



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF PEMBERVILLE
WOOD COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Pemberville, Wood County, Ohio (the Village).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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.

Auditor's Responsibility

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

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

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

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the financial statements referred to above 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, 2020 and 2019, and the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the 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 year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 17 to the 2020 financial statements and in Note 16 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2021

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**VILLAGE OF PEMBERVILLE
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$88,833				\$88,833
Municipal Income Tax		\$425,021			425,021
Intergovernmental	18,807	190,259		\$295,955	505,021
Special Assessments			\$4,290		4,290
Charges for Services	140	35			175
Fines, Licenses and Permits	20,588	635			21,223
Earnings on Investments	33,903	643			34,546
Miscellaneous	64,616	1,151			65,767
<i>Total Cash Receipts</i>	<u>226,887</u>	<u>617,744</u>	<u>4,290</u>	<u>295,955</u>	<u>1,144,876</u>
Cash Disbursements					
Current:					
Security of Persons and Property	250,248				250,248
Public Health Services	3,436	13,763			17,199
Leisure Time Activities		4,657			4,657
Transportation		53,781			53,781
General Government	202,486	55,049	235		257,770
Capital Outlay		427		759,121	759,548
Debt Service:					
Principal Retirement				12,548	12,548
<i>Total Cash Disbursements</i>	<u>456,170</u>	<u>127,677</u>	<u>235</u>	<u>771,669</u>	<u>1,355,751</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(229,283)</u>	<u>490,067</u>	<u>4,055</u>	<u>(475,714)</u>	<u>(210,875)</u>
Other Financing Receipts (Disbursements)					
Other Debt Proceeds				370,144	370,144
Sale of an Asset				10,825	10,825
Transfers In	240,000			160,000	400,000
Transfers Out		(400,000)			(400,000)
Other Financing Sources	1,669				1,669
Other Financing Uses		(3,696)			(3,696)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>241,669</u>	<u>(403,696)</u>		<u>540,969</u>	<u>378,942</u>
<i>Net Change in Fund Cash Balances</i>	12,386	86,371	4,055	65,255	168,067
<i>Fund Cash Balances, January 1</i>	<u>378,177</u>	<u>646,434</u>	<u>5,559</u>	<u>446,153</u>	<u>1,476,323</u>
<i>Fund Cash Balances, December 31</i>	<u>\$390,563</u>	<u>\$732,805</u>	<u>\$9,614</u>	<u>\$511,408</u>	<u>\$1,644,390</u>

See accompanying notes to the basic financial statements

VILLAGE OF PEMBERVILLE
WOOD COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2020

	Enterprise
Operating Cash Receipts	
Charges for Services	\$1,889,552
Miscellaneous	13,775
<i>Total Operating Cash Receipts</i>	<u>1,903,327</u>
Operating Cash Disbursements	
Personal Services	295,749
Employee Fringe Benefits	76,543
Contractual Services	1,056,219
Supplies and Materials	142,929
Other	4,174
<i>Total Operating Cash Disbursements</i>	<u>1,575,614</u>
<i>Operating Income</i>	<u>327,713</u>
Non-Operating Receipts (Disbursements)	
Special Assessments	126,123
Other Debt Proceeds	371,417
Miscellaneous Receipts	21,966
Capital Outlay	(668,204)
Principal Retirement	(189,702)
Interest and Other Fiscal Charges	(36,664)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(375,064)</u>
<i>Net Change in Fund Cash Balances</i>	(47,351)
<i>Fund Cash Balances, January 1</i>	<u>3,118,271</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$3,070,920</u></u>

See accompanying notes to the basic financial statements

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

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, electrical power, park operations, and police services. The Village contracts with Pemberville-Freedom Township Fire Department to receive fire protection services.

Jointly Governed Organization, Joint Ventures, Long Term Purchase Commitments, and Public Entity Risk Pool

The Village participates in one jointly governed organization, two joint ventures, four long term purchase commitments, and one public entity risk pool. Notes 7 and 11-13 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable. These organizations are:

Jointly Governed Organization:
Pemberville Union Cemetery

Joint Ventures:
Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)
Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)

Long Term Purchase Commitments:
American Municipal Power Generating Station Project
Combined Hydroelectric Projects
Prairie State Energy Campus
AMP Fremont Energy Center (AFEC)

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.

