State Energy Campus
AMP Fremont Energy Center (AFEC)

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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

Income Tax Fund The income tax fund receives municipal income tax, a portion of which is transferred into the general and permanent improvement funds.

Wood County ARPA Fund This fund receives Federal Coronavirus State and Local Fiscal Recovery Fund money from Wood County to construct a new water tower for the Village.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Special Assessment Debt Service Fund The special assessment debt service fund accounts for and reports sewer assessments used to pay debt service on the Water Pollution Control Revolving Loan.

Capital Project 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 Project Fund:

Permanent Improvement Fund The permanent improvement fund accounts for and reports distributions from the Income Tax special revenue fund to fund improvement projects in the Village

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

Water Operating Fund The water operating fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

Electric Operating Fund The electric operating fund accounts for the provision of electric distribution services to the residents and commercial users within the Village.

Basis of Accounting

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

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

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object 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 2024 budgetary activity appears in Note 3.

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.

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

Village employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases

The Village is the lessee in various leases (as defined by GASB 87) related to other equipment under a noncancelable lease. Lease revenue/disbursements are recognized when they are received/paid.

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.

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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

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

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$459,140	\$427,229	(\$31,911)
Special Revenue	3,076,890	1,388,332	(1,688,558)
Capital Projects	160,000	160,000	0
Enterprise	4,858,073	4,031,184	(826,889)
Total	\$8,554,103	\$6,006,745	(\$2,547,358)

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$629,623	\$519,718	\$109,905
Special Revenue	3,277,756	1,598,457	1,679,299
Debt Service	250		250
Capital Projects	803,600	435,150	368,450
Enterprise	6,477,374	4,337,769	2,139,605
Total	\$11,188,603	\$6,891,094	\$4,297,509

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

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. A summary of the Village's deposit accounts are as follows:

	<u>2024</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$226,055
Certificates of deposit	949,751
Other time deposits (savings and NOW accounts)	2,406,698
Total deposits	<u>\$3,582,504</u>

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. At December 31, 2024, the village is holding no unremitted employee 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.

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Income Taxes

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

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

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 6 – Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), an unincorporated non-profit association providing a 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 Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

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 remained the same through October 31, 2022. Effective November 1, 2022, the property loss corridor was eliminated. OPRM had 847 members as of December 31, 2024.

The Pool'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, 2024. 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, 2024.

Assets	\$ 24,456,615
Liabilities	(<u>16,692,162</u>)
Members' Equity	<u>\$ 7,764,453</u>

You can read the complete audited financial statements for OPRM at the Plan's website, 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 health care 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, 2024.

Ohio Police and Fire Retirement System

The Village's full-time Police Chief belongs to the Ohio 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 health care 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, 2024.

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

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 2024, 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 2024, 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.

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan CE07S	\$52,533	0.00
Ohio Public Works Commission Loan CE35S	16,406	0.00
Ohio Public Works Commission Loan CE04V	127,608	0.00
Ohio Public Works Commission Loan CE21W	160,000	0.00
Ohio Public Works Commission Loan CE19Y	157,083	0.00
Ohio Water Development Authority Loan 5369	444,734	2.75
Ohio Water Development Authority Loan 7269	351,927	2.46
Ohio Water Development Authority Loan 8712	313,215	1.85
Ohio Water Development Authority Loan 9999	206,577	3.20
Ohio Water Development Authority Loan 10151	383,515	2.18
Ohio Water Development Authority Loan 10152	400,987	1.99
Ohio Water Development Authority Loan 10476	32,965	2.20
AMP, Inc. Electric System Improvement BANs	886,811	4.50
Total	\$3,534,361	

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2024

The Ohio Public Works Commission (OPWC) administered financial assistance from the Ohio Small Government Capital Improvements Commission (Loan #CE07S) for the State Route 105 (Front Street) Improvements. The amount of the loan financed was \$80,820 at zero-interest, and it will be repaid in semiannual installments of \$2,021 over 20 years.

The Ohio Public Works Commission (OPWC) administered financial assistance from the Ohio Small Government Capital Improvements Commission (Loan #CE35S) for the South Water Treatment Plant Rehabilitation. The amount of the loan financed was \$26,250 at zero-interest, and it will be repaid in semiannual installments of \$656 over 20 years.

The Ohio Public Works Commission (OPWC) administered financial assistance from the State Capital Improvement Program (Loan #CE04V) for the Water Street and Bierley Avenue Improvements. The amount of the loan financed was \$170,144 and it will be repaid in semiannual installments of \$4,254 over 20 years.

The Ohio Public Works Commission (OPWC) administered financial assistance from the State Capital Improvement Program (Loan #CE21W) for the College Avenue and Hickory Street/Wegman Road Improvements. The amount of the loan financed was \$200,000 at zero-interest and it will be repaid in semiannual installments of \$5,000 over 20 years.

The Ohio Public Works Commission (OPWC) administered financial assistance from the Ohio Small Government Capital Improvements Commission (Loan #CE19Y) for the E. Front Street Waterline and Force Main Replacement Project. The amount of the loan financed was \$162,500 at zero-interest and it will be repaid in semiannual installments of \$2,708 over 30 years.

