



**VILLAGE OF EDGERTON
WILLIAMS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2023-2022

VILLAGE OF EDGERTON
WILLIAMS COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of Edgerton
Williams County
324 North Michigan Avenue
P.O. Box 609
Edgerton, Ohio 43517-0609

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 18, 2024

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VILLAGE OF EDGERTON
WILLIAMS COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts:				
Property and Other Local Taxes	\$167,208	\$51,892		\$219,100
Municipal Income Tax	1,275,735		\$318,934	1,594,669
Intergovernmental	113,271	218,638	468,091	800,000
Charges for Services	50	69,987		70,037
Fines, Licenses and Permits	23,645			23,645
Earnings on Investments	28,693	8,423		37,116
Miscellaneous	36,316	3,740	4,637	44,693
<i>Total Cash Receipts</i>	<u>1,644,918</u>	<u>352,680</u>	<u>791,662</u>	<u>2,789,260</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	484,435	164,702		649,137
Public Health Services	3,120			3,120
Leisure Time Activities	195,927		15,520	211,447
Community Environment	18,667		445,364	464,031
Transportation		291,881	37,211	329,092
General Government	452,086	366	20,978	473,430
Capital Outlay		263,234	78,222	341,456
Debt Service:				
Principal Retirement			87,927	87,927
Interest and Fiscal Charges			6,136	6,136
<i>Total Cash Disbursements</i>	<u>1,154,235</u>	<u>720,183</u>	<u>691,358</u>	<u>2,565,776</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>490,683</u>	<u>(367,503)</u>	<u>100,304</u>	<u>223,484</u>
Other Financing Receipts (Disbursements):				
Transfers In		150,144		150,144
Transfers Out	(150,144)			(150,144)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(150,144)</u>	<u>150,144</u>		
<i>Net Change in Fund Cash Balances</i>	340,539	(217,359)	100,304	223,484
<i>Fund Cash Balances, January 1</i>	<u>2,698,905</u>	<u>477,516</u>	<u>431,197</u>	<u>3,607,618</u>
<i>Fund Cash Balances, December 31</i>	<u>\$3,039,444</u>	<u>\$260,157</u>	<u>\$531,501</u>	<u>\$3,831,102</u>

See accompanying notes to the basic financial statements

**VILLAGE OF EDGERTON
WILLIAMS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$3,508,299
Miscellaneous	56,485
	3,564,784
<i>Total Operating Cash Receipts</i>	<i>3,564,784</i>
Operating Cash Disbursements:	
Personal Services	715,086
Contractual Services	2,435,865
Supplies and Materials	111,714
Capital Outlay	744,372
	4,007,037
<i>Total Operating Cash Disbursements</i>	<i>4,007,037</i>
<i>Operating Loss</i>	<i>(442,253)</i>
Non-Operating Receipts (Disbursements):	
Property and Other Local Taxes	5,093
Intergovernmental Receipts	10,000
Earnings on Investments	6,136
Loans Issued	90,377
Other Financing Sources	14,659
Other Financing Uses	(6,355)
	119,910
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>119,910</i>
<i>Net Change in Fund Cash Balances</i>	<i>(322,343)</i>
<i>Fund Cash Balances, January 1</i>	<i>4,760,815</i>
<i>Fund Cash Balances, December 31</i>	<i>\$4,438,472</i>

See accompanying notes to the basic financial statements

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

Note 1 - Reporting Entity

The Village of Edgerton, Williams County, Ohio (the Village), is a body corporate and politic 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 general governmental services, including electric, water, and sewer utilities, park operations, street maintenance, police and fire protection and general maintenance.

Joint Venture, Jointly Governed Organization and Public Entity Risk Pools

The Village participates in four joint ventures and four long term purchase commitments, a jointly governed organization and three public entity risk pools. Notes 9, 14, 15, 16 and 17 to the financial statements provide further information on these organizations. These organizations are:

Joint Ventures:

- Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)
- Ohio Municipal Electric Generation Agency Joint Venture 4 (OMEGA JV4)
- Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)
- Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6)

Long Term Purchase Commitments:

- Prairie State Energy Campus (PSEC)
- American Municipal Power Generating Station (AMPGS)
- Combined Hydroelectric Projects
- American Municipal Power Fremont Energy Center

Jointly Governed Organization:

- Regional Income Tax Agency

Public Entity Risk Pools:

- Northern Buckeye Health Plan
- Ohio Association of Public Treasurers Workers Compensation Group Rating Plan
- Public Entity Pool of Ohio

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

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

Note 2 - Summary of Significant Accounting Policies – (Continued)

Fund Accounting

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

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

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

Street Construction, Maintenance and Repair Fund This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Fire Levy Fund This fund receives levy funds to provide fire protection services to Village residents.

American Rescue Plan Fund This fund accounts for federal grants received as part of the American Rescue Plan Act of 2021.

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

Income Tax Capital Improvement Fund This fund received proceeds from the Town Hall Improvement Bond. The proceeds were used to renovate the municipal building.

ODD Brownfield Fund This fund received state grants for the remediation of a brownfield site within the Village limits.

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 Fund This fund receives charges for services from residents to cover water service costs.

Sewer Fund This fund receives charges for services from residents to cover sewer service costs.

Electric Fund This fund receives charges for services from residents to cover electric service costs.

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

Note 2 - Summary of Significant Accounting Policies – (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(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.