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 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**

Notes to the Financial Statements
For the Year Ended December 31, 2020

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 accounts for and reports municipal income taxes, 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 receives charges for services from residents to cover water service costs.

Sewer Operating Fund The sewer operating fund receives charges for services from residents to cover sewer service costs.

Electric Operating Fund The electric operating fund accounts for the provision of electric distribution 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 (D). 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 (D) permit.

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

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 2020 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.

The Village values certificates of deposit at cost.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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**

Notes to the Financial Statements
For the Year Ended December 31, 2020

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 15.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$451,521	\$468,556	\$17,035
Special Revenue	577,278	617,744	40,466
Debt Service	4,000	4,290	290
Capital Projects	1,149,230	836,924	(312,306)
Enterprise	2,617,314	2,422,833	(194,481)
Total	\$4,799,343	\$4,350,347	(\$448,996)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$618,268	\$472,803	\$145,465
Special Revenue	712,333	609,434	102,899
Debt Service	2,000	235	1,765
Capital Projects	1,125,229	778,256	346,973
Enterprise	4,189,463	2,503,341	1,686,122
Total	\$6,647,293	\$4,364,069	\$2,283,224

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments

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

	<u>2020</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$1,771,663
Certificates of deposit	954,877
Other time deposits (savings and ICS accounts)	<u>1,988,770</u>
Total deposits	<u>\$4,715,310</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, 2020, 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**

Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 6 – Interfund Balances

During 2020, the Income Tax special revenue fund made transfers totaling \$400,000 to the General Fund (\$240,000) and the Permanent Improvement capital projects fund (\$160,000), to subsidize activities in those funds.

Note 7 – Risk Management

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM's property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

Assets	\$ 18,826,974
Liabilities	<u>(13,530,267)</u>
Members' Equity	<u>\$ 5,296,707</u>

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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, 2020.

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong 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 19.50 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2020.

Social Security

Some 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, 2020.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020.

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

Note 10 – Debt

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan #CT09G	\$8,595	
Ohio Water Development Authority Loan #5369	703,217	2.75%
Ohio Water Development Authority Loan #7269	542,284	2.46%
Ohio Public Works Commission Loan #CE07S	68,697	
Ohio Public Works Commission Loan #CE35S	21,656	
Ohio Water Development Authority Loan #8712	372,717	1.85%
Ohio Public Works Commission Loan #CE04V	161,637	
Ohio Public Works Commission Loan #CE21W	200,000	
Total	<u>\$2,078,803</u>	

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

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 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 the 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 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 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 Water Development Authority (OWDA) loan #8712 relates to a 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 Public Works Commission (OPWC) administered financial assistance from the State Capital Improvement Program (Loan #CE04V) for the Water Street and Bierley Avenue Improvements in July of 2018. The amount of the loan financed was \$170,144 at zero-interest and it will be repaid in semi-annual 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 in July of 2019. The amount of the loan financed will be \$200,000 at zero-interest and it will be repaid in semi-annual installments of \$5,000 over 20 years.

Amortization

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

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

Year Ending December 31:	OPWC #CT09G	OWDA #5369	OWDA #7269	OPWC #CE35S	OPWC #CE07S	OWDA #8712	OPWC #CE04V	OPWC #CE21W
2021	\$2,149	\$80,913	\$58,918	\$1,312	\$4,041	\$22,706	\$8,507	\$10,000
2022	2,149	80,913	58,918	1,313	4,041	22,705	8,507	10,000
2023	2,149	80,913	58,918	1,312	4,041	22,706	8,507	10,000
2024	2,148	80,913	58,918	1,313	4,041	22,705	8,507	10,000
2025		80,913	58,918	1,312	4,041	22,706	8,508	10,000
2026-2030		404,564	294,591	6,562	20,205	113,528	42,536	50,000
2031-2035			29,460	6,563	20,205	113,528	42,536	50,000
2036-2040				1,969	8,082	113,528	34,029	50,000
2041-2045								
Total	<u>\$8,595</u>	<u>\$809,129</u>	<u>\$618,641</u>	<u>\$21,656</u>	<u>\$68,697</u>	<u>\$454,112</u>	<u>\$161,637</u>	<u>\$200,000</u>

Note 11 - Long-Term Purchase Commitments

American Municipal Power Generating Station Project

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generation Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 1,058 kilowatts (kW) 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, 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 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, either positively or negatively, the Village's payments. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including AMP General Fund's project share.