The Ohio Water Development Authority (OWDA) loan #5369 relates to a sewer system expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$1,238,363 in loans to the Village for this project. The loan will be repaid in semiannual installments of \$40,456 including interest, over 20 years. Sewer receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #7269 relates to a South Water Treatment Plant Rehabilitation including new softeners, underground salt storage and various improvements to correct operating deficiencies the Ohio Environmental Protection Agency recommended. The loan will be repaid in semiannual installments of \$29,459, including interest, over 15 years. Water receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #8712 relates to waterline replacement on College Avenue. The loan will be repaid in semiannual installments of \$11,353, including interest, over 20 years. Water receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #9999 relates to the South End Looping Project. The loan will be repaid in semiannual installments of \$7,593, including interest, over 20 years. Water receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #10151 relates to the construction and replacement of approximately 273 feet of existing waterline along Bierley Avenue from College Avenue to just south of East Front Street, and approximately 1,900 feet of existing waterline along East Front Street. The amount of the loan financed was \$388,131. The loan will be repaid in semiannual installments of \$8,847, including interest, over 30 years, beginning in July 2024. Water receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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The Ohio Water Development Authority (OWDA) loan #10152 relates to the construction and replacement of approximately 3,178 feet of existing 8-inch cast iron force main beginning with the corner of Memorial Drive and East Front Street. The amount of the loan financed was \$409,370. The loan will be repaid in semiannual installments of \$8,383, including interest, over 20 years, beginning in July 2024. Sewer receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #10476 relates to the installation of the main pump station back-up power improvements. The loan will be repaid in semiannual installments, including interest, over 10 years. Water receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This loan included \$50,000 in loan forgiveness, that was applied to reduce the outstanding balance owed. At December 31, 2024, this loan had not yet been finalized and no amortization schedule exists.

On June 29, 2023, the Village entered into a Loan Agreement with American Municipal Power, Inc. (AMP) to finance the cost of upgrading its municipal electric system by rebuilding a substation and related improvements to the system. AMP agreed to lend to the Village the amount of \$1,000,000 payable upon the closing of the sale of Notes. The loan was evidenced by a Promissory Note. To obtain a favorable interest rate for the AMP Notes, the Village participated in the Ohio Treasurer's Market Access Program (OMAP) through a Standby Note Purchase Agreement between the Treasurer of State, AMP, the Village, and Huntington National Bank; they may continue to do so for the Village's refunding notes. The Village agreed to pay from the revenues of its electric system the loan made by AMP, together with interest equal to the rate of interest on AMP's Electric System Improvement Bond Anticipation Notes, or on notes issued to refund the AMP Notes, or on AMP Member Electric System Improvement Bonds, all to be issued by AMP. The Village agrees that it will inform AMP of the amount of principal that the Village intends to retire plus accrued interest 90 days prior to the maturity of the Electrical System Improvement Bond Anticipation Notes. AMP will apply said payments to retire principal and satisfy interest and renew the outstanding principal with a new issuance in Electrical System Improvement Bond Anticipation Notes.

On June 27, 2024, AMP renewed the initial issuance in the denomination of \$1,000,000. The bonds were set to mature on June 26, 2025. The Village also executed a new Standby Note Purchase Agreement between the Treasurer of State, AMP, the Village, and Huntington National Bank, as a continued participant in the Ohio Treasurer's Market Access Program (OMAP).

During 2024, the Village drew down \$571,436, resulting in combined outstanding obligations of \$886,811. To date, there is no amortization schedule for this debt and no principal payments have been made.

Financed Purchases

The Village has entered into a financed purchase agreement for a New Holland Loader Backhoe where ownership of the underlying asset transfers to the Village by the end of the contract. The Village disbursed \$26,890 to pay these costs for the fiscal year ended December 31, 2024.

Amortization

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

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Year Ending December 31:	OPWC Loan CE07S	OPWC Loan CE35S	OPWC Loan CE04V	OPWC Loan CE21W	OPWC Loan CE19Y
2025	\$4,041	\$1,313	\$8,507	\$10,000	\$5,417
2026	4,041	1,313	8,507	10,000	5,417
2027	4,041	1,313	8,507	10,000	5,417
2028	4,041	1,313	8,507	10,000	5,417
2029	4,041	1,313	8,507	10,000	5,417
2030-2034	20,205	6,562	42,536	50,000	27,083
2035-2039	12,123	3,279	42,537	50,000	27,083
2040-2044				10,000	27,083
2045-2049					27,083
2050-2054					21,666
Total	\$52,533	\$16,406	\$127,608	\$160,000	\$157,083

Year Ending December 31:	OWDA Loan 5369	OWDA Loan 7269	OWDA Loan 8712	OWDA Loan 9999	OWDA Loan 10151	OWDA Loan 10152
2025	\$80,913	\$58,918	\$22,706	\$15,186	\$17,694	\$24,912
2026	80,913	58,918	22,706	15,186	17,694	24,912
2027	80,913	58,918	22,706	15,186	17,694	24,912
2028	80,913	58,918	22,706	15,186	17,694	24,912
2029	80,913	58,918	22,706	15,186	17,694	24,912
2030-2034	80,913	88,378	113,528	75,930	88,471	124,558
2035-2039			113,528	75,930	88,471	124,558
2040-2044			22,704	45,558	88,471	112,100
2045-2049					88,471	
2050-2054					79,624	
Total	\$485,478	\$382,968	\$363,290	\$273,348	\$521,978	\$485,776

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Note 10 - Long-Term Purchase Commitments

The Village is a member of American Municipal Power (AMP) and 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 1,058 kilowatts of a total 771,281 kilowatts, giving the Village a 0.14 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 was \$183,460. The Village received a credit of \$28,477 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$47,848 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). In addition, the Village made payments of \$60,000 leaving a net impaired cost estimate of \$47,135. 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 liability. These amounts will be recorded as they become estimable.

