

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2024-2023**



**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

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

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

We have audited the financial statements of the Village of Oak Harbor, Ottawa County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2024 and 2023, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

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

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

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

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

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

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

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

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

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State

A handwritten signature in black ink, reading "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

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

November 18, 2025

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**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Special Revenue	Capital Projects	Total
<b>Cash receipts:</b>				
Property and other local taxes	\$ 223,701	\$ 295,181	\$ -	\$ 518,882
Municipal income tax	1,083,805	-	-	1,083,805
Intergovernmental	106,780	227,699	168,651	503,130
Special assessments	3,155	597	-	3,752
Charges for services	190,178	-	-	190,178
Fines, licenses and permits	9,968	363	1,200	11,531
Earnings on investments	166,044	15,947	-	181,991
Contributions and donations	25	-	-	25
Other	56,980	33,979	-	90,959
Total cash receipts	<u>1,840,636</u>	<u>573,766</u>	<u>169,851</u>	<u>2,584,253</u>
<b>Cash disbursements:</b>				
Current:				
Security of persons and property	1,098,114	123,054	-	1,221,168
Public health services	8,667	-	-	8,667
Leisure time activities	109,841	-	-	109,841
Community environment	14,704	-	-	14,704
Transportation	125,962	114,596	-	240,558
General government	252,361	11,316	-	263,677
Capital outlay	99,453	116,259	607,717	823,429
Other	31,991	-	-	31,991
Total cash disbursements	<u>1,741,093</u>	<u>365,225</u>	<u>607,717</u>	<u>2,714,035</u>
Excess (deficiency) of receipts over (under) disbursements	<u>99,543</u>	<u>208,541</u>	<u>(437,866)</u>	<u>(129,782)</u>
<b>Other financing receipts (disbursements)</b>				
Loan issuance	-	-	80,302	80,302
Sale of capital assets	-	-	3,159	3,159
Transfers in	-	5,642	90,000	95,642
Transfers (out)	(95,642)	-	-	(95,642)
Total other financing receipts (disbursements)	<u>(95,642)</u>	<u>5,642</u>	<u>173,461</u>	<u>83,461</u>
Net change in fund cash balances	3,901	214,183	(264,405)	(46,321)
<b>Fund cash balances, January 1</b>	<u>1,638,394</u>	<u>686,028</u>	<u>600,824</u>	<u>2,925,246</u>
<b>Fund cash balances, December 31</b>	<u>\$ 1,642,295</u>	<u>\$ 900,211</u>	<u>\$ 336,419</u>	<u>\$ 2,878,925</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Enterprise</u>
<b>Operating cash receipts:</b>	
Charges for services	\$ 6,187,314
Other operating receipts	36,558
Total operating cash receipts	<u>6,223,872</u>
<b>Operating cash disbursements:</b>	
Personal services	990,800
Employee fringe benefits	440,271
Contract services	3,171,176
Supplies and materials	174,948
Other	6,670
Travel	2,485
Total operating cash disbursements	<u>4,786,350</u>
Operating income	<u>1,437,522</u>
<b>Non-operating receipts (disbursements):</b>	
Debt service:	
Principal retirement	(618,390)
Interest and fiscal charges	(261,812)
Sale of capital assets	3,451
Intergovernmental	22,725
Capital outlay	(1,070,971)
Loan proceeds	4,240
Excise tax payment - electric	(98,781)
Total non-operating receipts (disbursements)	<u>(2,019,538)</u>
Net loss	
before capital contributions	(582,016)
Capital contributions	<u>225,197</u>
Net change in fund cash balances	(356,819)
<b>Fund cash balances, January 1</b>	<u>5,681,595</u>
<b>Fund cash balances, December 31</b>	<u><u>\$ 5,324,776</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 - REPORTING ENTITY**

The Village of Oak Harbor, Ottawa County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four-year terms. The Mayor is elected to a four-year term.

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

**A. Primary Government**

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

**B. Public Entity Risk Pool, Joint Ventures, and Jointly Governed Organizations**

The Village participates in a public entity risk pool, several joint ventures, and two jointly governed organizations. Notes 7, 11, and 13 to the financial statements provide additional information for these entities.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Fund Accounting**

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

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

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

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

**Police Levy Fund** - The police levy fund accounts for and reports the portion of property taxes and other revenues that are restricted for providing police protection services in the Village.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

**Ohio Public Works Commission Fund** - The Village received a grant and loan from the state for capital improvements. The proceeds are restricted for capital improvement.

**Water/Wastewater Infrastructure SR 163 Fund** - The water/wastewater infrastructure SR 163 fund accounts for the monies that are restricted for projects within the Village relating to water and wastewater infrastructure.

**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** - The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Electric Fund** - The electric fund is used to record user charges for the cost of providing electric services to Village residents and businesses.

**B. Basis of Accounting**

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

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

**C. Budgetary Process**

The Ohio Revised Code requires each fund be budgeted annually.

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

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

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

A summary of 2024 budgetary activity appears in Note 4.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. Deposits and Investments**

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

The Village values certificates of deposit, federal agency securities, and U.S. Treasury securities at cost. Money market mutual funds are recorded at share values the mutual fund reports. The Village's investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**E. 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.

**F. Accumulated Leave**

Village employees earn sick and vacation time that can be used for time off. 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.

**G. Fund Balance**

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

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

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

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

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

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 15.

**NOTE 3 - COMPLIANCE**

**Deficit Fund Balances**

Fund balances at December 31, 2024 included the following individual fund deficits:

Community planning fund	\$ 16,660
Water/wastewater infrastructure SR 163 fund	265,983

**NOTE 4 - BUDGETARY ACTIVITY**

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

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,789,896	\$ 1,840,636	\$ 50,740
Special Revenue	545,792	579,408	33,616
Capital Projects	6,724,111	343,312	(6,380,799)
Enterprise	7,371,662	6,479,485	(892,177)
Total	<u>\$ 16,431,461</u>	<u>\$ 9,242,841</u>	<u>\$ (7,188,620)</u>

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,423,726	\$ 1,874,722	\$ 1,549,004
Special Revenue	1,228,923	372,582	856,341
Capital Projects	7,550,130	901,734	6,648,396
Enterprise	13,052,384	7,273,993	5,778,391
Total	<u>\$ 25,255,163</u>	<u>\$ 10,423,031</u>	<u>\$ 14,832,132</u>

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Federal Agricultural Mortgage Corporation, and Federal National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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

At year end, the Village has \$850 in undeposited cash on hand which is included as a part of fund balance.

**A. Deposits**

At December 31, 2024, the carrying amount of all Village deposits was \$2,844,292. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2024, \$500,000 of the Village's bank balance of \$2,905,079 was covered by the FDIC, while \$2,405,079 was exposed to custodial risk as discussed below.