Since March 31, 2014, the Village has made payments of \$53,788 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$2,235 and interest expense incurred on AMP's line-of-credit of (\$88), resulting in a net impaired cost estimate at December 31, 2020 of (\$4,506). The Village does have a potential Plant Held for Future Use (PHFU) Liability of \$53,870 resulting in a net total potential liability of \$49,364, 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.

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

The Village intends to recover these costs and repay AMP over the next two years through a power cost adjustment.

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 of \$2,142,071,461 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take or-pay power sales contract with 79 of its Members. As of December 31, 2020, \$2,140,742,059 aggregate principal amount of the Combined Hydroelectric Bonds and approximately \$23.01 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

On August 14, 2017, AMP filed a lawsuit in the U.S. District Court for the Southern District of Ohio 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. In the lawsuit, AMP alleges, 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. AMP has alleged proven damages of at least \$40 million. On October 16, 2017, Voith filed its answer, denying each of AMP's claims, and asserting two counterclaims seeking the payment of amounts it claims are due under the contract, amounts currently held by AMP as purported liquidated damages and \$40 million in damages, plus interest and legal fees. On December 1, 2017, AMP filed its answer to the Voith counterclaims, denying all liability to Voith.

As part of the initial disclosures, AMP listed 70 potential witnesses and \$90 million in gross damages, while Voith listed over 100 potential witnesses and \$65 million in gross damages. A scheduling order has been established which provides for the conclusion of discovery in April 2021, but no trial date has been set.

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.

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

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, 2020, AMP had \$1,470,255,000 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.

AMP Fremont Energy Center (86 Members)

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. AFEC has a capacity of 512 MW (unfired)/675 MW (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 the 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 86 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, 2020, \$478,965,000 aggregate principal amount of AFEC Bonds was outstanding.

Note 12 – Joint Ventures

Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2)

The Village of Pemberville 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.

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

Pursuant to the OMEGA JV2 Agreement, the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the JV2 Agreement.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 31, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2020, \$1,876,617 principal amount of JV2 obligations was outstanding and held on the Line of Credit. The Village's net investment in OMEGA JV2 was (\$48) at December 31, 2020. Complete financial statement for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2020 are:

Municipality	Percent Ownership	Kw Entitlement	Municipality	Percent Ownership	Kw Entitlement
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.49%	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
			Grand Total	100.00%	134,081

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5)

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

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

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2020, 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.

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

The Village's net investment to date in OMEGA JV5 was \$27,489 at December 31, 2020. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Note 13 – Jointly Governed Organization

Pemberville Union Cemetery Board: The Board is comprised of three members alternating between the Freedom Township Trustees and Village Council. In 2020, one member of council was on the Cemetery Board. The Board makes decisions on cost of lot purchases, maintenance of the cemetery, and regulations.

Note 14 – AMP Revenue Coverage

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

	<u>2020</u>
Total Assets	\$1,547,951
Total Liabilities	332,761
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	1,221,501
Other Operating Receipts	<u>13,701</u>
Total Operating Receipts	1,235,202
 Operating Expenses	 <u>1,122,653</u>
 Operating Income	 112,549
 Non-Operating Receipts (Disbursements)	
Capital Outlay	(22,831)
Principal Payments	(81,162)
Interest Payments	(1,910)
Other Non-Operating Receipts	<u>6,353</u>
Change in Fund Cash Balance	12,999
Beginning Fund Cash Balance	<u>1,534,952</u>
Ending Fund Cash Balance	<u><u>\$1,547,951</u></u>

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

Condensed Cash Flows Information:	2020
Net Cash Provided by:	
Operating Activities	\$112,549
Capital and Related Financing Activities	
Principal Payments on Capital and Related Debt	(81,162)
Interest Payments on Capital and Related Debt	(1,910)
Other Capital and Related Financing Activities	(16,478)
Net Cash Used by Capital and Related Financing Activities	(99,550)
Net Increase	12,999
Beginning Fund Cash Balance	1,534,952
Ending Fund Cash Balance	\$1,547,951

Note 15 – 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	\$16,633	\$78,061	\$6,587	\$101,281

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 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 – COVID-19

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

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 18 – Miscellaneous Revenue

The General Fund received Bureau of Worker's Compensation receipts in 2020.