Since March 31, 2014 the Village has made payments of \$53,788 to AMP toward its stranded costs. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$2,375 and interest expense incurred on AMP's line-of-credit of \$760 resulting in a net credit impaired cost estimate at December 31, 2024 of \$5,037. The Village does have a potential PHFU Liability of \$62,373 resulting in a net total potential liability of \$57,336, 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.

Combined Hydroelectric Projects (79 Members)

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 \$2,483,845,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2024, \$2,059,888,824 aggregate principal amount of the Combined Hydroelectric Bonds.

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As previously disclosed, 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.

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.

Prairie State Energy Campus (68 Members)

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, 2024, AMP had \$1,278,980,000 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 (the "Prairie State 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 capacity factor for the Prairie State Energy Campus for the fiscal year ending December 31, 2024 was 87.3%.

The Village of Pemberville has executed a take-or-pay power sales contract with AMP as a participant of the Prairie State Energy Campus Project of 498 kW or 0.14% of capacity and associated energy from the Prairie State Energy Campus Project.

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AMP Fremont Energy Center (AFEC)

On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation (“FirstEnergy”) the Fremont Energy Center (“AFEC”), a combined cycle, natural gas fueled electric generating plant, 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 AFEC has a capacity of 512 MW (unfired)/675MW (fired) and consists 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, 2024, \$362,915,000 aggregate principal amount of AFEC Bonds was outstanding (latest information available).

In April 2021, AMP executed a Gas Supply Contract (the “Gas Supply Contract”) with Tenenergy Corporation (“Tenenergy”) under the terms of which Tenenergy will provide a portion of the natural gas made available to Tenenergy under the terms of a Prepaid Natural Gas Sales Agreement (“Prepaid Natural Gas Sales Agreement”) between Tenenergy and a subsidiary of Morgan Stanley. Under the Gas Supply Contract, AMP receives the benefit of a discount from market index gas priced.

The Village of Pemberville has executed a take-or-pay power sales contract with AMP for 265 kW or .06% of capacity and associated energy from the AFEC facility.

Note 11 – Joint Ventures

OMEGA JV2

The Village is a Non-Financing Participant and an Owner Participant with an ownership percentage of .15% 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.

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OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net position will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. The Village's net investment in OMEGA JV2 was (\$3,772) at December 31, 2024. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2024 are:

<u>Municipality</u>	<u>Percent Ownership</u>	<u>Kw Entitlement</u>	<u>Municipality</u>	<u>Percent Ownership</u>	<u>Kw Entitlement</u>
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.49%	15,400	Monroeville	0.57%	764
Cuyahoga Falls	7.46%	10,000	Milan	0.55%	737
Wadsworth	5.81%	7,784	Oak Harbor	0.55%	737
Painesville	5.22%	7,000	Elmore	0.27%	364
Dover	5.22%	7,000	Jackson Center	0.22%	300
Galion	4.29%	5,753	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161
Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	0.79%	1,066	Custer	0.00%	4
	<u>95.20%</u>	<u>127,640</u>	Grand Total	<u>4.80%</u>	<u>6,441</u>
				<u>100.00%</u>	<u>134,081</u>

OMEGA JV5

The Village is a Financing Participant with an ownership percentage of .92%, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

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

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

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Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Management 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 position 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 the OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2024 the Village of Pemberville has met their debt coverage obligation.

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

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

The Village's net investment to date in OMEGA JV5 was \$27,460 at December 31, 2024. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Note 12 – Jointly Governed Organizations

Pemberville Union Cemetery Board: The Board is comprised of three members alternating between the Freedom Township Trustees and Village Council. In 2024, two members of Council were on the Cemetery Board. The Board makes decisions on cost of lost purchases, maintenance of the cemetery, and regulations.

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:

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Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 20,329	<u>\$ 368,544</u>	\$ 66,550	<u>\$ 455,423</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of the capital projects funds are restricted, committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 14 – Interfund Transfers

During 2024, the Income Tax fund made transfers totaling \$400,000 to the General fund (\$240,000) and the Permanent Improvement fund (\$160,000), and the General fund made a transfer in the amount of \$15,500 to the Swimming Pool fund, to subsidize activities in those funds. Additionally, the Sewer Operating fund made a transfer in the amount of \$245,000 to the Sewer Capital Improvement fund to cover costs related to the East Front Street joint force main and waterline project.

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:

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	<u>2024</u>
Total Fund Cash Balance	\$776,407
Total Long-Term Debt	\$891,773
Condensed Operating Information:	
Operating Receipts	
Charges for Services	\$1,519,477
Other Operating Receipts	11,010
Total Operating Receipts	<u>1,530,487</u>
Operating Expenses	
Personal Services	141,423
Employee Fringe Benefits	64,265
Contractual Services	1,070,794
Supplies and Materials	23,383
Other	<u>571,436</u>
Total Operating Expenses	<u>1,871,301</u>
Operating (Loss)	(340,814)
Nonoperating Receipts (Disbursements)	
Loan Proceeds	571,436
Principal Payments	(81,804)
Interest Payments	(40,265)
Other Nonoperating (Disbursements)	<u>(30,561)</u>
Change in Fund Cash Balance	77,992
Beginning Fund Cash Balance	<u>698,415</u>
Ending Fund Cash Balance	<u>\$776,407</u>
Condensed Cash Flows Information:	
Net Cash (Used) by:	
Operating Activities	(\$340,814)
Capital and Related Financing Activities	
Proceeds of Capital and Related Debt	571,436
Principal Payments on Capital and Related Debt	(81,804)
Interest Payments on Capital and Related Debt	(40,265)
Other Capital and Related Financing Activities	<u>(30,561)</u>
Net Cash Provided by Capital and Related Financing Activities	418,806
Net Increase	77,992
Beginning Fund Cash Balance	<u>698,415</u>
Ending Fund Cash Balance	<u>\$776,407</u>