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

**B. Investments**

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

Investment type	Carrying Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FAMC	\$ 99,996	\$ -	\$ -	\$ -	\$ -	\$ 99,996
FFCB	1,151,509	263,521	129,837	59,936	98,040	600,175
FHLB	293,902	-	-	46,959	-	246,943
FHLMC	249,863	-	249,863	-	-	-
FNMA	250,000	-	250,000	-	-	-
U.S. Agency Bond	50,338	-	-	-	-	50,338
Negotiable CDs	558,089	134,595	-	-	99,807	323,687
U.S. Treasury Notes	1,488,170	148,389	49,057	93,722	182,549	1,014,453
U.S. Government Money Market	42,315	42,315	-	-	-	-
STAR Ohio	1,174,377	1,174,377	-	-	-	-
Total	<u>\$ 5,358,559</u>	<u>\$ 1,763,197</u>	<u>\$ 678,757</u>	<u>\$ 200,617</u>	<u>\$ 380,396</u>	<u>\$ 2,335,592</u>

The weighted average maturity of investments is 0.72 years.

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



**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

*Concentration of Credit Risk* – The Village places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Village at December 31, 2024:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of Total</u>
FAMC	\$ 99,996	1.87
FFCB	1,151,509	21.49
FHLB	293,902	5.48
FHLMC	249,863	4.66
FNMA	250,000	4.67
U.S. Agency Bond	50,338	0.94
Negotiable CDs	558,089	10.41
U.S. Treasury Notes	1,488,170	27.77
U.S. Government Money Market	42,315	0.79
STAR Ohio	1,174,377	21.92
Total	<u>\$ 5,358,559</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investments to Fund Type Balances**

The following is a reconciliation of cash and investments are reported in the note above to fund type balances as reported on the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) as of December 31, 2024:

Cash and investments per note

Carrying amount of deposits	\$ 2,844,292
Carrying amount of investments	5,358,559
Cash on hand	850
Total	<u>\$ 8,203,701</u>

**VILLAGE OF OAK HARBOR  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

<u>Fund balance per the financial statements</u>	
General fund	\$ 1,642,295
Special revenue funds	900,211
Capital project funds	336,419
Enterprise funds	5,324,776
Total	<u>\$ 8,203,701</u>

**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2024 for real and public utility property taxes represents collections of 2023 taxes.

2024 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are collected in and intended to finance 2025.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2024, was \$11.17 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2024 property tax receipts were based are as follows:

	2024 Collection Year
Real property	\$ 54,042,210
Public utility personal property	<u>1,117,770</u>
Total assessed value	<u>\$ 55,159,980</u>

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

**B. Income Taxes**

The Village levies a municipal income tax of 1.00% on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 7 - RISK MANAGEMENT**

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

***Risk Pool Membership***

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

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

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated, and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained the same through October 31, 2022. Effective November 1, 2022, the property loss corridor was eliminated. OPRM had 847 members as of December 31, 2024.

The Plan's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2024. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2024.

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

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

**NOTE 8 - DEFINED BENEFIT PENSION PLANS**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10.00% of their gross salaries, and the Village contributed an amount equaling 14.00% of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

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

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

**VILLAGE OF OAK HARBOR  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police members' wages. The Village has paid all contributions required through December 31, 2024.

***Social Security***

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

Employees contributed 6.20% of their gross salaries. The Village contributed an amount equal to 6.20% of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

**NOTE 9 - POSTEMPLOYMENT BENEFITS**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0.00% for members in the traditional pension plan and 2.00% for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.00%; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.50% to fund these benefits.

**NOTE 10 - DEBT**

**Long-Term Obligations**

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>Ohio Water Development Authority (OWDA) Loans:</b>			
2007 Combined Sewer Overflow (CSO) - 4806	2.86%	\$ 5,916,611	January 1, 2029
2009 Supplemental CSO - 5212	2.93%	348,916	January 1, 2029
2019 West Water Service Extension - 8546	0.00%	201,740	July 1, 2040
2022 300,000 Gallon Elevated Water Storage Tank - 9997	3.34%	390,247	January 1, 2054
2022 Lake Winds Elevated Tank Rehabilitation - 9575	0.24%	203,660	January 1, 2043
2024 SR163 Waterline Replacement - 10956	0.00%	4,240	n/a
<b>Ohio Public Works Commission (OPWC) Loans:</b>			
CE03R State Route 163 Waterline Replacement Phase II	0.00%	129,675	January 1, 2036
CE05X-0 Main Street Elevated Storage Tank	0.00%	162,500	June 1, 2040
CU15AA SR-105 Waterline Relocation	0.00%	80,302	n/a
<b>AMP Ohio Loan:</b>			
OMEGA JV5	Varies	1,572,761	February 15, 2030
<b>General Obligation Bond:</b>			
Capital Facilities Bond - Series 2020	Varies	4,999,000	September 1, 2060
<b>Revenue Bonds:</b>			
Water System Improvement Bond - Series 2020	2.50%	1,300,000	December 1, 2040
Electric System Improvement Bond - Series 2020	2.50%	900,000	December 1, 2040

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 10 - DEBT - (Continued)**

The changes in the Village's long-term debt during 2024 were as follows:

	Interest Rates	Restated Balance at 1/1/24	Additions	Reductions	Balance at 12/31/24	Due in One Year
<b>Proprietary Funds:</b>						
Capital Facilities Bond	Varies	\$ 4,774,868	\$ -	\$ (90,421)	\$ 4,684,447	\$ 92,125
Water System Imp Bond	2.50%	1,105,000	-	(65,000)	1,040,000	65,000
Electric System Imp Bond	2.50%	765,000	-	(45,000)	720,000	45,000
OMEGA JV5	Varies	493,742	-	(23,329)	470,413	-
OPWC Loan	0.00%	246,788	80,302	(14,609)	312,481	14,609
OWDA Loans	0.00% to 3.77%	2,854,077	4,240	(380,031)	2,478,286	394,938
Total Proprietary Funds		<u>10,239,475</u>	<u>84,542</u>	<u>(618,390)</u>	<u>9,705,627</u>	<u>611,672</u>
Total Long-Term Obligations		<u>\$ 10,239,475</u>	<u>\$ 84,542</u>	<u>\$ (618,390)</u>	<u>\$ 9,705,627</u>	<u>\$ 611,672</u>

The Ohio Water Development Authority Loans were used for improvements to the Village's water treatment and sewer treatment systems. The loans will be paid from user charges. The SR163 Waterline Replacement project was not completed as of December 31, 2024, and the amortization schedule is not currently available. Therefore, the loan amortization is not included in the schedule below. The total amount outstanding at December 31, 2024 was \$4,240.

The Village was the recipient of \$605,220 in OWDA loan principal forgiveness during previous audit periods for OWDA loan 8546. The Village is required to follow the guidelines of the loan agreements. The failure to do so could result in the Village being liable for the principal forgiven. The principal outstanding above assumes the Village will fully comply with the loan guidelines and assumes full principal forgiveness.