Note 19 – Change in Accounting Principles

For 2020, the Village has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

**VILLAGE OF PEMBERVILLE
WOOD COUNTY
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$88,365				\$88,365
Municipal Income Tax		\$432,799			432,799
Intergovernmental	18,423	87,735		\$207,095	313,253
Special Assessments			\$3,661		3,661
Charges for Services	35	590			625
Fines, Licenses and Permits	34,297	25			34,322
Earnings on Investments	17,625	585			18,210
Miscellaneous	13,293				13,293
<i>Total Cash Receipts</i>	<u>172,038</u>	<u>521,734</u>	<u>3,661</u>	<u>207,095</u>	<u>904,528</u>
Cash Disbursements					
Current:					
Security of Persons and Property	203,923				203,923
Public Health Services	2,469				2,469
Leisure Time Activities		10,364			10,364
Transportation		59,004			59,004
General Government	221,645	54,302	227		276,174
Capital Outlay				266,279	266,279
Debt Service:					
Principal Retirement		51,157		4,041	55,198
Interest and Fiscal Charges		2,425			2,425
<i>Total Cash Disbursements</i>	<u>428,037</u>	<u>177,252</u>	<u>227</u>	<u>270,320</u>	<u>875,836</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(255,999)</u>	<u>344,482</u>	<u>3,434</u>	<u>(63,225)</u>	<u>28,692</u>
Other Financing Receipts (Disbursements)					
Transfers In	380,000			103,300	483,300
Transfers Out		(500,000)			(500,000)
Other Financing Sources	1,669				1,669
Other Financing Uses		(6,872)			(6,872)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>381,669</u>	<u>(506,872)</u>		<u>103,300</u>	<u>(21,903)</u>
<i>Net Change in Fund Cash Balances</i>	125,670	(162,390)	3,434	40,075	6,789
<i>Fund Cash Balances, January 1</i>	<u>252,507</u>	<u>808,824</u>	<u>2,125</u>	<u>406,078</u>	<u>1,469,534</u>
Fund Cash Balances, December 31					
Restricted		208,481	5,559	373	214,413
Committed		437,953		445,780	883,733
Assigned	166,747				166,747
Unassigned	211,430				211,430
<i>Fund Cash Balances, December 31</i>	<u>\$378,177</u>	<u>\$646,434</u>	<u>\$5,559</u>	<u>\$446,153</u>	<u>\$1,476,323</u>

See accompanying notes to the basic financial statements

**VILLAGE OF PEMBERVILLE
WOOD COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$1,936,035
Miscellaneous	14,182
	<u>1,950,217</u>
<i>Total Operating Cash Receipts</i>	<i>1,950,217</i>
Operating Cash Disbursements	
Personal Services	316,720
Employee Fringe Benefits	84,023
Contractual Services	1,095,332
Supplies and Materials	165,152
Other	20,888
	<u>1,682,115</u>
<i>Total Operating Cash Disbursements</i>	<i>1,682,115</i>
<i>Operating Income</i>	<i>268,102</i>
Non-Operating Receipts (Disbursements)	
Special Assessments	112,222
Other Debt Proceeds	1,300
Miscellaneous Receipts	14,696
Capital Outlay	(330,240)
Principal Retirement	(183,700)
Interest and Other Fiscal Charges	(42,644)
	<u>(428,366)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(428,366)</i>
<i>Loss before Transfers</i>	<i>(160,264)</i>
Transfers In	16,700
	<u>16,700</u>
<i>Net Change in Fund Cash Balances</i>	<i>(143,564)</i>
<i>Fund Cash Balances, January 1</i>	<i>3,261,835</i>
	<u>3,261,835</u>
<i>Fund Cash Balances, December 31</i>	<i>\$3,118,271</i>
	<u>\$3,118,271</u>

See accompanying notes to the basic financial statements

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2019

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, electrical power, park operations, and police services. The Village contracts with Pemberville-Freedom Township Fire Department to receive fire protection services.

Jointly Governed Organization, Joint Ventures, Long Term Purchase Commitments, and Public Entity Risk Pool

The Village participates in one jointly governed organization, two joint ventures, one long term purchase commitment, and one public entity risk pool. Notes 7 and 11-13 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable. These organizations are:

Jointly Governed Organization:
Pemberville Union Cemetery

Joint Ventures:
Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)
Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)

Long Term Purchase Commitments:
American Municipal Power Generating Station Project
Combined Hydroelectric Projects
Prairie State Energy Campus
AMP Fremont Energy Center (AFEC)

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.