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Note 15 – Construction and Contractual Commitments

Vendor/Project	Contract Amount/ Estimated Cost	Balance Outstanding at 12/31/2024
Maguire Iron/Dixon Engineering Water Tower Construction	\$2,402,950	\$1,449,051
Vaughn Industries North Electrical Substation Rebuild	\$1,580,733	\$164,780

Note 16 – 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 17 – Subsequent Events

The Village entered into the following loans and projects during 2025:

- Council passed Ordinance 1692 in June 2025, authorizing the Village's participation in the Ohio Treasurer of State's Ohio Market Access Program. This was for the issuance of not to exceed \$1,000,000 of Bond Anticipation Notes for the purpose of refunding outstanding notes originally issued in 2023, and renewed in 2024, to provide interim financing for improvements to the Village's electric system, including the rebuilding of a substation.
- Council passed Resolution 795 authorizing a loan agreement with the Ohio Water Development Authority to pay for the remaining costs of the water tower construction project. The Village was approved for a loan up to \$420,124, to be repaid at 4.3% interest for a period of 30 years, beginning July 2026.
- In 2022, the Village was awarded a grant from the Ohio Department of Transportation totaling \$1,565,790, with a local share of \$259,410, plus design costs, to cover the cost of the replacement of the Bridge Street bridge. At the September 17, 2024 Village Council meeting, it was noted the original grant award had been increased to \$2,370,170 for the Bridge Street bridge replacement project; the Village is responsible for covering 5% of the project costs plus engineering costs, with local funds. The project was bid in September 2025 and awarded to E.S. Wagner at a total estimated project cost of \$1,780,460, and commenced in November 2025, with an estimated completion date of September 2026. In 2025, the Village was awarded a combination Small Government grant (\$256,725) and loan (\$110,025) from the Ohio Public Works Commission to be repaid over 30 years, at 0%, to offset the local share of project costs; due to the reduction in the estimated project cost, the Village is anticipating reducing this loan amount to \$84,048.

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

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$88,523				\$88,523
Municipal Income Tax		\$583,825			583,825
Intergovernmental	34,588	105,589			140,177
Charges for Services		840			840
Licenses, Permits and Fees	13,969				13,969
Earnings on Investments	38,525	2,249			40,774
Miscellaneous	18,262	2,600			20,862
<i>Total Cash Receipts</i>	<i>193,867</i>	<i>695,103</i>			<i>888,970</i>
Cash Disbursements					
Current:					
Security of Persons and Property	244,961				244,961
Public Health Services	3,427	32,077			35,504
Leisure Time Activities		4,391			4,391
Transportation		90,716			90,716
General Government	222,786	58,028			280,814
Capital Outlay		5,665		\$45,215	50,880
Debt Service:					
Principal Retirement				22,548	22,548
<i>Total Cash Disbursements</i>	<i>471,174</i>	<i>190,877</i>		<i>67,763</i>	<i>729,814</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(277,307)</i>	<i>504,226</i>		<i>(67,763)</i>	<i>159,156</i>
Other Financing Receipts (Disbursements)					
Transfers In	240,000			160,000	400,000
Transfers Out		(400,000)			(400,000)
Other Financing Sources	1,854				1,854
Other Financing Uses		(15,614)			(15,614)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>241,854</i>	<i>(415,614)</i>		<i>160,000</i>	<i>(13,760)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(35,453)</i>	<i>88,612</i>		<i>92,237</i>	<i>145,396</i>
<i>Fund Cash Balances, January 1</i>	<i>297,438</i>	<i>684,452</i>	<i>\$11,992</i>	<i>679,054</i>	<i>1,672,936</i>
<i>Fund Cash Balances, December 31</i>	<i>\$261,985</i>	<i>\$773,064</i>	<i>\$11,992</i>	<i>\$771,291</i>	<i>\$1,818,332</i>

See accompanying notes to the basic financial statements

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

	Enterprise
Operating Cash Receipts	
Charges for Services	\$2,156,302
Miscellaneous	<u>23,874</u>
<i>Total Operating Cash Receipts</i>	<u>2,180,176</u>
Operating Cash Disbursements	
Personal Services	423,003
Employee Fringe Benefits	113,362
Contractual Services	1,125,794
Supplies and Materials	222,440
Other	<u>463,175</u>
<i>Total Operating Cash Disbursements</i>	<u>2,347,774</u>
<i>Operating Loss</i>	<u>(167,598)</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	331,811
Special Assessments	111,638
Loans Issued	886,004
Miscellaneous Receipts	40,938
Capital Outlay	(1,856,011)
Principal Retirement	(223,383)
Payment of Capital Appreciation Bond Accretion	(39,605)
Other Financing Uses	<u>(11,053)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(759,661)</u>
<i>Loss before Transfers</i>	<u>(927,259)</u>
Transfers In	151,400
Transfers Out	<u>(151,400)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(927,259)</u>
<i>Fund Cash Balances, January 1</i>	<u>2,920,265</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,993,006</u>

See accompanying notes to the basic financial statements

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Pemberville, Wood 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 and sewer utilities, electric utilities, park operations, and police services. The Village contracts with Pemberville-Freedom Township Fire Department to receive fire protection services.