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, department, object level of control for all funds, and appropriations may not exceed estimated resources. Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

The Village values its Town Hall Improvement Bonds at cost, less repayments.

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.

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

Note 2 - Summary of Significant Accounting Policies – (Continued)

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$1,139 are reflected as miscellaneous revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

Fund Balance

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 19.

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

Note 3 - Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,382,589	\$1,644,918	\$262,329
Special Revenue	570,219	502,824	(67,395)
Capital Projects	751,518	791,662	40,144
Enterprise	4,033,869	3,691,049	(342,820)
Total	\$6,738,195	\$6,630,453	(\$107,742)

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,774,078	\$1,357,086	\$416,992
Special Revenue	792,572	725,583	66,989
Capital Projects	800,836	706,641	94,195
Enterprise	4,971,611	4,325,486	646,125
Total	\$8,339,097	\$7,114,796	\$1,224,301

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:

	2023
Demand deposits	\$4,815,235
Certificates of deposit	3,089,142
Cash on Hand	100
Total deposits	7,904,477
General Obligation Bond	365,097
Total deposits and investments	\$8,269,574

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 withholding. At December 31, 2023, the Village is holding \$8,110 in unremitted employee payroll withholdings.

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

Note 4 - Deposits and Investments – (Continued)

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

Investments

The Electric Fund holds the Town Hall Improvement General Obligation Bond identifying the Village as owner.

Note 5 - 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.

Note 6 - Income Taxes

The Village levies a municipal income tax of 1.75 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 7 - Interfund Balances

Outstanding advances at December 31, 2023, consisted of \$15,998 advanced to ODOT/SRTS capital project fund to provide working capital for projects.

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

Note 8 - Interfund Transfers

During 2023, the following transfers were made:

Transfer To	Transfer From General
Special Revenue Funds:	
Street Construction Maintenance and Repair Fund	\$139,896
Fire Levy Fund	10,248
	\$150,144

The above-mentioned Transfers From/To were used to move receipts from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them; and to use unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 9 - Risk Management

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31 (latest information available):

	2022
Cash and investments	\$42,310,794
Actuarial liabilities	15,724,479

The Village participates in the Northern Buckeye Health Plan (Plan), a public entity shared risk pool consisting of educational entities within Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The Village pays monthly premiums to the Northern Buckeye Education Council for the benefits offered to its employees including medical, dental, vision, and life insurance. The Northern Buckeye Education Council is responsible for the management and operations of the Plan. The agreement for the Plan provides for additional assessments to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from the Plan, a participant is responsible for any claims not processed and paid and any related administrative costs.

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

Note 9 - Risk Management – (Continued)

The Village participated in the Ohio Association of Public Treasurers Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool. The Plan is intended to achieve the benefit of a reduced premium for the Village by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating members is calculated as one experience, and a common premium rate is applied to all members in the Plan. Each member pays its workers' compensation premiums to the State based on the rate for the Plan rather than its individual rate.

Participation in the Plan is limited to members that can meet the Plan's selection criteria. The members apply for participation each year. The firm of Sedgewick, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the Village pays an enrollment fee to the Plan to cover the costs of administering the program.

Note 10 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

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

Note 11 - Postemployment Benefits

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

Note 12 - Debt

Debt outstanding at December 31, 2023 was as follows:

	Principal	Interest Rate
Town Hall Improvement General Obligation Bond	\$365,097	1.50%
Ohio Water Development Authority (OWDA)		
Loan - Water Towers Rehab II Project	90,377	1.73%
Total	\$455,474	

In December 2012, the Village issued a \$900,000 Town Hall Improvement General Obligation Bond to pay the cost of renovating, improving and equipping the new Village Town Hall. The Bond was issued with an interest rate of 2.65 percent and is to be repaid over a period of 15 years. The general revenues of the Village have been pledged to repay the Bond. The Bond was purchased by the Village's Electric Fund.

In December of 2020, the Village restructured the Bond to bear interest at the rate of 1.5 percent per annum and to have interest payable semiannually on June 1 and December 1 of each year, commencing June 1, 2021, and principal payable annually on June 1, commencing June 1, 2021 and each year thereafter through 2027. The restructure will reduce the interest paid by \$37,916 over the life of the bond issue.

In 2023, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA) for assistance with the improvement of the water towers. The total loan amount was \$90,377, with an interest rate of 1.73 percent and will be repaid in semiannual installments over 20 years. The loan is secured by water receipts.

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

Note 12 - Debt – (Continued)

Amortization

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

Year ending December 31:	General Obligation Notes	OWDA Loans
2024	\$94,053	\$5,398
2025	94,043	5,398
2026	94,033	5,398
2027	94,023	5,398
2028		5,398
2029-2033		26,991
2034-2038		26,991
2039-2043		26,991
Total	\$376,152	\$107,963

Note 13 - 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 14 - Joint Ventures

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

The Village of Edgerton is a Non-Financing Participant and an Owner Participant with an ownership percentage 1.09% and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

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

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

Note 14 - Joint Ventures – (Continued)

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants’ respective municipal electric utility system.