During prior and the current year, the Village completed Phase II of the State Route 163 Waterline Replacement Project and a Main Street Elevated Storage Tank Projected financed through the Ohio Public Works Commission with 0% interest to be paid from user charges. The Waterline Relocation project was not completed as of December 31, 2024, and the amortization schedule is not currently available. Therefore, the loan amortization is not included in the schedule below. The total amount outstanding at December 31, 2024 was \$80,302.

The Omega JV5 debt relates to the purchase of Ohio Municipal Electronic Generation Agency Joint Venture (OMEGA JV5). OMEGA JV5 are distributive generation projects. OMEGA JV5 debt is composed of two series of bonds, the 2001 and the 2016 bonds. The 2001 bonds are accretion bonds with a series of balloon payments coming due around 2025. In order to not cause mass fluctuation in member rates, AMP Ohio is currently collecting ahead to be able to make those payments. As such the debt paid down will not always equal the amount of principal collected each year. An amortization schedule for the repayment of the debt is currently not available and, therefore, is not included in the schedule below. The January 1, 2024 balance was restated based on confirmation from AMP Ohio for accretion on the loan.

During 2020, the Village financed Water and Electric Systems improvements through revenue bonds totaling \$1,300,000 and \$900,000 with 2.5% interest for both. The Village also financed Capital Facilities with a general obligation bond with 1.875% interest.

During 2021, the Village incurred additional Capital Facilities bonds totaling \$1,452,167 with a variable interest rate.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 10 - DEBT - (Continued)**

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2024 are as follows:

Fiscal Year Ending December 31,	Capital Facilities Bond			Water System Imp Bond		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 92,125	\$ 87,402	\$ 179,527	\$ 65,000	\$ 26,000	\$ 91,000
2026	93,861	85,666	179,527	65,000	24,375	89,375
2027	95,629	83,898	179,527	65,000	22,750	87,750
2028	97,429	82,096	179,525	65,000	21,125	86,125
2029	99,266	80,261	179,527	65,000	19,500	84,500
2030-2034	525,093	372,541	897,634	325,000	73,125	398,125
2035-2039	576,454	321,182	897,636	325,000	32,500	357,500
2040-2044	632,837	264,801	897,638	65,000	1,625	66,625
2045-2049	694,736	202,904	897,640	-	-	-
2050-2054	762,691	134,953	897,644	-	-	-
2055-2059	837,288	60,356	897,644	-	-	-
2060	177,038	2,490	179,528	-	-	-
Total	<u>\$ 4,684,447</u>	<u>\$ 1,778,550</u>	<u>\$ 6,462,997</u>	<u>\$ 1,040,000</u>	<u>\$ 221,000</u>	<u>\$ 1,261,000</u>

Fiscal Year Ending December 31,	Electric System Imp Bond			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 45,000	\$ 18,000	\$ 63,000	\$ 14,609	\$ -	\$ 14,609
2026	45,000	16,875	61,875	14,609	-	14,609
2027	45,000	15,750	60,750	14,609	-	14,609
2028	45,000	14,625	59,625	14,609	-	14,609
2029	45,000	13,500	58,500	14,609	-	14,609
2030-2034	225,000	50,625	275,625	73,045	-	73,045
2035-2039	225,000	22,500	247,500	53,589	-	53,589
2040-2043	45,000	1,125	46,125	32,500	-	32,500
Total	<u>\$ 720,000</u>	<u>\$ 153,000</u>	<u>\$ 873,000</u>	<u>\$ 232,179</u>	<u>\$ -</u>	<u>\$ 232,179</u>

Fiscal Year Ending December 31,	OWDA Loans		
	Principal	Interest	Total
2025	\$ 394,938	\$ 60,445	\$ 455,383
2026	405,813	49,569	455,382
2027	417,002	38,381	455,383
2028	428,517	26,867	455,384
2029	233,298	15,022	248,320
2030-2034	150,880	55,383	206,263
2035-2039	160,437	45,825	206,262
2040-2044	115,595	34,667	150,262
2045-2049	81,615	22,035	103,650
2050-2054	85,951	7,336	93,287
Total	<u>\$ 2,474,046</u>	<u>\$ 355,530</u>	<u>\$ 2,829,576</u>

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 11 - JOINT VENTURES AND PROJECTS**

**A. AMP Generating Station (AMPGS) Project**

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 1,000 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.13 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share of the impaired costs at March 31, 2014 was \$172,840. The Village received a credit of \$47,283 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$45,225 related to the AMPGS costs deemed to have future benefit for the project participants. In addition the Village made payments totaling \$57,039 leaving an estimated net impaired cost balance of \$23,293. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. These amounts will be recorded as they become estimable.

Since March 31, 2014 the Village has made payments of \$29,099 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$2,247 and interest on its credit balance due to its payments, credited to the Village of \$1,041, resulting in a net credit balance at December 31, 2024 of \$4,600. The Village has opted to leave the credit balance with AMP to offset any additional AMPGS Project costs in the future. The Village does have a potential PHFU Liability of \$49,543 resulting in a net total potential liability of \$45,146, 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.

**B. OMEGA JV2**

The Village is a Non-Financing Participant and an Owner Participant with an ownership percentage of .55% and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants. Pursuant to the OMEGA JV2 Agreement, the participants jointly undertook as either Financing

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

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

**VILLAGE OF OAK HARBOR  
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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 11 - JOINT VENTURES AND PROJECTS - (Continued)**

The debt was extinguished in January of 2018. The Village's net investment in OMEGA JV2 was (\$13,831) at December 31, 2024. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

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

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

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

**C. OMEGA JV5**

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

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

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



**VILLAGE OF OAK HARBOR  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 11 - JOINT VENTURES AND PROJECTS - (Continued)**

Also pursuant to this Agreement, each participant has an obligation to pay its share of debt service on Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System.

On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 2024, Village has met its debt coverage obligation.

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

In 1993, OMEGA JV5 assigned to a trustee the obligations of its participants to make payments for their respective ownership shares in the "Belleville Project," a 42 MW run-of-the-river hydroelectric generating facility on an Army Corps dam near Belleville, Ohio, an associated transmission line in Ohio and backup diesel generation owned by OMEGA JV5. AMP is responsible for operation of the Belleville Project. The hydroelectric generation associated with the Belleville Project has been operational since June 1999. The diesel generation units have been in service since 1995. OMEGA JV5 Participants have approved the retirement and sale of diesel units. The Federal Energy Regulatory Commission license for the Belleville Project runs through August 31, 2039. As of December 31, 2024, \$49,892,257 of the 2001 Belleville Beneficial Interest Certificates (*2001 BICs*) with a final maturity of 2030 was outstanding. The 2001 BICs are capital appreciation bonds with a final aggregate maturity amount of \$56,125,000. In addition, on February 15, 2014, AMP redeemed \$70,990,000 of the 2004 Belleville Beneficial Interest Certificates with the proceeds of a draw on the Line of Credit, which draw was evidenced by the proceeds of a note (the *JV5 Note*). On January 29, 2016, OMEGA JV5 caused the issuance of \$49,745,000 Belleville Beneficial Interest Refunding Certificates, Series 2016 (the *2016 BICs*) to pay a portion of the outstanding balance of the JV5 Note and to pay costs of issuance. The balance of the JV5 Note has since been retired. The 2016 BICs bear interest at a variable rate, mature on February 1, 2024 and are subject to redemption and mandatory tender at the option of the holder commencing February 15, 2021. The 2001 BICs and 2016 BICs are non-recourse to AMP. As of December 31, 2024, the outstanding debt was \$49,892,257.