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

The Village participates in one jointly governed organizations, two joint ventures, a public entity risk pool, and four long-term purchase commitments. Notes 6, 10, 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.

- *Joint Ventures:*
Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)
Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)
- *Jointly Governed Organization:*
Pemberville Union Cemetery
- *Public Entity Risk Pool:*
Ohio Plan Risk Management, Inc., (OPRM) is available to public entities in Ohio. OPRM provides property and casualty coverage for its members.
- *Long-Term Purchase Commitments:*
American Municipal Power Generating Station Project
Combined Hydroelectric Projects
Prairie State Energy Campus
AMP Fremont Energy Center (AFEC)

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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

Income Tax Fund The income tax fund receives municipal income tax, a portion of which is transferred into the general and permanent improvement funds.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Special Assessment Debt Service Fund The special assessment debt service fund accounts for and reports sewer assessments used to pay debt service on the Water Pollution Control Revolving Loan.

Capital Project 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 Project Fund:

Permanent Improvement Fund The permanent improvement fund accounts for and reports distributions from the Income Tax special revenue fund to fund improvement projects in the Village

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

Water Operating Fund The water operating fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

Electric Operating Fund The electric operating fund accounts for the provision of electric distribution services to the residents and commercial users within the Village.

Basis of Accounting

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

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

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Budgetary Process

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

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

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.

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.

Leases

The Village is the lessee in a leases (as defined by GASB 87) related to other equipment under a noncancelable lease. Lease revenue/disbursements are recognized when they are received/paid.

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.

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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

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

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

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

Note 3 – Budgetary Activity

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

Fund Type	2023 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$420,755	\$435,721	\$14,966
Special Revenue	510,400	695,103	184,703
Debt Service	500		(500)
Capital Projects	160,000	160,000	0
Enterprise	6,601,554	3,701,967	(2,899,587)
Total	\$7,693,209	\$4,992,791	(\$2,700,418)

Fund Type	2023 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation Authority	Budgetary Expenditures	Variance
General	\$595,034	\$476,444	\$118,590
Special Revenue	794,794	614,243	180,551
Debt Service	1,000		1,000
Capital Projects	680,844	309,763	371,081
Enterprise	8,327,060	5,276,530	3,050,530
Total	\$10,398,732	\$6,676,980	\$3,721,752

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits

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 accounts are as follows:

	<u>2023</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$231,280
Certificates of deposit	954,878
Other time deposits (savings and NOW accounts)	2,625,180
Total deposits	<u><u>\$3,811,338</u></u>

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. At December 31, 2023, the Village is holding no unremitted employee 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.

At December 31, 2023, \$57,371 of deposits were not insured or collateralized due to a reduced collateral floor of 60% for Key Bank, through OPCS.

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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 1.5 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.

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

Note 6 – Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), an unincorporated non-profit association providing a 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 Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

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 801 members as of December 31, 2023.

The Pool'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.

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 health care 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.

Ohio Police and Fire Retirement System

The full-time Police Chief belongs to the Ohio 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 health care and survivor and disability benefits.

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. 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.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan CT09G	\$2,149	0.00
Ohio Public Works Commission Loan CE07S	56,574	0.00
Ohio Public Works Commission Loan CE35S	17,719	0.00
Ohio Public Works Commission Loan CE04V	136,116	0.00
Ohio Public Works Commission Loan CE21W	170,000	0.00
Ohio Public Works Commission Loan CE19Y	162,500	0.00
Ohio Water Development Authority Loan 5369	512,025	2.75
Ohio Water Development Authority Loan 7269	401,275	2.46
Ohio Water Development Authority Loan 8712	329,894	1.85
Ohio Water Development Authority Loan 9999	214,951	3.20
Ohio Water Development Authority Loan 10151	84,903	2.18
Ohio Water Development Authority Loan 10152	286,755	1.99
AMP, Inc. Electric System Improvement BANs	315,375	4.50
Total	\$2,690,236	

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

The Ohio Public Works Commission (OPWC) administered financial assistance from the Ohio Small Government Capital Improvements Commission (Loan #CT09G) for the Joyce Avenue Sewer Main Replacement Project. The amount of the loan financed was \$42,976 and it will be repaid in semiannual installments over 20 years.

The Ohio Public Works Commission (OPWC) administered financial assistance from the Ohio Small Government Capital Improvements Commission (Loan #CE07S) for the State Route 105 (Front Street) Improvements. The amount of the loan financed was \$80,820 at zero-interest, and it will be repaid in semiannual installments of \$2,021 over 20 years.

The Ohio Public Works Commission (OPWC) administered financial assistance from the Ohio Small Government Capital Improvements Commission (Loan #CE35S) for the South Water Treatment Plant Rehabilitation. The amount of the loan financed was \$26,250 at zero-interest, and it will be repaid in semiannual installments of \$656 over 20 years.

The Ohio Public Works Commission (OPWC) administered financial assistance from the State Capital Improvement Program (Loan #CE04V) for the Water Street and Bierley Avenue Improvements. The amount of the loan financed was \$170,144 and it will be repaid in semiannual installments of \$4,254 over 20 years.