The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants’ entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture’s agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2022, (latest information available) there was no outstanding debt. The Village’s net investment in OMEGA JV2 was a deficit of \$9,970 at December 31, 2022 (latest information available). Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor’s website at www.auditor.state.oh.us.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2022 (latest information available) 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
	95.20 %	127,640		4.80%	6,441
Grand Total		100%			134,081

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

Note 14 - Joint Ventures – (Continued)

Ohio Municipal Electric Generation Agency Joint Venture 4 (OMEGA JV4)

The Village of Edgerton is a Financing Participant with an ownership percentage of 3%, and shares participation with three other subdivisions within the State of Ohio in a joint venture to oversee construction and operation of a 69 kilowatt transmission line in Williams County, the Ohio Municipal Electric Generation Agency Joint Venture (OMEGA JV4).

OMEGA JV4 is managed by AMP-Ohio, who acts as the joint venture's agent. The participants are obligated, by agreement to remit on a monthly basis those cost incurred from using electric generated by the joint venture. In the event of a shortfall, the Joint Venture participants are billed for their respective shares of the estimated shortfall. ONEGA JV4 has no debt.

The Villages net investment in JV4 was \$41,696 at December 31, 2022 (latest information available). Complete financial statements for OMEGA JV4 may be obtained from AMP or from the State Auditor's website at www.auditor.state.ohio.us.

The four participating subdivisions and their respective ownership shares at December 31, 2022 (latest information available) are: Participant Percent Project Ownership and Entitlement Bryan 42% Pioneer 30% Montpelier 25% Edgerton 3% Total 100%.

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

The Village of Edgerton 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, 2023, the Village has met its debt coverage obligation.

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

Note 14 - Joint Ventures – (Continued)

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.

In 1993, OMEGA JV5 assigned to a trustee the obligations of its participants to make payments for their respective ownership shares in the "Belleville Project," a 42 MW run-of-the-river hydroelectric generating facility on an Army Corps dam near Parkersburg, West Virginia and an associated transmission line in Ohio owned by OMEGA JV5. AMP is responsible for operation of the Belleville Project. The hydroelectric generation associated with the Belleville Project has been operational since June 1999. The Federal Energy Regulatory Commission license for the Belleville Projects runs through August 31, 2039. As of December 31, 2019 (latest information available) \$37,982,680 of the 2001 Belleville Beneficial Interest Certificates (2001 BICs) with a final maturity of 2030 was outstanding. The 2001 BICs are capital appreciation bonds with a final aggregate maturity amount of \$56,125,000. In addition, on February 15, 2014, AMP redeemed \$70,990,000 of the 2004 Belleville Beneficial Interest Certificates with the proceeds of a draw on the Line of Credit, which draw was evidenced by the proceeds of a note (the JV5 Note). On January 29, 2016, OMEGA JV5 caused the issuance of \$49,745,000 Belleville Beneficial Interest Refunding Certificates, Series 2016 (the 2016 BICs) to pay a portion of the outstanding balance of the JV5 Note and to pay costs of issuance. The balance of the JV5 Note has since been retired. The 2016 BIC's were redeemed in whole on February 15, 2021 with draw on the Line of Credit which is evidenced by a subordinated note (the 2021 JV5 Note). This note was paid in full in the first quarter of 2022.

The Village's net investment to date in OMEGA JV5 was \$27,489 at December 31, 2022 (latest information available). Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

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

The Village of Edgerton is a Financing Participant with an ownership percentage of 1.39%, and shares participation with nine other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6). Financing Participants, after consideration of the potential risks and benefits can choose to be Owner Participants or Purchaser Participants. Owner Participants own undivided interests, as tenants in common in the Project in the amount of its Project Share. Purchaser Participants purchase the Project Power associated with its Project Share.

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

OMEGA JV6 owns four 1.8 MW wind turbines located in Bowling Green Ohio. AMP is responsible for the operation of the JV6 assets. OMEGA JV6 has no debt outstanding.

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

Note 14 - Joint Ventures – (Continued)

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant’s System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant’s Project Share and to Financing Participant’s respective obligations first by credit against the Financing Participant’s respective obligations. Any other excess funds shall be paid to the Participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2023, the Village has met its debt coverage obligation.

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

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

The Village’s net investment to date in OMEGA JV6 was \$38,025 at December 31, 2022 (latest information available). Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor’s website at www.auditor.state.oh.us.

The ten participating subdivisions and their respective ownership shares at December 31, 2022 (the latest available information) are:

Participant	KW Amount	% of Financing
Bowling Green	3,075	56.94%
Cuyahoga Falls	1,350	25.00%
Napoleon	225	4.17%
Oberlin	187.5	3.47%
Wadsworth	187.5	3.47%
Edgerton	75	1.39%
Elmore	75	1.39%
Montpelier	75	1.39%
Pioneer	75	1.39%
Monroeville	75	1.39%
Total	5,400	100.00%

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

Note 15 - Long Term Purchase Commitments

Prairie State Energy Campus (PSEC)

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

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the *Initial Prairie State Bonds*) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. In 2015, 2017 and 2019, AMP issued bonds (the *Prairie State Refunding Bonds* and, together with the Initial Prairie State Bonds, the *Prairie State Bonds*) to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009, certain of callable outstanding Initial Prairie State Bonds issued as Build America Bonds and certain of the bonds issued in 2015 to refund the Initial Prairie State Bonds. As of December 31, 2023, AMP had \$1,315,450,000 aggregate principal amount of Prairie State Bonds outstanding (latest information available).

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the "*Prairie State Power Sales Contract*") with 68 Members (the "*Prairie State Participants*"). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract. The capacity factor for the Prairie State Energy Campus for the fiscal year ending December 31, 2020 was 81.4%.