The Village's net investment and its share of the operating results of OMEGA JV5 are reported in the Village's Electric Operating Fund (an Enterprise Fund). The Village's net investment to date in OMEGA JV5 was \$28,172 at December 31, 2024. Complete financial statements for OMEGA JV5 can be obtained from AMP at 1111 Schrock Road, Columbus, Ohio 43229, or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

**D. Combined Hydroelectric Projects**

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 11 - JOINT VENTURES AND PROJECTS - (Continued)**

To provide financing for the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the Combined Hydroelectric Bonds), in an original aggregate principal amount of \$2,254,955,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members.

As of December 31, 2024, \$1,997,499,412 aggregate principal amount of the Combined Hydroelectric Bonds were outstanding under the indenture securing the Combined Hydroelectric Bonds.

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

**E. AMP Fremont Energy Center (AFEC)**

On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation (FirstEnergy) the Fremont Energy Center (AFEC), then nearing completion of construction and located in Fremont, Sandusky County, Ohio. Following completion of the commissioning and testing, AMP declared AFEC to be in commercial operation as of January 20, 2012. The AMP Fremont Energy Center is a natural gas fired, combined cycle, electric power generation plant with a capacity of 512 MW (unfired)/675 MW (fired), consisting of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser. AMP subsequently sold a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the 90.69% Interest) is sold to AMP Members pursuant to a take-or-pay power sales contract with 87 of its members (the "AFEC Power Sales Contract").

To provide permanent financing for the 90.69% Interest, in 2012, AMP issued, in two series \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the AFEC Bonds), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. On December 20, 2017, AMP issued bonds to refund all of the callable tax-exempt AFEC Bonds issued in 2012. As of December 31, 2024, \$362,915,000 aggregate principal amount of AFEC Bonds was outstanding.

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

**F. Prairie State Energy Campus**

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 11 - JOINT VENTURES AND PROJECTS - (Continued)**

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the Initial Prairie State Bonds) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. On January 14, 2015 and November 30, 2017, AMP issued bonds to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of December 31, 2024, AMP had \$ 1,278,980,000 aggregate principal amount of Prairie State Bonds.

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

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

**G. Solar Electricity Prepayment Project**

In 2016, AMP entered into the NextEra PPA pursuant to the terms of which AMP agreed to purchase and a subsidiary of NextEra agreed to sell all of the power and energy generated by solar generation facilities (each, a System), each of which is located behind the meter of an AMP Member's Electric System. Under the terms of the NextEra PPA, AMP is required to prepay for twenty-five years of energy to be generated by each System at a "P90" confidence interval, meaning that, in any given year, the probability of exceeding such level of production is ninety percent (90%), and assuming a 0.5% degradation factor. Sixteen Systems with a rated capacity of approximately 58.325 MW have entered commercial operation. Amp has issued two series of Bonds consisting of the Series 2019A and 2020A in the amount of \$80,675,000 to provide financing for the project. As of December 31, 2024, AMP had \$70,795,000 aggregate principal amount of Solar Electricity Bonds.

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

**NOTE 12 - CONTINGENT LIABILITIES**

Management believes there are no pending claims or lawsuits.

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 13 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Portage Fire District**

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)**

**B. Regional Income Tax Agency**

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2024, the Village paid RITA \$19,609 for income tax collection services.

**NOTE 14 - INTERFUND TRANSFERS**

During 2024, the following transfers were made:

<u>Fund Type</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 95,642
Special revenue	5,642	-
Capital projects	90,000	-
Total	<u>\$ 95,642</u>	<u>\$ 95,642</u>

The above mentioned transfers from/to were used to move receipts from the fund that statute or budget requires to collect them to the fund that 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 15 - 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>Capital Projects</u>	<u>Total</u>
Nonspendable:				
Unclaimed Monies	\$ 9,931	\$ -	\$ -	\$ 9,931
Outstanding Encumbrances	<u>37,987</u>	<u>7,357</u>	<u>294,017</u>	<u>339,361</u>
Total	<u>\$ 47,918</u>	<u>\$ 7,357</u>	<u>\$ 294,017</u>	<u>\$ 349,292</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, 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 OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**NOTE 16 - AMP REVENUE COVERAGE**

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 11. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric 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:

	2024
Total Fund Cash Balance	\$ 2,105,480
Total Long-Term Debt	\$ 1,190,413
<b>Condensed Operating Information:</b>	
Operating Receipts	
Charges for Services	\$ 3,168,022
Other Operating Receipts	25,451
Total Operating Receipts	<u>3,193,473</u>
Operating Expenses	
Personal Services	374,955
Employee Fringe Benefits	204,086
Contractual Services	2,168,649
Supplies and Materials	71,315
Travel	2,243
Total Operating Expenses	<u>2,821,248</u>
Operating Income	<u>372,225</u>
Nonoperating Disbursements	
Capital outlay	(421,793)
Principal Payments	(68,329)
Interest Payments	(79,720)
Excise tax - electric fund	(98,781)
Change in Fund Cash Balance	(296,398)
Beginning Fund Cash Balance	2,401,878
Ending Fund Cash Balance	<u>\$ 2,105,480</u>
<b>Condensed Cash Flows Information:</b>	
	2024
Net Cash Provided by:	
Operating Activities	\$ 372,225
Noncapital Financing Activities	
Other Noncapital Financing Activities - excise tax	<u>(98,781)</u>
Capital and Related Financing Activities	
Principal Payments on Capital and Related Debt	(68,329)
Interest Payments on Capital and Related Debt	(79,720)
Payment for capital purchases	(421,793)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(569,842)</u>
Net Increase	(296,398)
Beginning Fund Cash Balance	2,401,878
Ending Fund Cash Balance	<u>\$ 2,105,480</u>

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 17 - OTHER REVENUE**

Special Revenue Fund Type other receipts consist primarily of the amount received with regards to a trash service contract.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

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

	General	Special Revenue	Capital Projects	Total
<b>Cash receipts:</b>				
Property and other local taxes	\$ 217,089	\$ 256,703	\$ -	\$ 473,792
Municipal income tax	1,095,066	-	-	1,095,066
Intergovernmental	99,959	237,718	528,789	866,466
Special assessments	-	597	-	597
Charges for services	184,815	-	-	184,815
Fines, licenses and permits	8,039	520	300	8,859
Earnings on investments	130,327	7,424	-	137,751
Contributions and donations	50	-	-	50
Other	32,869	27,765	-	60,634
Total cash receipts	<u>1,768,214</u>	<u>530,727</u>	<u>529,089</u>	<u>2,828,030</u>
<b>Cash disbursements:</b>				
Current:				
Security of persons and property	1,033,448	113,512	-	1,146,960
Public health services	8,793	-	-	8,793
Leisure time activities	66,432	-	-	66,432
Community environment	19,695	-	-	19,695
Transportation	125,835	179,292	-	305,127
General government	306,241	31,358	-	337,599
Capital outlay	71,693	577,148	999,532	1,648,373
Debt service:				
Interest and fiscal charges	-	-	649	649
Total cash disbursements	<u>1,632,137</u>	<u>901,310</u>	<u>1,000,181</u>	<u>3,533,628</u>
Excess (deficiency) of receipts over (under) disbursements	<u>136,077</u>	<u>(370,583)</u>	<u>(471,092)</u>	<u>(705,598)</u>
<b>Other financing receipts (disbursements)</b>				
Sale of capital assets	-	-	1,500	1,500
Transfers in	2,245	5,642	90,000	97,887
Transfers (out)	(97,887)	-	-	(97,887)
Loan proceeds	-	-	552,002	552,002
Total other financing receipts (disbursements)	<u>(95,642)</u>	<u>5,642</u>	<u>643,502</u>	<u>553,502</u>
Net change in fund cash balances	40,435	(364,941)	172,410	(152,096)
<b>Fund cash balances, January 1</b>	<u>1,597,959</u>	<u>1,050,969</u>	<u>428,414</u>	<u>3,077,342</u>
<b>Fund cash balances, December 31</b>	<u>\$ 1,638,394</u>	<u>\$ 686,028</u>	<u>\$ 600,824</u>	<u>\$ 2,925,246</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

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

	<u>Enterprise</u>
<b>Operating cash receipts:</b>	
Charges for services	\$ 5,838,522
Other operating receipts	81,077
Total operating cash receipts	<u>5,919,599</u>
<b>Operating cash disbursements:</b>	
Personal services	894,004
Employee fringe benefits	469,191
Contract services	2,996,021
Supplies and materials	182,920
Travel	2,315
Total operating cash disbursements	<u>4,544,451</u>
Operating income	<u>1,375,148</u>
<b>Non-operating receipts (disbursements):</b>	
Debt service:	
Principal retirement	(648,439)
Interest and fiscal charges	(269,606)
Intergovernmental	30,371
Capital outlay	(1,387,272)
Other financing uses	(10,114)
Excise tax payment - electric	(96,194)
Total non-operating receipts (disbursements)	<u>(2,381,254)</u>
Net change in fund cash balances	(1,006,106)
<b>Fund cash balances, January 1</b>	<u>6,687,701</u>
<b>Fund cash balances, December 31</b>	<u><u>\$ 5,681,595</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS



**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 1 - REPORTING ENTITY**

The Village of Oak Harbor, Ottawa County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four-year terms. The Mayor is elected to a four-year term.

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

**A. Primary Government**

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

**B. Public Entity Risk Pool, Joint Ventures, and Jointly Governed Organizations**

The Village participates in a public entity risk pool, several joint ventures, and two jointly governed organizations. Notes 7, 11, and 13 to the financial statements provides additional information for these entities.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Fund Accounting**

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

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

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

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

**Street Levy Fund** - The street levy fund accounts for and reports the property tax levy that is restricted for construction, maintenance, and repair of streets within the Village.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

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

***Park Street Water Tower Project Fund*** - The park street water tower project fund accounts for and reports loan and grant money for the purpose of improving, constructing, and purchasing those items necessary to enhance the operation of the Village.

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

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

***Electric Fund*** - The electric fund is used to record user charges for the cost of providing electric services to Village residents and businesses.

**B. Basis of Accounting**

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

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

**C. Budgetary Process**

The Ohio Revised Code requires each fund be budgeted annually.

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

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

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

A summary of 2023 budgetary activity appears in Note 4.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**D. Deposits and Investments**

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

The Village values certificates of deposit, federal agency securities, and U.S. Treasury securities at cost. Money market mutual funds are recorded at share values the mutual fund reports. The Village's investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**E. 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.

**F. 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.

**G. Fund Balance**

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

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

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

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

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

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 15.

**NOTE 3 - COMPLIANCE**

**Deficit Fund Balance**

Fund balances at December 31, 2023 included the following individual fund deficit:

	<u>Deficit</u>
<u>Capital projects fund</u>	
Community planning fund	\$ 13,933

**NOTE 4 - BUDGETARY ACTIVITY**

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

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,648,885	\$ 1,770,459	\$ 121,574
Special Revenue	733,990	536,369	(197,621)
Capital Projects	2,012,241	1,172,591	(839,650)
Enterprise	6,254,071	5,949,970	(304,101)
Total	<u>\$ 10,649,187</u>	<u>\$ 9,429,389</u>	<u>\$ (1,219,798)</u>

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,249,531	\$ 1,841,877	\$ 1,407,654
Special Revenue	1,782,272	963,826	818,446
Capital Projects	2,440,656	1,025,123	1,415,533
Enterprise	12,941,772	7,731,945	5,209,827
Total	<u>\$ 20,414,231</u>	<u>\$ 11,562,771</u>	<u>\$ 8,851,460</u>

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Federal Agricultural Mortgage Corporation, and Federal National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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

At year end, the Village has \$900 in undeposited cash on hand which is included as a part of fund balance.

**A. Deposits**

At December 31, 2023, the carrying amount of all Village deposits was \$3,413,529. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, \$500,000 of the Village's bank balance of \$3,709,150 was covered by the FDIC, while \$3,209,150 was exposed to custodial risk as discussed below.

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

**B. Investments**

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

Investment type	Carrying Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FAMC	\$ 99,996	\$ -	\$ -	\$ -	\$ -	\$ 99,996
FFCB	823,949	-	-	199,841	129,838	494,270
FHLB	354,315	120,000	-	-	-	234,315
FHLMC	249,863	-	-	-	249,863	-
FNMA	503,914	-	-	-	250,000	253,914
U.S. Agency Bond	50,338	-	-	-	-	50,338
Negotiable CDs	808,590	384,999	-	134,595	-	288,996
US Government money market	37,684	37,684	-	-	-	-
U.S. Treasury notes	1,149,983	-	98,984	148,389	49,056	853,554
STAR Ohio	1,113,780	1,113,780	-	-	-	-
Total	<u>\$ 5,192,412</u>	<u>\$ 1,656,463</u>	<u>\$ 98,984</u>	<u>\$ 482,825</u>	<u>\$ 678,757</u>	<u>\$ 2,275,383</u>

The weighted average maturity of investments is 0.72 years.