The Ohio Public Works Commission (OPWC) administered financial assistance from the State Capital Improvement Program (Loan #CE21W) for the College Avenue and Hickory Street/Wegman Road Improvements. The amount of the loan financed was \$200,000 at zero-interest and it will be repaid in semiannual installments of \$5,000 over 20 years.

The Ohio Public Works Commission (OPWC) administered financial assistance from the Ohio Small Government Capital Improvements Commission (Loan #CE19Y) for the E. Front Street Waterline and Force Main Replacement Project. The amount of the loan financed was \$162,500 at zero-interest and it will be repaid in semiannual installments of \$2,708 over 30 years.

The Ohio Water Development Authority (OWDA) loan #5369 relates to a sewer system expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$1,238,363 in loans to the Village for this project. The loan will be repaid in semiannual installments of \$40,456 including interest, over 20 years. Sewer receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #7269 relates to a South Water Treatment Plant Rehabilitation including new softeners, underground salt storage and various improvements to correct operating deficiencies the Ohio Environmental Protection Agency recommended. The loan will be repaid in semiannual installments of \$29,459, including interest, over 15 years. Water receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #8712 relates to waterline replacement on College Avenue. The loan will be repaid in semiannual installments of \$11,353, including interest, over 20 years. Water receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #9999 relates to the South End Looping Project. The loan will be repaid in semiannual installments of \$7,593, including interest, over 20 years. Water receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

The Ohio Water Development Authority (OWDA) loan #10151 relates to the construction and replacement of approximately 273 feet of existing waterline along Bierley Avenue from College Avenue to just south of East Front Street, and approximately 1,900 feet of existing waterline along East Front Street. Water receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The project is not yet complete, and no amortization schedule is available currently.

The Ohio Water Development Authority (OWDA) loan #10152 relates to the construction and replacement of approximately 3,178 feet of existing 8-inch cast iron force main beginning with the corner of Memorial Drive and East Front Street. Sewer receipts and assessments collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The project is not yet complete, and no amortization schedule is available currently.

On June 29, 2023, the Village entered into a Loan Agreement with American Municipal Power, Inc. (AMP) to finance the cost of upgrading its municipal electric system by rebuilding a substation and related improvements to the system. AMP agreed to lend to the Village the amount of \$1,000,000 payable upon the closing of the sale of Notes. The loan was evidenced by a Promissory Note. To obtain a favorable interest rate for the AMP Notes, the Village participated in the Ohio Treasurer's Market Access Program (OMAP) through a Standby Note Purchase Agreement between the Treasurer of State, AMP, the Village, and Huntington National Bank; they may continue to do so for the Village's refunding notes. The Village agreed to pay from the revenues of its electric system the loan made by AMP, together with interest equal to the rate of interest on AMP's Electric System Improvement Bond Anticipation Notes, or on notes issued to refund the AMP Notes, or on AMP Member Electric System Improvement Bonds, all to be issued by AMP. The Village agrees that it will inform AMP of the amount of principal that the Village intends to retire plus accrued interest 90 days prior to the maturity of the Electrical System Improvement Bond Anticipation Notes. AMP will apply said payments to retire principal and satisfy interest and renew the outstanding principal with a new issuance in Electrical System Improvement Bond Anticipation Notes. During 2023, the Village drew down \$315,375. To date, there is no amortization schedule for this debt.

Financed Purchase

The Village has entered into a financed purchase agreement for a New Holland Loader Backhoe where ownership of the underlying asset transfers to the Village by the end of the contract. The Village disbursed \$26,890 to pay these costs for the fiscal year ended December 31, 2023. The Village has one remaining payment of \$26,890 due in 2024.

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Amortization

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

Year Ending December 31:	OPWC Loan CT09G	OPWC Loan CE07S	OPWC Loan CE35S	OPWC Loan CE04V	OPWC Loan CE21W	OPWC Loan CE19Y
2024	\$2,149	\$4,041	\$1,313	\$8,507	\$10,000	\$5,417
2025		4,041	1,313	8,507	10,000	5,417
2026		4,041	1,313	8,507	10,000	5,417
2027		4,041	1,313	8,507	10,000	5,417
2028		4,041	1,313	8,507	10,000	5,417
2029-2033		20,205	6,562	42,536	50,000	27,083
2034-2038		16,164	4,592	42,536	50,000	27,083
2039-2043				8,509	20,000	27,083
2044-2048						27,083
2049-2053						27,083
Total	<u><u>\$2,149</u></u>	<u><u>\$56,574</u></u>	<u><u>\$17,719</u></u>	<u><u>\$136,116</u></u>	<u><u>\$170,000</u></u>	<u><u>\$162,500</u></u>

Year Ending December 31:	OWDA Loan 5369	OWDA Loan 7269	OWDA Loan 8712	OWDA Loan 9999
2024	\$80,913	\$58,918	\$22,706	\$15,186
2025	80,913	58,918	22,706	15,186
2026	80,913	58,918	22,706	15,186
2027	80,913	58,918	22,706	15,186
2028	80,913	58,918	22,706	15,186
2029-2033	161,826	147,296	113,528	75,930
2034-2038			113,528	75,930
2039-2043			45,410	60,744
2044-2048				
2049-2053				
2054				
Total	<u><u>\$566,391</u></u>	<u><u>\$441,886</u></u>	<u><u>\$385,996</u></u>	<u><u>\$288,534</u></u>

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 10 – Long-Term Purchase Commitments

The Village is a member of American Municipal Power (AMP) and 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 1,058 kilowatts of a total 771,281 kilowatts, giving the Village a 0.14 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 was \$183,460. The Village received a credit of \$28,477 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$47,848 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). In addition, the Village made payments of \$60,000 leaving a net impaired cost estimate of \$47,135. 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 liability. These amounts will be recorded as they become estimable.