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

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 share was 1,000 kilowatts of a total 771,281 kilowatts, giving the Village a 0.13 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not made 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 at March 31, 2014, of the impaired costs is \$170,719. The Village received a credit of \$56,955 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$45,225 related to the AMPGS costs deemed to have future benefit for the project participants, and made payments of \$115,022 leaving a net credit balance of impaired cost estimate of \$46,483. The Village opted to leave the credit balance with AMP to offset any additional costs in the future.

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

Note 15 - Long Term Purchase Commitments – (Continued)

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 credit balance. These amounts will be recorded as they become estimable.

In August 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the AMPGS Project. Following the mediation, AMP and Bechtel reached a comprehensive settlement which resolved all claims. The terms of such settlement are confidential.

Since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$2,171, and interest credited to the Village has been \$10,909, resulting in a net credit balance at December 31, 2023 of \$55,222. The Village does have a potential PHFU Liability of \$55,475 resulting in a net total potential liability of \$2,531, 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 (latest information available).

Combined Hydroelectric Projects (79 Members)

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

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued ten series of its Combined Hydroelectric Projects Revenue Bonds (the "Combined Hydroelectric Bonds"), in an original aggregate principal amount \$2,483,845,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2023, \$2,059,888,824 aggregate principal amount of the Combined Hydroelectric Bonds and approximately \$10.7 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 (latest information available).

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

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

Note 15 - Long Term Purchase Commitments – (Continued)

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

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

The Village of Edgerton has executed a take-or-pay power sales contract with AMP for a Project Share of 799 kW or 0.38% of capacity and associated energy from the Combined Hydroelectric facilities.

AMP Fremont Energy Center (AFEC) (87 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. The AFEC has a capacity of 512 MW (unfired)/675MW (fired) and consists of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser.

AMP subsequently sold a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the "90.69% Interest") is sold to AMP Members pursuant to a take-or-pay power sales contract with 87 of its members (the "AFEC Power Sales Contract").

In 2012, to provide permanent financing for the 90.69% Interest, AMP issued, in two series, \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the "2012 AFEC Bonds"), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. In 2017, AMP issued bonds (the "AFEC Refunding Bonds" and, together with the 2012 AFEC Bonds, the "AFEC Bonds") to refund a portion of the 2012 AFEC Bonds. As of December 31, 2023, \$378,790,000 aggregate principal amount of AFEC Bonds was outstanding (latest information available).

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

The Village has executed a take-or-pay power sales contract with AMP as a participant of the AFEC of 1030 kW or .22% of capacity and associated energy from the AFEC.

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

Note 16 - Jointly Governed Organizations

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2023, the Village paid RITA \$41,702 for income tax collection services.

Note 17 - Public Entity Risk Pools

Northern Buckeye Health Plan

The Northern Buckeye Health Plan is a public entity shared risk pool consisting of educational entities within Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The Plan is governed by the Northern Buckeye Education Council (NBEC) and its participating members.

The Village participates in the Northern Buckeye Health Plan (the Plan), a public entity shared risk pool consisting of educational entities within Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The Village pays monthly premiums to the Northern Buckeye Education Council for the benefits offered to its employees including medical, dental, vision, and life insurance. The Northern Buckeye Education Council is responsible for the management and operations of the Plan. The agreement for the Plan provides for additional assessments to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from the Plan, a participant is responsible for any claims not processed and paid and any related administrative costs.

Ohio Association of Public Treasurers Workers Compensation Group Rating Plan

The Village participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of Public Treasurers Workers' Compensation Group Rating Plan (the GRP) was established through the Ohio Association of Public Treasurers (OAPT) as an insurance purchasing pool. The GRP is governed by the OAPT and the participants of the GRP. The Executive Director of the OAPT with the help of their partners with Sedwick, coordinates the management and administration of the GRP. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 18- 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 14. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

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

Note 18- AMP Revenue Coverage – (Continued)

	2023
Total Assets	\$2,907,129
Condensed Operating Information:	
Operating Receipts	
Charges for Services	2,709,850
Other Operating Receipts	54,873
Total Operating Receipts	2,764,723
Personal Services	326,366
Contractual Services	2,360,071
Supplies and Materials	58,584
Capital Outlay	95,310
Total Operating Expenses	2,840,331
Operating Income	(75,608)
Nonoperating Receipts	
Property and Other Local Taxes	5,093
Earning on Investments	6,136
Total Nonoperating Receipts	11,229
Change in Fund Cash Balance	(64,379)
Beginning Fund Cash Balance	2,971,508
Ending Fund Cash Balance	\$2,907,129
Condensed Cash Flows Information:	
	2023
Net Cash Used by:	
Operating Activities	(\$75,608)
Noncapital Financing Activities	
Other Noncapital Financing Activities	5,093
Investing Activities	
Earnings on Investments	6,136
Net Increase (Decrease)	(64,379)
Beginning Fund Cash Balance	2,971,508
Ending Fund Cash Balance	\$2,907,129

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

Note 19 - Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. 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
Nonspendable:				
Unclaimed Monies	\$739			\$739
Outstanding Encumbrances	52,707	\$5,400	\$15,283	73,390
<i>Total</i>	\$53,446	\$5,400	\$15,283	\$74,129