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

*Concentration of Credit Risk* – The Village places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Village at December 31, 2023:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of Total</u>
FAMC	\$ 99,996	1.93
FFCB	823,949	15.87
FHLB	354,315	6.82
FHLMC	249,863	4.81
FNMA	503,914	9.70
U.S. Agency Bond	50,338	0.97
Negotiable CDs	808,590	15.57
U.S. Government money market	37,684	0.73
U.S. Treasury notes	1,149,983	22.15
STAR Ohio	1,113,780	21.45
Total	<u>\$ 5,192,412</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investments to Fund Type Balances**

The following is a reconciliation of cash and investments are reported in the note above to fund type balances as reported on the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) as of December 31, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,413,529
Carrying amount of investments	5,192,412
Cash on hand	900
Total	<u>\$ 8,606,841</u>

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

<u>Fund balance per the financial statements</u>	
General fund	\$ 1,638,394
Special revenue funds	686,028
Capital projects funds	600,824
Enterprise funds	5,681,595
Total	<u>\$ 8,606,841</u>

**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes are levied after October 1, 2022, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2023, was \$11.17 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

	2023 <u>Collection Year</u>
Real property	\$ 53,279,140
Public utility personal property	<u>1,002,580</u>
Total assessed value	<u>\$ 54,281,720</u>

**B. Income Taxes**

The Village levies a municipal income tax of 1.00% on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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



**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 7 - RISK MANAGEMENT**

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

***Risk Pool Membership***

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

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

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

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

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

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

**NOTE 8 - DEFINED BENEFIT PENSION PLANS**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10.00% of their gross salaries, and the Village contributed an amount equaling 14.00% 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 Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police members' wages. The Village has paid all contributions required through December 31, 2023.

***Social Security***

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

Employees contributed 6.20% of their gross salaries. The Village contributed an amount equal to 6.20% of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

**NOTE 9 - 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 0.00% for members in the traditional pension plan and 2.00% 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 4.00%; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.50% to fund these benefits.

**NOTE 10 - DEBT**

**Long-Term Obligations**

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>Ohio Water Development Authority (OWDA) Loans:</b>			
2007 Combined Sewer Overflow (CSO) - 4806	2.86%	\$ 5,916,611	January 1, 2029
2009 Supplemental CSO - 5212	2.93%	348,916	January 1, 2029
2011 CSO Basin Improvements - 5953	3.36 - 3.77%	976,324	January 1, 2023
2019 West Water Service Extension - 8546	0.00%	201,740	July 1, 2040
2022 300,000 Gallon Elevated Water Storage Tank - 9997	3.34%	390,896	January 1, 2054
2022 Lake Winds Elevated Tank Rehabilitation - 9575	0.24%	203,660	January 1, 2043
<b>Ohio Public Works Commission (OPWC) Loans:</b>			
CE03R State Route 163 Waterline Replacement Phase II	0.00%	129,675	January 1, 2036
CE05X-0 Main Street Elevated Storage Tank	0.00%	162,500	July 1, 2040
<b>AMP Ohio Loan:</b>			
OMEGA JV5	Varies	1,572,761	February 15, 2030
<b>General Obligation Bond:</b>			
Capital Facilities Bond - Series 2020	Varies	4,999,000	September 1, 2060
<b>Revenue Bonds:</b>			
Water System Improvement Bond - Series 2020	2.50%	1,300,000	December 1, 2040
Electric System Improvement Bond - Series 2020	2.50%	900,000	December 1, 2040

**VILLAGE OF OAK HARBOR  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 10 - DEBT - (Continued)**

The Changes in the Village's long-term debt during 2023 were as follows:

	Interest Rates	Restated Balance at 1/1/23	Additions	Reductions	Balance at 12/31/23	Due in One Year
<b>Proprietary Funds:</b>						
Capital Facilities Bond	Varies	\$ 4,863,620	\$ -	\$ (88,752)	\$ 4,774,868	\$ 90,421
Water System Imp Bond	2.50%	1,170,000	-	(65,000)	1,105,000	65,000
Electric System Imp Bond	2.50%	810,000	-	(45,000)	765,000	45,000
OMEGA JV5	Varies	468,769	-	(23,329)	445,440	-
OPWC Loan	0.00%	90,772	162,500	(6,484)	246,788	14,609
OWDA Loans	0.00% to 3.77%	2,884,449	389,502	(419,874)	2,854,077	380,033
Total Proprietary Funds		<u>10,287,610</u>	<u>552,002</u>	<u>(648,439)</u>	<u>10,191,173</u>	<u>595,063</u>
Total Long-Term Obligations		<u>\$ 10,287,610</u>	<u>\$ 552,002</u>	<u>\$ (648,439)</u>	<u>\$ 10,191,173</u>	<u>\$ 595,063</u>

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

The Village was the recipient of \$605,220 in OWDA loan principal forgiveness during previous audit periods for OWDA loan 8546. The Village is required to follow the guidelines of the loan agreements. The failure to do so could result in the Village being liable for the principal forgiven. The principal outstanding above assumes the Village will fully comply with the loan guidelines and assumes full principal forgiveness.

During 2015, the Village completed Phase II of the State Route 163 Waterline Replacement Project financed through the Ohio Public Works Commission totaling \$129,676 with 0% interest to be paid from user charges. During 2023 the Village completed a Main Street Elevated Storage Tank Projected financed through the Ohio Public Works Commission totaling \$162,500 with 0% interest to be paid from user charges.

The Omega JV5 debt relates to the purchase of Ohio Municipal Electronic Generation Agency Joint Venture (OMEGA JV5). OMEGA JV5 are distributive generation projects. OMEGA JV5 debt is composed of two series of bonds, the 2001 and the 2016 bonds. The 2001 bonds are accretion bonds with a series of balloon payments coming due around 2025. In order to not cause mass fluctuation in member rates, AMP Ohio is currently collecting ahead to be able to make those payments. As such the debt paid down will not always equal the amount of principal collected each year. An amortization schedule for the repayment of the debt is currently not available and, therefore, is not included in the schedule below. The January 1, 2023 balance was restated based on confirmation from AMP Ohio.

During 2020, the Village financed Water and Electric Systems improvements through revenue bonds totaling \$1,300,000 and \$900,000 with 2.5% interest for both. The Village also financed Capital Facilities with a general obligation bond with 1.875% interest.

During 2021, the Village incurred additional Capital Facilities bonds totaling \$1,452,167 with a variable interest rate.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 10 - DEBT - (Continued)**

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2023 are as follows:

Fiscal Year Ending December 31,	Capital Facilities Bond			Water System Imp Bond		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 90,421	\$ 89,105	\$ 179,526	\$ 65,000	\$ 27,625	\$ 92,625
2025	92,125	87,402	179,527	65,000	26,000	91,000
20256	93,861	85,666	179,527	65,000	24,375	89,375
2027	95,629	83,898	179,527	65,000	22,750	87,750
2028	97,429	82,096	179,525	65,000	21,125	86,125
2029-2033	515,384	382,250	897,634	325,000	81,250	406,250
2034-2038	565,795	331,841	897,636	325,000	40,625	365,625
2039-2043	621,137	276,502	897,639	130,000	4,875	134,875
2044-2048	681,889	215,750	897,639	-	-	-
2049-2053	748,588	149,055	897,643	-	-	-
2054-2058	821,805	75,837	897,642	-	-	-
2059-2060	350,805	8,253	359,058	-	-	-
Total	<u>\$ 4,774,868</u>	<u>\$ 1,867,655</u>	<u>\$ 6,642,523</u>	<u>\$ 1,105,000</u>	<u>\$ 248,625</u>	<u>\$ 1,353,625</u>

Fiscal Year Ending December 31,	Electric System Imp Bond			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 45,000	\$ 19,125	\$ 64,125	\$ 14,609	\$ -	\$ 14,609
2025	45,000	18,000	63,000	14,609	-	14,609
2026	45,000	16,875	61,875	14,609	-	14,609
2027	45,000	15,750	60,750	14,609	-	14,609
2028	45,000	14,625	59,625	14,609	-	14,609
2029-2033	225,000	56,250	281,250	73,045	-	73,045
2034-2038	225,000	28,125	253,125	60,073	-	60,073
2039-2043	90,000	3,375	93,375	40,625	-	40,625
Total	<u>\$ 765,000</u>	<u>\$ 172,125</u>	<u>\$ 937,125</u>	<u>\$ 246,788</u>	<u>\$ -</u>	<u>\$ 246,788</u>

Fiscal Year Ending December 31,	OWDA Loans		
	Principal	Interest	Total
2024	\$ 380,033	\$ 64,184	\$ 444,217
2025	394,939	60,444	455,383
2026	405,814	49,569	455,383
2027	417,003	38,380	455,383
2028	428,516	26,867	455,383
2029-2033	353,283	60,045	413,328
2034-2038	158,405	47,857	206,262
2039-2043	133,757	37,027	170,784
2044-2048	78,955	24,695	103,650
2049-2053	93,177	10,473	103,650
2054	10,195	170	10,365
Total	<u>\$ 2,854,077</u>	<u>\$ 419,711</u>	<u>\$ 3,273,788</u>

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 11 - JOINT VENTURES AND PROJECTS**

**A. AMP Generating Station (AMPGS) Project**

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 1,000 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.13 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share of the impaired costs at March 31, 2014 was \$172,840. The Village received a credit of \$47,283 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$45,225 related to the AMPGS costs deemed to have future benefit for the project participants. In addition the Village made payments totaling \$57,039 leaving an estimated net impaired cost balance of \$23,293. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. These amounts will be recorded as they become estimable.

Since March 31, 2014 the Village has made payments of \$29,099 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$2,171 and interest on its credit balance due to its payments, credited to the Village of \$762, resulting in a net credit balance at December 31, 2023 of \$4,397. The Village has opted to leave the credit balance with AMP to offset any additional AMPGS Project costs in the future. The Village does have a potential PHFU Liability of \$49,543 resulting in a net total potential liability of \$45,146, 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.

**B. OMEGA JV2**

The Village is a Non-Financing Participant and an Owner Participant with an ownership percentage of .55% and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants. Pursuant to the OMEGA JV2 Agreement, the participants jointly undertook as either Financing

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

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

**VILLAGE OF OAK HARBOR  
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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 11 - JOINT VENTURES AND PROJECTS - (Continued)**

The debt was extinguished in January of 2018. The Village's net investment in OMEGA JV2 was \$(10,834) at December 31, 2023. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

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

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

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

**C. OMEGA JV5**

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

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

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 11 - JOINT VENTURES AND PROJECTS - (Continued)**

Also pursuant to this Agreement, each participant has an obligation to pay its share of debt service on Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System.

On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 2023, Village has met its debt coverage obligation.

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

In 1993, OMEGA JV5 assigned to a trustee the obligations of its participants to make payments for their respective ownership shares in the "Belleville Project," a 42 MW run-of-the-river hydroelectric generating facility on an Army Corps dam near Belleville, Ohio, an associated transmission line in Ohio and backup diesel generation owned by OMEGA JV5. AMP is responsible for operation of the Belleville Project. The hydroelectric generation associated with the Belleville Project has been operational since June 1999. The diesel generation units have been in service since 1995. OMEGA JV5 Participants have approved the retirement and sale of diesel units. The Federal Energy Regulatory Commission license for the Belleville Project runs through August 31, 2039. As of December 31, 2023, \$47,243,614 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 and the 2016 BICs has since been retired. As of December 31, 2023, the outstanding debt was \$47,243,614

The Village's net investment and its share of the operating results of OMEGA JV5 are reported in the Village's Electric Operating Fund (an Enterprise Fund). The Village's net investment to date in OMEGA JV5 was \$28,172 at December 31, 2023. Complete financial statements for OMEGA JV5 can be obtained from AMP at 1111 Schrock Road, Columbus, Ohio 43229, or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

**D. Combined Hydroelectric Projects**

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 11 - JOINT VENTURES AND PROJECTS - (Continued)**

To provide financing for the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the Combined Hydroelectric Bonds), in an original aggregate principal amount of \$2,254,955,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2023, \$2,059,888,824 aggregate principal amount of the Combined Hydroelectric Bonds were outstanding under the indenture securing the Combined Hydroelectric Bonds.

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

**E. AMP Fremont Energy Center (AFEC)**

On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation (FirstEnergy) the Fremont Energy Center (AFEC), then nearing completion of construction and located in Fremont, Sandusky County, Ohio. Following completion of the commissioning and testing, AMP declared AFEC to be in commercial operation as of January 20, 2012. The AMP Fremont Energy Center is a natural gas fired, combined cycle, electric power generation plant with a capacity of 512 MW (unfired)/675 MW (fired), consisting of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser. AMP subsequently sold a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the 90.69% Interest) is sold to AMP Members pursuant to a take-or-pay power sales contract with 87 of its members (the "AFEC Power Sales Contract").

To provide permanent financing for the 90.69% Interest, in 2012, AMP issued, in two series \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the AFEC Bonds), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. On December 20, 2017, AMP issued bonds to refund all of the callable tax-exempt AFEC Bonds issued in 2012. As of December 31, 2023, \$378,790,000 aggregate principal amount of AFEC Bonds was outstanding.

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

**F. Prairie State Energy Campus**

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



**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 11 - JOINT VENTURES AND PROJECTS - (Continued)**

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the Initial Prairie State Bonds) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. On January 14, 2015 and November 30, 2017, AMP issued bonds to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of December 31, 2023, AMP had \$ 1,315,450,000 aggregate principal amount of Prairie State Bonds.

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

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

**G. Solar Electricity Prepayment Project**

In 2016, AMP entered into the NextEra PPA pursuant to the terms of which AMP agreed to purchase and a subsidiary of NextEra agreed to sell all of the power and energy generated by solar generation facilities (each, a System), each of which is located behind the meter of an AMP Member's Electric System. Under the terms of the NextEra PPA, AMP is required to prepay for twenty-five years of energy to be generated by each System at a "P90" confidence interval, meaning that, in any given year, the probability of exceeding such level of production is ninety percent (90%), and assuming a 0.5% degradation factor. Sixteen Systems with a rated capacity of approximately 58.325 MW have entered commercial operation. Amp has issued two series of Bonds consisting of the Series 2019A and 2020A in the amount of \$80,675,000 to provide financing for the project. As of December 31, 2023, AMP had \$73,155,000 aggregate principal amount of Solar Electricity Bonds.

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

**NOTE 12 - CONTINGENT LIABILITIES**

Management believes there are no pending claims or lawsuits.

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 13 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Portage Fire District**

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

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)**

**B. Regional Income Tax Agency**

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2023, the Village paid RITA \$22,453 for income tax collection services.

**NOTE 14 - INTERFUND TRANSFERS**

During 2023, the following transfers were made:

<u>Fund Type</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 2,245	\$ 97,887
Special revenue	5,642	-
Capital projects	90,000	-
Total	<u>\$ 97,887</u>	<u>\$ 97,887</u>

The above mentioned transfers from/to were used to move receipts from the fund that statute or budget requires to collect them to the fund that 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. Nonroutine transfers from the General Fund were in compliance with Ohio Revised Code to account for unclaimed monies budgeted in a separate fund but reported in the General fund for financial reporting purposes.

**NOTE 15 - 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>Capital Projects</u>	<u>Total</u>
Nonspendable:				
Unclaimed Monies	\$ 9,931	\$ -	\$ -	\$ 9,931
Outstanding Encumbrances	<u>111,853</u>	<u>62,516</u>	<u>24,942</u>	<u>199,311</u>
<i>Total</i>	<u>\$ 121,784</u>	<u>\$ 62,516</u>	<u>\$ 24,942</u>	<u>\$ 209,242</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, 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 OAK HARBOR  
OTTAWA COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - AMP REVENUE COVERAGE**

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

Summary financial information for the Electric Fund is presented below:

	<u>2023</u>
Total Fund Cash Balance	\$ 2,401,878
Total Long-Term Debt	\$ 1,210,440
<b>Condensed Operating Information:</b>	
Operating Receipts	
Charges for Services	\$ 3,018,250
Other Operating Receipts	<u>52,887</u>
Total Operating Receipts	<u>3,071,137</u>
Operating Expenses	
Personal Services	307,034
Employee Fringe Benefits	193,144
Contractual Services	2,063,564
Supplies and Materials	54,963
Travel	<u>2,315</u>
Total Operating Expenses	<u>2,621,020</u>
Operating Income	<u>450,117</u>
Nonoperating Disbursements	
Capital outlay	(46,897)
Principal Payments	(68,329)
Interest Payments	(80,845)
Excise tax - electric fund	<u>(96,194)</u>
Change in Fund Cash Balance	157,852
Beginning Fund Cash Balance	<u>2,244,026</u>
Ending Fund Cash Balance	<u><u>\$ 2,401,878</u></u>
<b>Condensed Cash Flows Information:</b>	
	<u>2023</u>
Net Cash Provided by:	
Operating Activities	\$ 450,117
Noncapital Financing Activities	
Other Noncapital Financing Activities - excise tax	<u>(96,194)</u>
Capital and Related Financing Activities	
Principal Payments on Capital and Related Debt	(68,329)
Interest Payments on Capital and Related Debt	(80,845)
Payment for capital purchases	<u>(46,897)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(196,071)</u>
Net Increase	157,852
Beginning Fund Cash Balance	<u>2,244,026</u>
Ending Fund Cash Balance	<u><u>\$ 2,401,878</u></u>

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65 East State Street  
Columbus, Ohio 43215  
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800-282-0370

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

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

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of Oak Harbor, Ottawa County, Ohio (the Village), and have issued our report thereon dated November 18, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(C) permit.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2024-002.

***Purpose of this Report***

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

KEITH FABER  
Ohio Auditor of State



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

November 18, 2025

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2024-001**

**Material Weakness - Financial Reporting**

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

In 2024, Ohio Public Works Commission Fund intergovernmental receipts, loan proceeds and capital outlay disbursements were increased in the amounts of \$144,895, \$80,302 and \$225,197 respectively in order to properly account for Ohio Public Works Commission activity paid directly to the vendor(s) on behalf of the Village. As part of these adjustments, actual receipts and budgetary expenditures were also increased by the same amount in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with actual amounts

These errors were not identified and 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. The failure to adequately monitor financial statements and notes to the financial statements could allow for misstatements to occur and go undetected. The accompanying financial statements and notes to the financial statements have been adjusted to reflect these changes. In addition to the adjustments noted above, we also identified additional misstatements and ranging from \$3,901 to \$88,343 that we have brought to the Village's attention.

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

**FINDING NUMBER 2024-002**

**Noncompliance Citation**

**Ohio Rev. Code § 5705.10(I)** requires that money paid into any fund shall be used only for the purposes for which such fund is established,

Therefore, a negative fund cash balance in any fund indicates that money from another fund or funds has been used to pay the obligations of the fund carrying the deficit balance.

Due to deficiencies in the Village's internal controls, the Community Planning Fund and Water/Wastewater Infrastructure SR 163 Fund had deficit fund balances of \$16,660 and \$265,983, respectively, at December 31, 2024. The Community Planning Fund also had a deficit fund balance of \$13,933 at December 31, 2023. Negative fund balances could result in the use of restricted receipts for unallowable purposes.

Procedure(s) and control(s), such as the management and/or Village Council's periodic review of reports that show cash fund balances, and budgeted versus actual receipts and disbursements, should be implemented to identify those funds that may potentially develop a negative balance.

**FINDING NUMBER 2024-002**  
**(Continued)**

Advances or transfers should be made for these funds or appropriations modified to prevent a negative cash balance. The Village should refer to Ohio Compliance Supplement (OCS) Chapter 1 and/or Auditor of State Bulletin 97-003 for information regarding the accounting treatment and approval process for advances.

**Officials' Response:**

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





# VILLAGE OF OAK HARBOR

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dmccclanahan@oakharbor.oh.us

Danna McClanahan  
Fiscal Officer

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

Finding Number	Finding Summary	Status	Additional Information
2022-001	Finding was first reported during the audit of the 2017 financial statements. Material weakness for errors in financial reporting.	Not corrected and reissued as Finding 2024-001 in this report.	This matter was not corrected due to deficiencies in the Village's internal controls over financial reporting. The Village will make provisions to remedy inconsistencies in the future.

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF OAK HARBOR**

**OTTAWA COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 12/2/2025**

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

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