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 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**

Notes to the Financial Statements
For the Year Ended December 31, 2019

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 accounts for and reports municipal income taxes, 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 receives charges for services from residents to cover water service costs.

Sewer Operating Fund The sewer operating fund receives charges for services from residents to cover sewer service costs.

Electric Operating Fund The electric operating fund accounts for the provision of electric distribution 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 (D). 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 (D) permit.

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For the Year Ended December 31, 2019

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 2019 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.

The Village values certificates of deposit at cost.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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.

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Notes to the Financial Statements
For the Year Ended December 31, 2019

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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$548,719	\$553,707	\$4,988
Special Revenue	388,800	521,734	132,934
Debt Service	5,000	3,661	(1,339)
Capital Projects	503,000	310,395	(192,605)
Enterprise	2,210,000	2,095,135	(114,865)
Total	\$3,655,519	\$3,484,632	(\$170,887)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$580,823	\$434,380	\$146,443
Special Revenue	750,728	685,087	65,641
Debt Service	2,000	227	1,773
Capital Projects	722,530	585,950	136,580
Enterprise	3,389,706	2,291,874	1,097,832
Total	\$5,445,787	\$3,997,518	\$1,448,269

**Village of Pemberville
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Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments

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

	<u>2019</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$1,678,256
Certificates of deposit	954,920
Other time deposits (savings and ICS accounts)	<u>1,961,418</u>
Total deposits	<u>\$4,594,594</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, 2019, 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.

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Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 – Interfund Balances

During 2019, the Income Tax special revenue fund made transfers totaling \$500,000 to the General Fund (\$380,000), the Permanent Improvement capital projects fund (\$103,300), the Sewer Capital Improvement enterprise fund (\$8,350), and the Water Capital Improvement enterprise fund (\$8,350), to subsidize activities in those funds.

Note 7 – Risk Management

Risk Pool Membership

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

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

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

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

Assets	\$ 15,920,504
Liabilities	(11,329,011)
Members' Equity	<u>\$ 4,591,493</u>

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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.

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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, 2019.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong 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 19.50 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

Social Security

Some 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, 2019.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019.

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

Note 10 – Debt

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan #CT09G	\$10,744	0.00%
Ohio Water Development Authority Loan #5369	763,544	2.75%
Ohio Water Development Authority Loan #7269	587,034	2.46%
Ohio Public Works Commission Loan #CE07S	72,738	0.00%
Ohio Public Works Commission Loan #CE35S	22,969	0.00%
Ohio Water Development Authority Loan #8712	1,300	1.85%
Total	<u>\$1,458,329</u>	

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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 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 the 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 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 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 Water Development Authority (OWDA) loan #8712 relates to a 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. Payments on the loan have not yet been made.

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 in July of 2018. The amount of the loan financed will be \$170,144 at zero-interest and it will be repaid in semi-annual installments of \$4,254 over 20 years. The Village has yet to receive the loan proceeds and no payments have been made.

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 in July of 2019. The amount of the loan financed will be \$200,000 at zero-interest and it will be repaid in semi-annual installments of \$5,000 over 20 years. The Village has yet to receive the loan proceeds and no payments have been made.

Leases

The Village leases a Freightliner Plow Truck. The Village disbursed \$53,582 to pay off the lease for the year ended December 31, 2019.

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For the Year Ended December 31, 2019

Amortization

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

Year Ending December 31:	OPWC #CT09G	OWDA #5369	OWDA #7269	OPWC #CE35S	OPWC #CE07S	OWDA # 8712
2020	\$2,149	\$80,913	\$58,918	\$1,313	\$4,041	
2021	2,149	80,913	58,918	1,312	4,041	\$22,706
2022	2,149	80,913	58,918	1,313	4,041	22,705
2023	2,149	80,913	58,918	1,312	4,041	22,706
2024	2,148	80,913	58,918	1,313	4,041	22,705
2025-2029		404,564	294,591	6,563	20,205	113,528
2030-2034		80,913	88,378	6,562	20,205	113,528
2035-2039				3,281	12,123	113,528
2040-2044						22,706
Total	<u>\$10,744</u>	<u>\$890,042</u>	<u>\$677,559</u>	<u>\$22,969</u>	<u>\$72,738</u>	<u>\$454,112</u>

Note 11 - Long-Term Purchase Commitment

American Municipal Power Generating Station Project

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 1,058 kilowatts (kW) of a total 771,281 kilowatts, giving the Village a 0.14 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share of the estimated costs at March 31, 2014, 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 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 payments. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including AMP General Fund's project share.