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

**VILLAGE OF EDGERTON
WILLIAMS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts:				
Property and Other Local Taxes	\$171,084	\$46,338		\$217,422
Municipal Income Tax	1,128,561		\$282,140	1,410,701
Intergovernmental	119,470	250,773	141,626	511,869
Charges for Services	24	67,193		67,217
Fines, Licenses and Permits	21,851	391		22,242
Earnings on Investments	8,450	2,460		10,910
Miscellaneous	30,597	2,581	3,282	36,460
<i>Total Cash Receipts</i>	<u>1,480,037</u>	<u>369,736</u>	<u>427,048</u>	<u>2,276,821</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	481,518	132,932	21,970	636,420
Public Health Services	2,000			2,000
Leisure Time Activities	189,069			189,069
Community Environment	16,702			16,702
Transportation		255,518	152,277	407,795
General Government	621,081		20,142	641,223
Capital Outlay			202,128	202,128
Debt Service:				
Principal Retirement			101,628	101,628
Interest and Fiscal Charges			7,445	7,445
<i>Total Cash Disbursements</i>	<u>1,310,370</u>	<u>388,450</u>	<u>505,590</u>	<u>2,204,410</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>169,667</u>	<u>(18,714)</u>	<u>(78,542)</u>	<u>72,411</u>
Other Financing Receipts (Disbursements):				
Sale of Capital Assets			14,336	14,336
Transfers In		126,862		126,862
Transfers Out	(126,862)			(126,862)
Advances In			15,998	15,998
Advances Out	(15,998)			(15,998)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(142,860)</u>	<u>126,862</u>	<u>30,334</u>	<u>14,336</u>
<i>Net Change in Fund Cash Balances</i>	26,807	108,148	(48,208)	86,747
<i>Fund Cash Balances, January 1</i>	<u>2,672,098</u>	<u>369,368</u>	<u>479,405</u>	<u>3,520,871</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,698,905</u>	<u>\$477,516</u>	<u>\$431,197</u>	<u>\$3,607,618</u>

See accompanying notes to the basic financial statements

VILLAGE OF EDGERTON
WILLIAMS COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$3,571,560
Miscellaneous	21,781
	3,593,341
<i>Total Operating Cash Receipts</i>	<i>3,593,341</i>
Operating Cash Disbursements:	
Personal Services	655,241
Contractual Services	2,448,082
Supplies and Materials	113,213
Capital Outlay	371,695
	3,588,231
<i>Total Operating Cash Disbursements</i>	<i>3,588,231</i>
<i>Operating Income</i>	<i>5,110</i>
Non-Operating Receipts (Disbursements):	
Property and Other Local Taxes	5,416
Intergovernmental Receipts	300,000
Earnings on Investments	7,445
Other Financing Sources	8,250
Other Financing Uses	(6,980)
	314,131
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>314,131</i>
<i>Net Change in Fund Cash Balances</i>	<i>319,241</i>
<i>Fund Cash Balances, January 1</i>	<i>4,441,574</i>
<i>Fund Cash Balances, December 31</i>	<i>\$4,760,815</i>

See accompanying notes to the basic financial statements

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 - Reporting Entity

The Village of Edgerton, Williams County, Ohio (the Village), is a body corporate and politic 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 general governmental services, including electric, water, and sewer utilities, park operations, street maintenance, police and fire protection and general maintenance.

Joint Venture, Jointly Governed Organization and Public Entity Risk Pools

The Village participates in four joint ventures and four long term purchase commitments, a jointly governed organization and three public entity risk pools. Notes 9, 14, 15, 16 and 17 to the financial statements provide further information on these organizations. These organizations are:

Joint Ventures:

- Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)
- Ohio Municipal Electric Generation Agency Joint Venture 4 (OMEGA JV4)
- Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)
- Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6)

Long Term Purchase Commitments:

- Prairie State Energy Campus (PSEC)
- American Municipal Power Generating Station (AMPGS)
- Combined Hydroelectric Projects
- American Municipal Power Fremont Energy Center

Jointly Governed Organization:

- Regional Income Tax Agency

Public Entity Risk Pools:

- Northern Buckeye Health Plan
- Ohio Association of Public Treasurers Workers Compensation Group Rating Plan
- Public Entity Pool of Ohio

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies – (Continued)

Fund Accounting

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

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

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

Street Construction, Maintenance and Repair Fund This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Fire Levy Fund This fund receives levy funds to provide fire protection services to Village residents.

American Rescue Plan Fund This fund accounts for federal grants received as part of the American Rescue Plan Act of 2021.

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

Income Tax Capital Improvement Fund This fund received proceeds from the Town Hall Improvement Bond. The proceeds were used to renovate the municipal building.

Issue I Fund This fund received state grant proceeds from the Ohio Public Works Commission for the Laubach Drive drainage improvement project.

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 Fund This fund receives charges for services from residents to cover water service costs.

Sewer Fund This fund receives charges for services from residents to cover sewer service costs.

Electric Fund This fund receives charges for services from residents to cover electric service costs.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies – (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(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.

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, department, object level of control for all funds, and appropriations may not exceed estimated resources. Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

A summary of 2022 budgetary activity appears in Note 3.

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 its Town Hall Improvement Bonds at cost, less repayments.