Since March 31, 2014 the Village has made payments of \$53,788 to AMP toward its stranded costs. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$2,283 and interest expense incurred on AMP's line-of-credit of \$454 resulting in a net credit impaired cost estimate at December 31, 2023 of \$4,812. The Village does have a potential PHFU Liability of \$58,697 resulting in a net total potential liability of \$53,885, 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.

Combined Hydroelectric Projects (79 Members)

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 \$2,483,845,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2023, \$2,059,888,824 is the total outstanding aggregate principal amount of the Combined Hydroelectric Bonds.

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

As previously disclosed, 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.

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.

Prairie State Energy Campus (68 Members)

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 \$1,315,450,000 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 (the "Prairie State 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 of Pemberville has executed a take-or-pay power sales contract with AMP as a participant of the Prairie State Energy Campus Project of 498 kW or 0.14% of capacity and associated energy from the Prairie State Energy Campus Project.

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

AMP Fremont Energy Center (AFEC)

On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation (“FirstEnergy”) the Fremont Energy Center (“AFEC”), a combined cycle, natural gas fueled electric generating plant, 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 AFEC has a capacity of 512 MW (unfired)/675MW (fired) and consists 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 (latest information available).

In April 2021, AMP executed a Gas Supply Contract (the “Gas Supply Contract”) with Tenenergy Corporation (“Tenenergy”) under the terms of which Tenenergy will provide a portion of the natural gas made available to Tenenergy under the terms of a Prepaid Natural Gas Sales Agreement (“Prepaid Natural Gas Sales Agreement”) between Tenenergy and a subsidiary of Morgan Stanley. Under the Gas Supply Contract, AMP receives the benefit of a discount from market index gas priced.

The Village of Pemberville has executed a take-or-pay power sales contract with AMP for 265 kW or .06% of capacity and associated energy from the AFEC facility.

Note 11 – Joint Ventures

OMEGA JV2

The Village is a Non-Financing Participant and an Owner Participant with an ownership percentage of .15% 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.

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net position will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. The Village's net investment in OMEGA JV2 was (\$2,661) 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.

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

<u>Municipality</u>	<u>Percent Ownership</u>	<u>Kw Entitlement</u>	<u>Municipality</u>	<u>Percent Ownership</u>	<u>Kw Entitlement</u>
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.49%	15,400	Monroeville	0.57%	764
Cuyahoga Falls	7.46%	10,000	Milan	0.55%	737
Wadsworth	5.81%	7,784	Oak Harbor	0.55%	737
Painesville	5.22%	7,000	Elmore	0.27%	364
Dover	5.22%	7,000	Jackson Center	0.22%	300
Galion	4.29%	5,753	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161
Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	0.79%	1,066	Custar	0.00%	4
	<u>95.20%</u>	<u>127,640</u>		<u>4.80%</u>	<u>6,441</u>
			Grand Total	<u>100.00%</u>	<u>134,081</u>

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

OMEGA JV5

The Village is a Financing Participant with an ownership percentage of .92%, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

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

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

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Management 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 position 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 the OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2023, the Village of Pemberville has met their debt coverage obligation.

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

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

The Village's net investment to date in OMEGA JV5 was \$27,460 at December 31, 2023. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 12 – Jointly Governed Organizations

Pemberville Union Cemetery Board: The Board is comprised of three members alternating between the Freedom Township Trustees and Village Council. In 2023, two members of Council were on the Cemetery Board. The Board makes decisions on cost of lot purchases, maintenance of the Cemetery, and regulations.

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	Capital Projects	Total
Outstanding Encumbrances	\$ 5,270	\$ 7,752	\$ 242,000	\$ 255,022

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 14 – Interfund Transfers

During 2023, the Income Tax fund made transfers totaling \$400,000 to the General fund (\$240,000) and the Permanent Improvement fund (\$160,000), to subsidize activities in those funds. Additionally, the Water Operating fund made transfers totaling \$151,400 to the Water Preventative Maintenance fund (\$90,000) and the Water Capital Improvements fund (\$61,400), as part of the Village's asset management program.

Note 15 – Construction and Contractual Commitments

Vendor/Project	Contract Amount/ Estimated Cost	Balance Outstanding at 12/31/2023
Maguire Iron/Dixon Engineering Water Tower Construction	\$2,402,950	\$2,248,596
Vaughn Industries North Electrical Substation Rebuild	\$1,580,733	\$730,466
Underground Utilities East Front Street Force Main	\$819,505	\$306,760

Note 16 – 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:

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

	<u>2023</u>
Total Fund Cash Balance	\$698,415
Total Long-Term Debt	\$402,142
Condensed Operating Information:	
Operating Receipts	
Charges for Services	\$1,367,696
Other Operating Receipts	10,814
Total Operating Receipts	<u>1,378,510</u>
Operating Expenses	
Personal Services	154,385
Employee Fringe Benefits	57,479
Contractual Services	991,859
Supplies and Materials	34,964
Other	459,721
Total Operating Expenses	<u>1,698,408</u>
Operating (Loss)	(319,898)
Nonoperating Receipts (Disbursements)	
Loan Proceeds	315,375
Capital Outlay	(612,609)
Principal Payments	(81,804)
Other Nonoperating Receipts (Disbursements)	<u>3,179</u>
Change in Fund Cash Balance	(695,757)
Beginning Fund Cash Balance	<u>1,394,172</u>
Ending Fund Cash Balance	<u><u>\$698,415</u></u>
Condensed Cash Flows Information:	
	<u>2023</u>
Net Cash (Used) by:	
Operating Activities	(\$319,898)
Capital and Related Financing Activities	
Proceeds of Capital and Related Debt	315,375
Principal Payments on Capital and Related Debt	(81,804)
Other Capital and Related Financing Activities	<u>(609,430)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(375,859)</u>
Net Increase (Decrease)	(695,757)
Beginning Fund Cash Balance	<u>1,394,172</u>
Ending Fund Cash Balance	<u><u>\$698,415</u></u>

Village of Pemberville
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 17 – 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 18 – Subsequent Events

The Village entered into the following loans and projects during 2024:

- Council passed Ordinance 1663 in June 2024 authorizing the Village's participation in the Ohio Treasurer of State's Ohio Market Access Program. This was for the issuance of not to exceed \$1,000,000 of Bond Anticipation Notes for the purpose of refunding outstanding notes originally issued in 2023 to provide interim financing for improvements to the Village's electric system, including the rebuilding of a substation. Additionally, Council passed Ordinance 1692 in June 2025, for the purpose of refunding these same outstanding notes which were renewed in 2024.
- In 2022, the Village was awarded a grant from the Ohio Department of Transportation totaling \$1,565,790, with a local share of \$259,410, plus design costs, to cover the cost of the replacement of the Bridge Street bridge. At the September 17, 2024 Village Council meeting, it was noted the original grant award had been increased to \$2,370,170 for the Bridge Street bridge replacement project; the Village is responsible for covering 5% of the project costs plus engineering costs, with local funds. The project was bid in September 2025 and awarded to E.S. Wagner at a total estimated project cost of \$1,780,460, and commenced in November 2025, with an estimated completion date of September 2026. In 2025, the Village was awarded a combination Small Government grant (\$256,725) and loan (\$110,025) from the Ohio Public Works Commission to be repaid over 30 years, at 0%, to offset the local share of project costs; due to the reduction in the estimated project cost, the Village is anticipating reducing this loan amount to \$84,048.



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

Village of Pemberville
115 Main Street
P.O. Box 109
Pemberville, Ohio 43450-0109

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*, 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, 2024 and 2023 and the related notes to the financial statements of the Village of Pemberville, Wood County, Ohio (the Village) and have issued our report thereon dated November 20, 2025, 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 a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weaknesses.

Village of Pemberville
Wood County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village's Response to Finding

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

Purpose of this Report

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

KEITH FABER
Ohio Auditor of State



Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 20, 2025

**VILLAGE OF PEMBERVILLE
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING NUMBER 2024-001

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 were noted and required adjustment to the financial statements:

- In 2023, Enterprise fund loan issued related to Ohio Public Works Commission (OPWC) and Ohio Water Development Authority (OWDA) loans, in the amount of \$569,576, were improperly recorded as special assessments and intergovernmental revenue, in the amounts of \$277,218 and \$292,358, respectively.
- In 2023, Enterprise fund intergovernmental receipts related to an OPWC grant, in the amount of \$69,525, was improperly recorded as special assessments.
- In 2023, intergovernmental receipts and related capital outlay disbursements in the amount of \$17,313 for an OPWC project were reported in the wrong year in the Village's Enterprise fund. This activity, paid on the Village's behalf, was paid in January 2024 and should have been reported in 2024.
- In 2023, the Village reimbursed a resident for sewer tap fees in the amount of \$10,000. This reimbursement was incorrectly recorded as principal retirement in the Enterprise Fund. This activity should have been posted as other financing uses.
- In 2024, Enterprise fund intergovernmental receipts related to an OPWC grant, in the amount of \$110,765, was improperly recorded as other debt proceeds.
- In 2024, Enterprise fund loan issued related to OWDA loans, in the amount of \$418,873, were improperly recorded as intergovernmental receipts and other debt proceeds, in the amounts of \$148,776 and \$270,097, respectively.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the Council making misinformed decisions. The accompanying financial statements have been adjusted to correct these errors. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$3,367 to \$10,000 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 Council, to identify and correct errors and omissions.

Officials' Response:

We agree that while the proceeds were correctly reported to the appropriate fund, the associated line items were inaccurate. The Village will implement corrective measures to ensure loan proceeds, as well as other revenues, are properly recorded. Additionally, we will research effective strategies to enhance Council's understanding of governmental financials, including additional explanation and approval as necessary, which will support the development of policies aimed at identifying and preventing financial reporting errors.

Village of Pemberville

115 Main Street
P.O. Box 109
Pemberville, Ohio 43450

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2024 AND 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Finding was first issued in the 2015-2016 audit. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and repeated in this report as Finding 2024-001.	Recurrence occurred due to inadequate policies and procedures in reviewing the financial statements and accounting records throughout the audit period. Village Council will perform detailed reviews of financial information to ensure monies are properly posted.
2022-002	Finding was first issued in the 2021-2022 audit. Noncompliance for failing to meet the revenue coverage requirements per the Village's agreement with Ohio Municipal Electric Generation Agency Joint Venture 5 debt covenant.	Fully corrected.	

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF PEMBERVILLE

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/4/2025

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