Since March 31, 2014, the Village has made payments of \$53,788 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$2,223 and interest expense incurred on AMP's line-of-credit of \$23, resulting in a net impaired cost estimate at December 31, 2019 of (\$4,453). The Village does have a potential Plant Held for Future Use (PHFU) Liability of \$53,138 resulting in a net total potential liability of \$48,685, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the

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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 as 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.

The Village intends to recover these costs and repay AMP over the next two years through a power cost adjustment.

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.

The Cannelton Hydro facility, 88MW, in operation as of June 7, 2016, is located on the Kentucky shore of the Cannelton Locks and Dam on federal land. AMP has a FERC license for the project that expires May 31, 2041. The hydro project diverts water from the locks and dam through bulb turbines, which have a horizontal shaft and Kaplan-type turbines. The site includes an intake channel, a reinforced concrete powerhouse (to house turbine and 3 generator units), and a tailrace or downstream channel.

The Willow Island Hydro facility, 44MW, in operation as of February 4, 2016, diverts water from the existing Willow Island Locks and Dam through bulb turbines. The FERC license for the Willow Project expires August 31, 2030. Average gross annual output is 279 million kWh. The powerhouse houses two horizontal 29.3 MW bulb type turbines and generating units.

The Smithland Hydro facility, 76MW, in operation as of September 1, 2017, is located 62.5 miles upstream of the confluence of the Ohio and Mississippi Rivers. The Smithland project has a FERC license that expires May 31, 2038. The powerhouse houses three horizontal 29.3 MW bulb type turbines and generating units. Average gross annual output is 379 million kWh.

To provide financing for the Combined Hydroelectric Project, in 2009 and 2010 AMP issued in seven series \$2,045,425,000 of its Combined Hydroelectric Project Revenue Bonds (the "Combined Hydroelectric Bonds"), 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 net revenue obligations of AMP, 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.

In addition, AMP issued the Combined Hydro Project Revenue Bonds, Series 2016A (Green Bonds) (the "Series 2016A Bonds") for \$209,530,000 on October 6, 2016. The bonds were used to finance final completion costs and also reimbursement to the AMP credit line, which provided interim financing for costs related to construction, fund a deposit to the Parity Common Reserve Account, deposit to Escrow Account and pay the cost of issuance of the Series 2016A. The purpose of the "Green bonds" label is to allow investors to invest in an environmentally beneficial project.

As of December 31, 2019 the total outstanding Hydro Project debt on AMP's books is approximately \$2,225,515,963.

The Village of Pemberville has executed a take-or-pay power sales contract with AMP for 100 kW or .05% of capacity and associated energy from the Combined hydro facilities.

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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, 2019 the outstanding obligation on Prairie State project is \$1,495,245,000.

The Village of Pemberville has executed a take-or-pay power sales contract with AMP for 498 kW or .14% kW of capacity and associated energy from the Prairie State facility.

AMP Fremont Energy Center (86 Members)

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. AFEC has a capacity of 512 MW (unfired)/675 MW (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 the 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 86 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, 2019 the outstanding obligation on the Fremont Energy Center ("*AFEC*") on AMP's books is \$489,280,000.

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.

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Note 12 – Joint Ventures

Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2)

The Village of Pemberville 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.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 31, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2019, \$2,900,302 principal amount of JV2 obligations was outstanding and held on the Line of Credit. The Village's net investment in OMEGA JV2 was \$4,802 at December 31, 2019. Complete financial statement for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

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

Municipality	Percent Ownership	Kw Entitlement	Municipality	Percent Ownership	Kw Entitlement
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.49%	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

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Notes to the Financial Statements
For the Year Ended December 31, 2019

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
			Grand Total	100.00%	134,081

Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5)

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

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

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2019, 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

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2019

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 \$27,489 at December 31, 2019. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Note 13 – Jointly Governed Organization

Pemberville Union Cemetery Board: The Board is comprised of three members alternating between the Freedom Township Trustees and Village Council. In 2019, one member of council was on the Cemetery Board. The Board makes decisions on cost of lot purchases, maintenance of the cemetery, and regulations.