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.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies – (Continued)

Fund Balance

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 20.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 - Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,184,009	\$1,480,037	\$296,028
Special Revenue	661,892	496,598	(165,294)
Capital Projects	397,240	457,382	60,142
Enterprise	4,561,753	3,914,452	(647,301)
Total	\$6,804,894	\$6,348,469	(\$456,425)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,836,915	\$1,469,693	\$367,222
Special Revenue	766,468	606,069	160,399
Capital Projects	567,519	505,590	61,929
Enterprise	4,448,155	4,035,497	412,658
Total	\$7,619,057	\$6,616,849	\$1,002,208

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:

	2022
Demand deposits	\$6,354,705
Certificates of deposit	1,560,604
Cash on Hand	100
Total deposits	7,915,409
General Obligation Bond	453,024
Total deposits and investments	\$8,368,433

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 withholding. At December 31, 2022, the Village is holding \$7,236 in unremitted employee payroll withholdings.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 - Deposits and Investments – (Continued)

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

Investments

The Electric Fund holds the Town Hall Improvement General Obligation Bond identifying the Village as owner.

Note 5 - 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.

Note 6 - Income Taxes

The Village levies a municipal income tax of 1.75 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 7 - Interfund Balances

Outstanding advances at December 31, 2022, consisted of \$15,998 advanced to ODOT/SRTS capital project fund to provide working capital for projects.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 - Interfund Transfers

During 2022, the following transfers were made:

Transfer To	Transfer From General
Special Revenue Funds:	
Street Construction Maintenance and Repair Fund	\$126,862

The above-mentioned Transfers From/To were used to move receipts from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them; and to use unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 9 - Risk Management

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2022
Cash and investments	\$42,310,794
Actuarial liabilities	15,724,479

The Village participates in the Northern Buckeye Health Plan (Plan), a public entity shared risk pool consisting of educational entities within Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The Village pays monthly premiums to the Northern Buckeye Education Council for the benefits offered to its employees including medical, dental, vision, and life insurance. The Northern Buckeye Education Council is responsible for the management and operations of the Plan. The agreement for the Plan provides for additional assessments to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from the Plan, a participant is responsible for any claims not processed and paid and any related administrative costs.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 - Risk Management – (Continued)

The Village participated in the Ohio Association of Public Treasurers Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool. The Plan is intended to achieve the benefit of a reduced premium for the Village by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating members is calculated as one experience, and a common premium rate is applied to all members in the Plan. Each member pays its workers' compensation premiums to the State based on the rate for the Plan rather than its individual rate.

Participation in the Plan is limited to members that can meet the Plan's selection criteria. The members apply for participation each year. The firm of Sedgewick, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the Village pays an enrollment fee to the Plan to cover the costs of administering the program.

Note 10 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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

Social Security

Other 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, 2022.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2022, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2022, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 12 - Debt

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest Rate
Town Hall Improvement General Obligation Bond	\$453,024	1.50%

In December 2012, the Village issued a \$900,000 Town Hall Improvement General Obligation Bond to pay the cost of renovating, improving and equipping the new Village Town Hall. The Bond was issued with an interest rate of 2.65 percent and is to be repaid over a period of 15 years. The general revenues of the Village have been pledged to repay the Bond. The Bond was purchased by the Village's Electric Fund.

In December of 2020, the Village restructured the Bond to bear interest at the rate of 1.5 percent per annum and to have interest payable semiannually on June 1 and December 1 of each year, commencing June 1, 2021, and principal payable annually on June 1, commencing June 1, 2021 and each year thereafter through 2027. The restructure will reduce the interest paid by \$37,916 over the life of the bond issue.

Amortization

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

Year ending December 31:	General Obligation Notes
2023	\$94,063
2024	94,053
2025	94,043
2026	94,033
2027	94,023
Total	\$470,215

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 - 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 14 - Joint Ventures

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

The Village of Edgerton is a Non-Financing Participant and an Owner Participant with an ownership percentage 1.09% and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

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

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system.

The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2022, (latest information available) there was no outstanding debt. The Village's net investment in OMEGA JV2 was a deficit of \$9,970 at December 31, 2022. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

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

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 14 - Joint Ventures – (Continued)

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
	95.20 %	127,640	4.80%		6,441
Grand Total		100%			134,081

Ohio Municipal Electric Generation Agency Joint Venture 4 (OMEGA JV4)

The Village of Edgerton is a Financing Participant with an ownership percentage of 3%, and shares participation with three other subdivisions within the State of Ohio in a joint venture to oversee construction and operation of a 69 kilowatt transmission line in Williams County, the Ohio Municipal Electric Generation Agency Joint Venture (OMEGA JV4).

OMEGA JV4 is managed by AMP-Ohio, who acts as the joint venture's agent. The participants are obligated, by agreement to remit on a monthly basis those cost incurred from using electric generated by the joint venture. In the event of a shortfall, the Joint Venture participants are billed for their respective shares of the estimated shortfall. ONEGA JV4 has no debt.

The Villages net investment in JV4 was \$41,696 at December 31, 2022. Complete financial statements for OMEGA JV4 may be obtained from AMP or from the State Auditor's website at www.auditor.state.ohio.us.

The four participating subdivisions and their respective ownership shares at December 31, 2022 are: Participant Percent Project Ownership and Entitlement Bryan 42% Pioneer 30% Montpelier 25% Edgerton 3% Total 100%.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 14 - Joint Ventures – (Continued)

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

The Village of Edgerton 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, 2022, the Village has met its debt coverage obligation.

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

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 14 - Joint Ventures – (Continued)

In 1993, OMEGA JV5 assigned to a trustee the obligations of its participants to make payments for their respective ownership shares in the “Belleville Project,” a 42 MW run-of-the-river hydroelectric generating facility on an Army Corps dam near Parkersburg, West Virginia and an associated transmission line in Ohio owned by OMEGA JV5. AMP is responsible for operation of the Belleville Project. The hydroelectric generation associated with the Belleville Project has been operational since June 1999. The Federal Energy Regulatory Commission license for the Belleville Projects runs through August 31, 2039. As of December 31, 2019 (latest information available) \$37,982,680 of the 2001 Belleville Beneficial Interest Certificates (2001 BICs) with a final maturity of 2030 was outstanding. The 2001 BICs are capital appreciation bonds with a final aggregate maturity amount of \$56,125,000. In addition, on February 15, 2014, AMP redeemed \$70,990,000 of the 2004 Belleville Beneficial Interest Certificates with the proceeds of a draw on the Line of Credit, which draw was evidenced by the proceeds of a note (the JV5 Note). On January 29, 2016, OMEGA JV5 caused the issuance of \$49,745,000 Belleville Beneficial Interest Refunding Certificates, Series 2016 (the 2016 BICs) to pay a portion of the outstanding balance of the JV5 Note and to pay costs of issuance. The balance of the JV5 Note has since been retired. The 2016 BIC's were redeemed in whole on February 15, 2021 with draw on the Line of Credit which is evidenced by a subordinated note (the 2021 JV5 Note). This note was paid in full in the first quarter of 2022.

The Village’s net investment to date in OMEGA JV5 was \$27,489 at December 31, 2022. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor’s website at www.auditor.state.oh.us.

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

The Village of Edgerton is a Financing Participant with an ownership percentage of 1.39%, and shares participation with nine other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6). Financing Participants, after consideration of the potential risks and benefits can choose to be Owner Participants or Purchaser Participants. Owner Participants own undivided interests, as tenants in common in the Project in the amount of its Project Share. Purchaser Participants purchase the Project Power associated with its Project Share.

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

OMEGA JV6 owns four 1.8 MW wind turbines located in Bowling Green Ohio. AMP is responsible for the operation of the JV6 assets. OMEGA JV6 has no debt outstanding.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 14 - Joint Ventures – (Continued)

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant’s System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant’s Project Share and to Financing Participant’s respective obligations first by credit against the Financing Participant’s respective obligations. Any other excess funds shall be paid to the Participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2022, the Village has met its debt coverage obligation.

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

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

The Village’s net investment to date in OMEGA JV6 was \$38,025 at December 31, 2022. Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor’s website at www.auditor.state.oh.us.

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

Participant	KW Amount	% of Financing
Bowling Green	3,075	56.94%
Cuyahoga Falls	1,350	25.00%
Napoleon	225	4.17%
Oberlin	187.5	3.47%
Wadsworth	187.5	3.47%
Edgerton	75	1.39%
Elmore	75	1.39%
Montpelier	75	1.39%
Pioneer	75	1.39%
Monroeville	75	1.39%
Total	5,400	100.00%

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 15 - Long Term Purchase Commitments

Prairie State Energy Campus (PSEC)

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 July 1, 2022, AMP had \$1,380,660,000 aggregate principal amount of Prairie State Bonds outstanding (latest information available).

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the *Prairie State Power Sales Contract*) with 68 Members (the *Prairie State Participants*). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract. The capacity factor for the Prairie State Energy Campus for the fiscal year ending December 31, 2020 was 81.4%.

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

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 share was 1,000 kilowatts of a total 771,281 kilowatts, giving the Village a 0.13 percent share. The AMPGS Project required participants to sign “take or pay” contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not made 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 at March 31, 2014, of the impaired costs is \$170,719. The Village received a credit of \$56,955 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$45,225 related to the AMPGS costs deemed to have future benefit for the project participants, and made payments of \$115,022 leaving a net credit balance of impaired cost estimate of \$46,483. The Village opted to leave the credit balance with AMP to offset any additional costs in the future.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 15 - Long Term Purchase Commitments – (Continued)

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 credit balance. These amounts will be recorded as they become estimable.

In August 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the AMPGS Project. Following the mediation, AMP and Bechtel reached a comprehensive settlement which resolved all claims. The terms of such settlement are confidential.

Since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$2,159, and interest credited to the Village has been \$7,261, resulting in a net credit balance at December 31, 2022 of \$51,585. The Village does have a potential PHFU Liability of \$52,671 resulting in a net total potential liability of \$1,086, 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 (latest information available).

Combined Hydroelectric Projects (79 Members)

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

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued ten series of its Combined Hydroelectric Projects Revenue Bonds (the "Combined Hydroelectric Bonds"), in an original aggregate principal amount \$2,483,845,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of July 1, 2021, \$2,120,512,059 aggregate principal amount of the Combined Hydroelectric Bonds and approximately \$10.7 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 (latest information available).

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.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 15 - Long Term Purchase Commitments – (Continued)

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 an October 31, 2022 trial date.

The Village of Edgerton has executed a take-or-pay power sales contract with AMP for a Project Share of 799 kW or 0.38% of capacity and associated energy from the Combined Hydroelectric facilities.

AMP Fremont Energy Center (AFEC) (87 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. The AFEC has a capacity of 512 MW (unfired)/675MW (fired) and consists of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser.

AMP subsequently sold a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the “90.69% Interest”) is sold to AMP Members pursuant to a take-or-pay power sales contract with 87 of its members (the “AFEC Power Sales Contract”).

In 2012, to provide permanent financing for the 90.69% Interest, AMP issued, in two series, \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the “2012 AFEC Bonds”), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. In 2017, AMP issued bonds (the “AFEC Refunding Bonds” and, together with the 2012 AFEC Bonds, the “AFEC Bonds”) to refund a portion of the 2012 AFEC Bonds. As of July 1, 2022, \$410,696,664 aggregate principal amount of AFEC Bonds was outstanding (latest information available).

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

The Village has executed a take-or-pay power sales contract with AMP as a participant of the AFEC of 530 kW or .11% of capacity and associated energy from the AFEC.

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 16 - Jointly Governed Organizations

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2022, the Village paid RITA \$41,915 for income tax collection services.

Note 17 - Public Entity Risk Pools

Northern Buckeye Health Plan

The Northern Buckeye Health Plan is a public entity shared risk pool consisting of educational entities within Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The Plan is governed by the Northern Buckeye Education Council (NBEC) and its participating members.

The Village participates in the Northern Buckeye Health Plan (the Plan), a public entity shared risk pool consisting of educational entities within Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The Village pays monthly premiums to the Northern Buckeye Education Council for the benefits offered to its employees including medical, dental, vision, and life insurance. The Northern Buckeye Education Council is responsible for the management and operations of the Plan. The agreement for the Plan provides for additional assessments to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from the Plan, a participant is responsible for any claims not processed and paid and any related administrative costs.

Ohio Association of Public Treasurers Workers Compensation Group Rating Plan

The Village participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of Public Treasurers Workers' Compensation Group Rating Plan (the GRP) was established through the Ohio Association of Public Treasurers (OAPT) as an insurance purchasing pool. The GRP is governed by the OAPT and the participants of the GRP. The Executive Director of the OAPT with the help of their partners with Sedwick, coordinates the management and administration of the GRP. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 18 - 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 14. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 18 - AMP Revenue Coverage – (Continued)

	2022
Total Assets	\$2,971,508
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	2,802,514
Other Operating Receipts	19,186
Total Operating Receipts	2,821,700
Personal Services	293,198
Contractual Services	2,341,991
Supplies and Materials	51,554
Capital Outlay	184,540
Total Operating Expenses	2,871,283
Operating Loss	(49,583)
Nonoperating Receipts	
Property and Other Local Taxes	5,416
Earning on Investments	7,445
Total Nonoperating Receipts	12,861
Change in Fund Cash Balance	(36,722)
Beginning Fund Cash Balance	3,008,230
Ending Fund Cash Balance	\$2,971,508
 Condensed Cash Flows Information:	
	2022
Net Cash Used by:	
Operating Activities	(\$49,583)
Noncapital Financing Activities	
Other Noncapital Financing Activities	5,416
Investing Activities	
Earnings on Investments	7,445
Net Increase (Decrease)	(36,722)
Beginning Fund Cash Balance	3,008,230
Ending Fund Cash Balance	\$2,971,508

Village of Edgerton, Ohio
Williams County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 19 - Contractual Commitments

On November 24, 2009, Council entered into a real estate purchase agreement with the Edgerton Local School District (the District) in the amount of \$250,000. The property purchased is a portion of the former elementary school and houses the Village offices. Per the agreement, the Village made a down payment of \$10,000 and paid the District \$90,000 at closing on April 23, 2012. The Village will remit a payment of \$15,000 annually upon the anniversary date of the closing for a period of 10 years. The contract amount was paid in full as of December 31, 2022.

Note 20 - Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. 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:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Nonspendable:			
Unclaimed Monies	\$739		\$739
Outstanding Encumbrances	<u>16,463</u>	<u>\$217,619</u>	<u>234,082</u>
<i>Total</i>	<u><u>\$17,202</u></u>	<u><u>\$217,619</u></u>	<u><u>\$234,821</u></u>

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

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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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 Edgerton
Williams County
324 North Michigan Avenue
P.O. Box 609
Edgerton, Ohio 43517-0609

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued the Comptroller General of the United States (Government Auditing Standards), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Edgerton, Williams County, Ohio (the Village) and have issued our report thereon dated June 18, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village's Response to Finding

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

June 18, 2024

**VILLAGE OF EDGERTON
WILLIAMS COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2023-001

Material Weakness – Financial Reporting

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

For the year ended December 31, 2023, intergovernmental cash receipts and capital outlay cash disbursements in the amount of \$53,000 for Community Development Block Grant (CDBG) funds received and expended by Williams County on-behalf-of the Village were not recorded in the Village’s accounting system in a special revenue fund or on the financial statements.

The error was not identified or corrected prior to the Village preparing its financial statements and notes to the financial statements due to deficiencies in the Village’s internal controls over financial statement monitoring. Failure to complete accurate financial statements and notes to the financial statements could lead to the Council making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct the error. In addition to the adjustment noted above, we also identified additional misstatements ranging from \$312 to \$18,536 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 over financial reporting, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Village Council, to help identify and correct errors and omissions.

Officials’ Response:

Management is aware and understands the importance of the information presented on the financial statements and will ensure these errors will be accurately identified and reported.

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF EDGERTON

WILLIAMS 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 7/9/2024

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

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