Note 14 – AMP Revenue Coverage

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

	<u>2019</u>
Total Assets	\$1,534,952
Total Liabilities	413,923
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	1,263,543
Other Operating Receipts	<u>13,957</u>
Total Operating Receipts	1,277,500
 Operating Expenses	 <u>1,184,718</u>
 Operating Income	 92,782
 Non-Operating Receipts (Disbursements)	
Capital Outlay	(47,659)
Principal Payments	(77,867)
Interest Payments	(5,185)
Other Non-Operating Receipts	<u>5,442</u>
Change in Fund Cash Balance	(32,487)
Beginning Fund Cash Balance	<u>1,567,439</u>
Ending Fund Cash Balance	<u><u>\$1,534,952</u></u>

**Village of Pemberville
Wood County**

Notes to the Financial Statements
For the Year Ended December 31, 2019

Condensed Cash Flows Information:	<u>2019</u>
Net Cash Provided by:	
Operating Activities	\$92,782
Capital and Related Financing Activities	
Principal Payments on Capital and Related Debt	(77,867)
Interest Payments on Capital and Related Debt	(5,185)
Other Capital and Related Financing Activities	<u>(42,217)</u>
Net Cash Used by Capital and Related Financing Activities	(125,269)
Net Decrease	(32,487)
Beginning Fund Cash Balance	<u>1,567,439</u>
Ending Fund Cash Balance	<u><u>\$1,534,952</u></u>

Note 15 – Contingent Liabilities

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

Note 16 – COVID-19

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

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OHIO AUDITOR OF STATE KEITH FABER



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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Pemberville, Wood County, Ohio (the Village), and have issued our report thereon dated December 21, 2021, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code §117.38 and Ohio Admin. Code § 117-2-03(D) permit. In addition, we noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Compliance and Other Matters

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

Village's Response to Finding

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2021

**VILLAGE OF PEMBERVILLE
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2020-001

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. In addition, Governmental Accounting Standards Board (GASB) Statement No. 54 (codified as GASB Cod 1800.165-.179) requires fund balance be divided into one of five classifications based on the extent to which constraints are imposed upon the resources.

The following errors were noted in the accompanying financial statements:

- In 2019, the Income Tax fund balance was not classified in accordance with Governmental Accounting Standards Board Statement No. 54 requirements. Committed fund balance was incorrectly recorded as restricted and assigned fund balance in the amounts of \$368,390 and \$69,563, respectively.
- In 2019, the Permanent Improvement fund balance was not classified in accordance with Governmental Accounting Standards Board Statement No. 54 requirements. Committed fund balance was incorrectly recorded as restricted and assigned fund balance in the amounts of \$130,150 and \$315,630, respectively.
- In 2019, other debt proceeds in the amount of \$1,300 paid on behalf of the Ohio Water Development Authority (OWDA) were incorrectly recorded as intergovernmental revenue in the Enterprise Fund.
- In 2019, grant revenues paid on behalf of the Ohio Public Works Commission (OPWC) were incorrectly recorded as other debt proceeds instead of intergovernmental revenue in the Capital Projects Fund in the amount of \$207,095.
- In 2020, grant revenues paid on behalf of the Ohio Public Works Commission (OPWC) and Wood County Planning Commission were incorrectly recorded as other debt proceeds instead of intergovernmental revenue in the Capital Projects Fund in the amounts of \$227,055 and \$68,900, respectively.
- In 2020, other debt proceeds and the related capital outlay expenses paid on behalf of the Village as part of an OWDA loan, in the amount of \$19,321, were not recorded by the Village in the Enterprise Fund.
- In 2020 and 2019 notes to the financial statements, we noted the omission of the COVID-19, Contingent Liabilities, Fund Balances (2020 only), Miscellaneous Revenue (2020 only), and Change in Accounting Principles (2020 only) notes, and parts of the Long-Term Purchase Commitments note.

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 \$5,976 to \$14,010 that we have brought to the Village's attention.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, 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:

The Fiscal Officer indicated she has noted the errors and will take the necessary measures to correct these errors moving forward.

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	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 2020-001.	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.

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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 1/6/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov