



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**VILLAGE OF JACKSON CENTER
SHELBY COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2022 - 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Jackson Center
P. O. Box 819
122 East Pike Street
Jackson Center, Ohio 45334

We have reviewed the *Independent Auditor's Report* of the Village of Jackson Center, Shelby County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Jackson Center is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 09, 2023

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VILLAGE OF JACKSON CENTER
SHELBY COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of Jackson Center
Shelby County
122 East Pike Street
P.O. Box 819
Jackson Center, Ohio 45334

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 Jackson Center, Shelby County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, 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 and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 July 31, 2023, 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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

July 31, 2023

**VILLAGE OF JACKSON CENTER
SHELBY COUNTY**

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

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$ 184,169	\$ -	\$ -	\$ -	\$ 184,169
Municipal Income Tax	1,708,965	-	335,168	-	2,044,133
Intergovernmental	72,043	200,209	-	384,775	657,027
Charges for Services	63,707	27,289	-	-	90,996
Fines, Licenses and Permits	35,853	-	-	-	35,853
Earnings on Investments	53,157	4,601	12,523	-	70,281
Miscellaneous	29,739	3,790	-	-	33,529
<i>Total Cash Receipts</i>	<u>2,147,633</u>	<u>235,889</u>	<u>347,691</u>	<u>384,775</u>	<u>3,115,988</u>
Cash Disbursements					
Current:					
Security of Persons and Property	482,041	10,168	-	-	492,209
Public Health Services	4,428	4,508	-	-	8,936
Leisure Time Activities	222,955	-	-	-	222,955
Community Environment	37,710	-	-	-	37,710
Transportation	242,399	170,997	-	-	413,396
General Government	423,826	-	-	-	423,826
Capital Outlay	1,169,807	154,073	-	384,775	1,708,655
Debt Service:					
Principal Retirement	1,200,375	-	136,020	-	1,336,395
Interest and Fiscal Charges	66,159	-	17,920	-	84,079
<i>Total Cash Disbursements</i>	<u>3,849,700</u>	<u>339,746</u>	<u>153,940</u>	<u>384,775</u>	<u>4,728,161</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,702,067)</u>	<u>(103,857)</u>	<u>193,751</u>	<u>-</u>	<u>(1,612,173)</u>
Other Financing Receipts (Disbursements)					
Sale of Bonds	900,000	-	-	-	900,000
Sale of Capital Assets	4,226	1,502	-	-	5,728
Transfers In	-	4,800	-	-	4,800
Transfers Out	(4,800)	-	-	-	(4,800)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>899,426</u>	<u>6,302</u>	<u>-</u>	<u>-</u>	<u>905,728</u>
Extraordinary Item	133,900	-	-	-	133,900
<i>Net Change in Fund Cash Balances</i>	<u>(668,741)</u>	<u>(97,555)</u>	<u>193,751</u>	<u>-</u>	<u>(572,545)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,955,226</u>	<u>524,027</u>	<u>954,238</u>	<u>-</u>	<u>3,433,491</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,286,485</u>	<u>\$ 426,472</u>	<u>\$ 1,147,989</u>	<u>\$ -</u>	<u>\$ 2,860,946</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF JACKSON CENTER
SHELBY COUNTY**

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

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 4,121,486
Miscellaneous	32,945
	<u>4,154,431</u>
<i>Total Operating Cash Receipts</i>	<u>4,154,431</u>
Operating Cash Disbursements	
Personal Services	507,471
Employee Fringe Benefits	135,893
Contractual Services	2,697,794
Supplies and Materials	105,093
Other	4,800
	<u>3,451,051</u>
<i>Total Operating Cash Disbursements</i>	<u>3,451,051</u>
<i>Operating Income (Loss)</i>	<u>703,380</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	7,067
Earnings on Investments	1,152
Loans Issued	93,119
Capital Outlay	(519,529)
Principal Retirement	(158,419)
Interest and Other Fiscal Charges	(8,481)
	<u>(585,091)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(585,091)</u>
<i>Net Change in Fund Cash Balances</i>	118,289
<i>Fund Cash Balances, January 1</i>	<u>3,145,465</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 3,263,754</u></u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF JACKSON CENTER
SHELBY COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Other Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 10,847
<i>Total Additions</i>	10,847
Deductions	
Distributions to Other Governments	11,307
<i>Total Deductions</i>	11,307
Net Change in Fund Balances	(460)
<i>Fund Cash Balances, January 1</i>	818
<i>Fund Cash Balances, December 31</i>	\$ 358

The notes to the financial statements are an integral part of this statement.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Jackson Center (the Village), Shelby County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides street maintenance, water, sewer, and electric utilities, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department.

Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools

The Village participates in jointly governed organizations, joint ventures, and a public entity risk pool. Notes 6, 12, 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

Basis of Presentation

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

Fund Accounting

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

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

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

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

American Rescue Plan Act (ARP) Fund The American rescue plan act fund accounts for and reports the portion of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) received from the U.S. Department of Treasury as passed through the State of Ohio.

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

Note Retirement Fund This fund receives proceeds of 16.7% of income tax revenue. The proceeds are being used to make debt payments related to constructing, repairing and improving water and wastewater treatment facilities for the Village.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

Neighborhood Revitalization Projects Fund The neighborhood revitalization projects fund accounts for and reports proceeds of Ohio Public Works Commission Issue II Grant monies \$500,000; Ohio Public Works Commission Issue II zero interest loan monies \$500,000. The proceeds are restricted for the reconstruction of 1,200 feet of Main Street with new sub-base, asphalt, storm drainage, and waterline; and for reconstruction of 1,700 feet of East Pike with new sub-base, asphalt, curb and gutter, sidewalk, storm drainage, and waterline. North Fork, South Fork, Maple, Oak and Back Forty Drive will be paved. Tiger Trail Park upgrades will include two softball diamonds and two baseball diamonds with additional parking and the extension of the walking track and storm water upgrades.

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.

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

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for mayor's court activity.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

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

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

A summary of 2022 budgetary activity appears in Note 3.

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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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 14.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,165,708	\$ 3,185,759	\$ 20,051
Special Revenue	320,614	242,191	(78,423)
Debt Service	344,771	347,691	2,920
Capital Projects	589,927	384,775	(205,152)
Enterprise	4,250,098	4,255,769	5,671
Total	\$ 8,671,118	\$ 8,416,185	\$ (254,933)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,826,207	\$ 3,854,500	\$ 971,707
Special Revenue	473,501	339,746	133,755
Debt Service	154,046	153,940	106
Capital Projects	589,927	589,927	-
Enterprise	4,916,991	4,137,730	779,261
Total	\$ 10,960,672	\$ 9,075,843	\$ 1,884,829

Note 4 – Deposits and Investments

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

	2022
Demand deposits	\$ 877,388
Total deposits	877,388
STAR Ohio	5,247,670
Total investments	5,247,670
Total Deposits and Investments	\$ 6,125,058

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the village is holding \$8,185 in unremitted employee payroll withholdings.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (Continued)

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), or a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

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

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 – Risk Management

Ohio Municipal League Worker’s Compensation Group Rating Plan

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers’ compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers’ compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant’s individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the “Equity Pooling Fund.” This “equity pooling” arrangement insures that each participant shares equally in the overall performance of the GRP. Sedwick Managed Care Ohio provides administrative, cost control and actuarial services to the GRP.

Risk Pool Membership

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

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

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. 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 remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021 (most current information available).

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Note 8 – Postemployment Benefits

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

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
OPWC CM13J Jackson Street Water Main	\$ 30,150	0.00%
OWDA 5375 Rehab/Replacement Wastewater Collection	48,859	0.00%
OPWC CM10P Water Well Installation	110,602	0.00%
OPWC CM20R Wastewater Treatment Plant Improvements	384,810	0.00%
OWDA 7315 Sewer System Updates	370,552	2.53%
OPWC CT52T Davis/Linden Street Reconstruction	416,667	0.00%
OWDA 7640 Wastewater Treatment Plant Building/Laboratory	213,993	3.08%
OPWC CT49V Jackson, Washington & College Sts. Reconstruction	458,333	0.00%
RealEstate Acquisition/Construction Project (Airstream)	900,000	3.99%
American Municipal Power, Inc. Loan	2,295,000	2.25%
Peoples Federal Savings & Loan Company 408	47,014	3.00%
US Bank Swimming Pool Improvement	326,969	2.25%
Peoples Federal Savings & Loan Company 420	287,206	2.75%
Peoples Federal Savings & Loan Company 431	747,635	2.75%
OWDA 9823 WWTP Pump Station & Sludge Improvements	93,119	1.16%
Total	\$ 6,730,909	

The Ohio Public Works Commission loan CM13J is a twenty-year loan that originated in 2008 and relates to the installation of a six-inch water main on Jackson Street within the village. The Village will repay the loan in semi-annual installments of \$3,350.00 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be July, 2027. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 5375 is a twenty-year loan that originated in 2009 and relates to sanitary sewer cured in place pipe that was installed within the village. The Village will repay the loan in semiannual installments of \$3,257.27 at zero percent interest. The final installment payment of this loan will be July, 2030. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Public Works Commission loan CM10P is a thirty-year loan that originated in 2012 and relates to two water well installations on the Village well field. The Village will repay the loan in semiannual payments of \$2,633.38 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be January, 2044. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (Continued)

The Ohio Public Works Commission loan CM20R is a thirty-year loan that originated in 2014 and relates to improvements at the wastewater treatment facility regarding construction for an alum feed system, building, clarifier rebuilds and a generator. The Village will repay the loan in semiannual payments of \$7,260.57 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be July, 2049. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 7315 is a twenty-year loan that originated in 2016 and relates to sewer system updates regarding construction for an alum feed system, building, clarifier rebuilds and a generator. The Village will repay the loan in semiannual installments of \$15,798.49 at 2.53% interest. The final installment payment of this loan will be January, 2037. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Public Works Commission loan CT52T is a thirty-year loan that originated in 2016 and relates to the Davis / Linden Street Reconstruction project regarding sidewalks and street improvements. The Village will repay the loan in semiannual installments of \$8,333.33 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be January, 2048. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 7640 is a twenty-year loan that originated in 2017 and relates to wastewater treatment plant building / laboratory and SCADA system. The Village will repay the loan in semiannual installments of \$8,961.10 at 3.08% interest. The final installment payment of this loan will be January 2038. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Public Works Commission loan CT49V is a thirty-year loan that originated in 2018 and relates to the Jackson, Washington and College Streets reconstruction project to reconstruct 650 feet of Jackson Street with new stone sub-base, asphalt, curb and gutter, sidewalk, and storm drainage. The reconstruction of 1500 feet of Washington Street with new sub-base, asphalt, and storm drainage, and the reconstruction of 3,000 feet of College Street with asphalt milling, asphalt, storm drainage, and water line. The Village will repay the loan in semiannual installments of \$8,333.33 at zero percent interest. The final installment payment of this loan will be July, 2050. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (Continued)

In March of 2021 the Village hired bond counsel (Dinsmore & Shohl) to act as bond counsel with respect to municipal securities issued as Real Estate Acquisition Bond Anticipation Notes. The Village issued bonds in the amount of \$1,000,000 payable to The Huntington National Bank at an interest rate of 2.89% set to mature on March 19, 2022. The original proceeds were used to purchase approximately 50 acres of real property in the Village, however, the proceeds of this issue were used to pay off the 2020 issue. In 2022 the Village paid down \$100,000.00 plus interest and again worked with bond counsel and Huntington National Bank and financed the remaining \$900,000 into a long-term bond series. The Village will repay the loan in annual installments of \$100,000.00 principal payments plus accrued interest at 3.99%. The final installment payment of this loan will be March, 2031. This will be satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

In August of 2018 the Village entered into a Loan Agreement and Promissory Note with American Municipal Power, Inc. and a Standby Note Purchase Agreement with the Treasurer of the State of Ohio, American Municipal Power, Inc. and Huntington National Bank. American Municipal Power, Inc. issued \$2,800,000 in Electric System Improvement Bond Anticipation Notes at an interest rate of 3.00% set to mature August 2019. AMP (American Municipal Power, Inc.) will be using the proceeds of the issuance to loan to the Village for construction of a new electric substation and approximately one mile of 69kV transmission line. The Village agrees that it will inform AMP of the amount of principal that the Village intends to retire plus accrued interest 90 days prior to the maturity of the Electric System Improvement Bond Anticipation Notes. AMP will then apply said payments to retire principal and satisfy interest and renew the outstanding principal with a new issuance in Electric System Improvement Bond Anticipation Notes. This loan will be satisfied with revenues of the electric system. The August 2019 issue was in the amount of \$2,949,000 and the Village retired at the time of closing \$153,000 in principal and \$57,185.33 in interest. This issue has a maturity date of August 13, 2020 and an interest rate of 2.25%. In turn the August 2020 issue was in the amount of \$2,585,000 and the Village retired at the time of closing \$164,022.12 in principal and \$44,465.46 in interest. This issue has a maturity date of August 12, 2021 and an interest rate of 1.50%. The August 2021 issue was in the amount of \$2,440,000 and the Village retired at the time of closing \$145,000 in principal and \$32,407.36 in interest. The issue has a maturity date of August 11, 2022 and an interest rate of 1.00%. The August 2022 issue was in the amount of \$2,295,000 and the Village retired at the time of closing \$145,000 in principal and \$4,492.31 in interest. The issue has a maturity date of August 10, 2023 and an interest rate of 3.00%.

Peoples Federal Savings and Loan Association 326300408 loan originated in 2019 for a term of five years, relates to the purchase of a 2020 Stoops Freightliner Dump/Plow truck. The Village will repay the loan in annual payments of \$24,595.48 at 3.00% interest. The final installment payment of this loan will be January, 2024. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

In March 2020, the Village issued \$400,000 Swimming Pool Improvement Bonds, Series 2020 and authorized the sale of those bonds to U.S. Bank National Association for the purpose of making renovations and upgrades to the municipal swimming pool. The Village agrees to pay installments of principal and interest in the amount of \$45,128.86 for a period of ten years at 2.25% interest. The final installment payment of this loan will be March 2030. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

Peoples Federal Savings and Loan Association 326300420 loan originated in 2020 for a term of ten years, relates to an addition to the current Service Building located at 108 College Street. The Village will repay the loan in annual payments of \$40,484.97 at 2.75% interest. The final installment payment of this loan will be November, 2030. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (Continued)

Peoples Federal Savings and Loan Association 341300253 loan originated in 2021 for a term of three months, relates to the purchase of 18.819 acres of land in Jackson Center. The Village rolled this loan into a new loan that will also cover the construction costs for the detention basin. The interest rate on this loan was 2.75% and the Village paid interest of \$2,879.58 in July 2021 and then paid interest of \$2,911.23 in October 2021 when it was rolled into a new loan. The Village purchased this land for the purpose of installing a detention basin. The loan was only taken out for three months as the intent was to role it into a construction loan for the detention basin as well. When the three-month maturity date came due, the Village was not ready to go out to bid yet and the bank extended the loan for another three months with a new maturity of October 19, 2021. This loan was then paid off with the proceeds of the next loan that will be addressed in the next paragraph.

Peoples Federal Savings and Loan Association 326300431 loan originated in 2021 for a term of ten years, relates to the purchase of 18.819 acres of land in Jackson Center and construction of a detention basin on this land. The Village will repay the loan in annual payments of \$94,914.54 at 2.75% interest. The final payment of this loan will be October, 2031. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

The Ohio Public Works Commission loan CT48Y is a twenty-nine-year loan that originated in 2022 and relates to the South Main and East Pike Streets reconstruction project to reconstruct 1,200 feet of Main Street with new sub-base, asphalt, storm drainage, and waterline; and for the reconstruction of 1,700 feet of East Pike Street with new sub-base, asphalt, curb and gutter, sidewalk, storm drainage, and waterline. As of December 31, 2022, no proceeds had been disbursed on the loan, therefore there is no outstanding balance or amortization schedule.

The Ohio Water Development Authority loan 9823 is a thirty-year loan that originated in 2022 and relates to wastewater treatment plant pump station and sludge improvements. As of December 31, 2022, this project is approximately eight percent complete. The Village will repay the loan in semiannual installments of \$18,380.38 at 1.16% interest. The final installment payment of this loan will be July, 2053. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village. There is currently no amortization for this loan as it's ongoing.

Amortization

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

Year Ending December 31:	OPWC CM13J Jackson Street Water Main	OWDA 5375 Rehab/Replacement Wastewater Collection	OPWC CM10P Water Well Installation	OPWC CM20R Wastewater Treatment Plant Improvements
2023	\$ 6,700	\$ 6,515	\$ 5,267	\$ 14,521
2024	6,700	6,515	5,267	14,521
2025	6,700	6,515	5,267	14,521
2026	6,700	6,515	5,267	14,521
2027	3,350	6,515	5,267	14,521
2028-2032	-	16,284	26,334	72,606
2033-2037	-	-	26,334	72,606
2038-2042	-	-	26,334	72,606
2043-2047	-	-	5,265	72,606
2048-2052	-	-	-	21,781
Total	<u>\$ 30,150</u>	<u>\$ 48,859</u>	<u>\$ 110,602</u>	<u>\$ 384,810</u>

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (Continued)

Amortization (Continued)

Year Ending December 31:	OWDA 7315 Sewer System Updates	OPWC CT52T Davis/Linden Street Reconstruction	OWDA 7640 Wastewater Treatment Plant Building/Laboratory	OPWC CT49V Jackson, Washington & College Sts. Reconstruction
2023	\$ 31,597	\$ 16,667	\$ 17,922	\$ 16,667
2024	31,597	16,667	17,922	16,667
2025	31,597	16,667	17,922	16,667
2026	31,597	16,667	17,922	16,667
2027	31,597	16,667	17,922	16,667
2028-2032	157,985	83,333	89,611	83,333
2033-2037	142,185	83,333	89,611	83,333
2038-2042	-	83,333	8,961	83,333
2043-2047	-	83,333	-	83,333
2048-2052	-	-	-	41,666
Total	\$ 458,155	\$ 416,667	\$ 277,793	\$ 458,333

Year Ending December 31:	RealEstate Acquisition - Construction Project (Airstream)	Peoples Federal Savings & Loan Company 408	US Bank Swimming Pool Improvement	Peoples Federal Savings & Loan Company 420	Peoples Federal Savings & Loan Company 431
2023	\$ 135,711	\$ 24,595	\$ 45,129	\$ 40,485	\$ 94,915
2024	131,920	24,595	45,129	40,485	94,515
2025	127,930	-	45,129	40,485	94,515
2026	123,940	-	45,129	40,485	94,515
2027	119,950	-	45,129	40,485	94,515
2028-2032	439,900	-	135,386	161,939	379,658
Total	\$ 1,079,351	\$ 49,190	\$ 361,031	\$ 364,364	\$ 852,633

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (Continued)

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 2,444 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.32 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. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. 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 \$425,258. The village received a credit of \$35,463 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$110,530 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). In addition, the Village made payments totaling \$65,585 leaving an estimated net impaired cost balance of \$213,680. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement amount the participants and the AMP General Fund based on each participants original project share in kW including the AMP General Fund's project share. Since March 31, 2014 the Village has made payments of \$235,664 to AMP toward its net impaired cost estimate.

Since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$5,266 and interest expense of \$12,650 incurred on AMP's line-of-credit of \$3,593,843 resulting in a net credit balance estimate at December 31, 2022 of \$4,068. The Village does have a Potential PHFU Liability of \$128,721 resulting in a net total potential liability of \$124,653, 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 as negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The Village intends to recover these costs and repay AMP over 9 years through a power cost adjustment.

	Original Ordinance	AFEC Allocation	Stranded Costs					Plant held for future use Costs					TOTAL
			Stranded	Activity Since	Int. Exp Since	Pmts Since	Current Stranded	PHFU	Activity Since	Int. Exp Since	Pmts Since	Current PHFU	
JACKSON CENTER - 12/31/2022	2,444	330	213,680	5,266	12,650	(235,664)	(4,068)	110,530	(1,307)	19,498	-	128,721	124,653
Net Change - 2022			-	(61)	86	2,375	2,400	-	129	(3,314)	-	(3,185)	(785)
JACKSON CENTER - 12/31/2021	2,444	330	213,680	5,205	12,736	(233,289)	(1,668)	110,530	(1,178)	16,184	-	125,536	123,868
Net Change - 2021			-	(45)	(124)	28,490	28,321	-	104	(1,206)	-	(1,102)	27,219
JACKSON CENTER - 12/31/2020	2,444	330	213,680	5,160	12,612	(204,799)	26,653	110,530	(1,074)	14,978	-	124,434	151,087
Net Change - 2020			-	(30)	(649)	28,491	27,812	-	144	(1,842)	-	(1,698)	26,114
JACKSON CENTER - 12/31/2019	2,444	330	213,680	5,130	11,963	(176,308)	54,465	110,530	(930)	13,136	-	122,736	177,201
Net Change - 2019			-	(54)	(2,120)	28,491	26,317	-	232	(3,826)	-	(3,594)	22,723
JACKSON CENTER - 12/31/2018	2,444	330	213,680	5,076	9,843	(147,817)	80,782	110,530	(698)	9,310	-	119,142	199,924
Net Change - 2018			-	(47)	(2,571)	28,491	25,873	-	(21)	(3,384)	-	(3,405)	22,468
JACKSON CENTER - 12/31/2017	2,444	330	213,680	5,029	7,272	(119,326)	106,655	110,530	(719)	5,926	-	115,737	222,392
Net Change - 2017			-	(771)	(2,288)	40,532	37,473	-	155	(2,206)	-	(2,051)	35,422
JACKSON CENTER - 12/31/2016	2,444	330	213,680	4,258	4,984	(78,794)	144,128	110,530	(564)	3,720	-	113,686	257,814
Net Change - 2016			-	(1,009)	(2,229)	28,490	25,252	-	213	(1,578)	-	(1,365)	23,887
JACKSON CENTER - 12/31/2015	2,444	330	213,680	3,249	2,755	(50,304)	169,380	110,530	(351)	2,142	-	112,321	281,701
Net Change - 2015			-	(1,132)	(2,083)	28,491	25,276	-	185	(1,231)	-	(1,046)	24,230
JACKSON CENTER - 12/31/2014	2,444	330	213,680	2,117	672	(21,813)	194,656	110,530	(166)	911	-	111,275	305,931
TOTAL	771,281												
City Participation	0.32%												

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Construction and Contractual Commitments

A. Combined Hydroelectric Projects (79 Members)

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

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued ten series of its Combined Hydroelectric Projects Revenue Bonds (the “Combined Hydroelectric Bonds”), in an original aggregate principal amount \$2,483,845,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2022, \$2,095,038,235 aggregate principal amount of the Combined Hydroelectric Bonds. (Draws on the LOC have been paid).

On August 14, 2017, AMP filed a lawsuit in the U.S. District Court for the Southern District of Ohio against Voith Hydro, Inc. (“Voith”), which was the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project. In the lawsuit, AMP alleges, among other things that Voith failed to deliver equipment on a timely basis and that certain of the equipment delivered was materially defective, causing significant delays. AMP has alleged proven damages of at least \$40 million. On October 16, 2017, Voith filed its answer, denying each of AMP’s claims, and asserting two counterclaims seeking the payment of amounts it claims are due under the contract, amounts currently held by AMP as purported liquidated damages and \$40 million in damages, plus interest and legal fees. On December 1, 2017, AMP filed its answer to the Voith counterclaims, denying all liability to Voith.

As part of the initial disclosures, AMP listed 70 potential witnesses and \$90 million in gross damages, while Voith listed over 100 potential witnesses and \$65 million in gross damages. A scheduling order has been established which provides for an October 31, 2022 trial date.

The Village of Jackson Center 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.

B. Greenup Hydroelectric Project (47 Members)

In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the “AMP Interest”) in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the “Greenup Bonds”) and, with a portion of the proceeds thereof, acquired the AMP Interest. The Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 31, 2022, \$118,760,000 aggregate principal amount of the Greenup Bonds was outstanding.

The Village of Jackson Center has executed a take-or-pay power sales contract with AMP as a participant of the Greenup Hydroelectric Project of 13 kW or 0.04% of capacity and associated energy from the Greenup Hydroelectric Project.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Construction and Contractual Commitments (Continued)

C. Prairie State Energy Campus (68 Members)

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

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the "Initial Prairie State Bonds") to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. In 2015, 2017 and 2019, AMP issued bonds (the "Prairie State Refunding Bonds" and, together with the Initial Prairie State Bonds, the "Prairie State Bonds") to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009, certain of callable outstanding Initial Prairie State Bonds issued as Build America Bonds and certain of the bonds issued in 2015 to refund the Initial Prairie State Bonds. As of December 31, 2022, AMP had \$1,380,660,000 aggregate principal amount of Prairie State Bonds outstanding.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the "Prairie State Power Sales Contract") with 68 Members (the "Prairie State Participants"). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract. The capacity factor for the Prairie State Energy Campus for the fiscal year ending December 31, 2021 was 95.6%.

The Village of Jackson Center has executed a take-or-pay power sales contract with AMP as a participant of the Prairie State Energy Campus Project of 1,393 kW or 0.07% of capacity and associated energy from the Prairie State Energy Campus Project.

D. Neighborhood Revitalization Projects

In the Summer of 2020, the Village Council applied for grant monies from Ohio Public Works Commission (OPWC) and Community Development Block Grant (CDBG) Neighborhood Revitalization Program and Ohio Department of Natural Resources (ODNR). The Village Council has been informed that we will be receiving a \$600,000 CDBG grant and a \$120,000 CDBG Allocation from the Neighborhood Revitalization Program. The Village has also been awarded a \$500,000 grant from OPWC along with a \$500,000 zero interest loan and signed the agreements for the grant and loan on July 25, 2021. The Village was informed that the grant application to ODNR was not approved. The Engineer sent an updated funding sheet on November 30, 2022 and the Village match for these projects will be \$276,000. The Village's plans for these monies are as follows:

- New water main from Parkview Street to the Village Corporation line to the East. This will be an installation of a new eight-inch water main to replace the old six inch main. New curb, gutter and sidewalks will be added on the South side of Pike Street and the street pavement will be widened.
- New water main installation on South Main Street with new twelve-inch water main will be installed from Leo Street to the South Corporation limit. This will replace an old six inch main. New curb, gutter and sidewalks will also be added and the pavement widened.
- Paving will take place on several streets: North Fork, South Fork, Maple, Oak and Back Forty Drive will all be paved.

Village of Jackson Center, Ohio
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Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Construction and Contractual Commitments (Continued)

D. Neighborhood Revitalization Projects (Continued)

- Work will also be starting on the second phase of Tiger Trail Park. This will include two softball diamonds, two baseball diamonds, additional parking area and extension of the walking track and storm water upgrades.

The project funds weren't available until July 2021. The Shelby County Commissioners held a bid opening on December 21, 2021 at their chambers and received four bids. The Engineer's Estimate was \$2,235,000. The bid was awarded to Shinn Bros. Inc. from Celina with a bid of \$1,908,000 who was the lowest and best bid. At their meeting on December 27, 2021 Village Council approved a motion to recommend to the Shelby County Commissioners that the Shinn Bros. Inc. bid be awarded for the completion of the project. Therefore, the completion of the projects will be the Summer of 2022. As of December 31, 2022, the project stands at seventy-five percent completion in 2022, with the remaining twenty-five percent to be completed in 2023.

E. Water Treatment Plant Reconstruction Project

In February of 2021, the Village sent out a Request for Qualifications for a new water treatment plant facility. In late March of 2021, the Village received seven Requests for Qualifications from Poggemeyer, Access Engineering, CDM Smith, Fisbeck Engineering, Jones & Henry, EL Robinson Engineering and Wessler Engineering. On August 20, 2021, the Village authorized Access Engineering to submit for funding through the Water and Wastewater Infrastructure Grant Program. Then on September 27, 2021, Village Council passed resolution 2021-013 authorizing the Village Administrator to prepare and submit an application to the Ohio Public Works Commission for funding for the Water Plant Reconstruction Project. The current Water Treatment Plant has fifty years of serving the businesses and residents of the Village and the components are reaching the end of their useful life. The Village intends to construct a new Water Treatment Plant to serve the growth of the Village and the ever-changing rules and regulations of the Ohio Environmental Protection Agency for the production of high-quality drinking water for consumers. On July 5, 2022 the Village signed an agreement with the State of Ohio, Ohio Small Government Capital Improvements Commission awarding the Village \$249,000 in grant funding from the Ohio Public Works Commission from the State Capital Improvements Fund and \$249,000 loan from the Ohio Public Works Commission. On December 19, 2022 council passed Resolution 2022-017 authorizing the Village Administrator to enter into a contract with Access Engineering Solutions, LLC for engineering services in the amount of \$390,000 for the Water Treatment Plant Improvements. The engineers estimate for this project totals \$4,950,000. The Village has submitted plans to the Ohio Environmental Protection Agency and is waiting for comments or approval. The Village anticipates being able to go out for bid on this project in August of 2023 with a construction beginning in late 2023 and a completion date in 2024. The Village is also pursuing additional funding for this project.

F. Construction of a Village Utilities Garage Facility Addition

On February 8, 2021, Village Council passed Resolution 2021-002 authorizing the Village Administrator to enter into a contract for professional services with Freytag and Associates, Inc. for plan design for an addition onto the existing Village utilities garage facility. The Village intends to construct a 4,320 square foot building addition onto the existing Village utilities service garage located at 108 East College Street. The cost of the services to be provided by Freytag and Associates, Inc. will not exceed \$25,800. On May 27, 2021 the Village Administrator approved of an Amendment to the Agreement to authorize design of an automatic sprinkler system in the addition and existing facility. Due to the size of the building, automatic sprinkler system is required by the Miami County Department of Development/Building Regulations. The lump sum fee for the amendment in design is \$2,000. Freytag and Associates, Inc. established an Engineer's Estimate for the project of \$560,000. The Village advertised for bids and held the bid opening on November 10, 2021 with two bids being received in the amounts of \$849,000 and \$833,000. Because the bids exceeded the engineers estimate by more than ten percent; Freytag and Associates, Inc. reevaluated the cost of the project and came up with a new Engineer's Estimate of \$650,000. The Village advertised

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Note 10 – Construction and Contractual Commitments (Continued)

F. Construction of a Village Utilities Garage Facility Addition (Continued)

for bids and held the bid opening on December 17, 2021 with seven bids being received in the amounts of \$805,000 from Wise Construction Company, Inc., \$797,635 from Armcorp Construction, Inc., \$668,000 from ACI Construction Co., Inc., \$659,000 from Rupp Rosebrock, Inc., \$653,800 from Westerheide Construction Company, \$649,600 from Ferguson Construction Company and \$613,745 from Heyne Construction, Inc. On December 27, 2021 the Village Council passed resolution 2021-017 to authorize the Village Administrator to enter into a contract with Heyne Construction Inc. of Minster, Ohio for the Vehicle Storage Building Addition construction project in the amount of \$613,745. The building has been ordered and will be delivered in May and the contractor has given the Village a completion date of October 25, 2022. This building addition was completed on January 16, 2023 with a final cost of \$612,305.

G. Wastewater Treatment Plant Improvements Project

On April 12, 2021, Village Council passed Resolution 2021-003 authorizing the Village Administrator to enter into a contract with Poggemeyer Design Group for engineering for the Village Wastewater Treatment Plant Improvements Project. The Village plans the replacement of RAS/WAS Screw Pumps and Dried Sludge Cake Screw Conveyor. Poggemeyer Design Group will provide engineering design, bidding services and construction services. The total contract amount is \$56,000. On May 24, 2021, Village Council passed resolution 2021-008 to amend the contract with Poggemeyer Design Group. This amendment includes the replacement of the Grit Pump, Grit Classifier and Grit System Control Panel. The new total contract amount is \$79,500. On January 10, 2022, Village Council passed Resolution 2022-001 to authorize the Village Administrator to apply for, accept, and enter into a Water Pollution Control Loan Fund (WPCLF) agreement for planning, design and/or construction of a Wastewater Facility; and designating the Note Retirement Fund as the dedicated repayment source for the loan. The Engineer's Estimate for the project is \$805,891. The legal notice to bid was advertised on February 2, 2022 and February 9, 2022 with the bid opening scheduled for March 2, 2022. The Village received one (1) bid from Peterson Construction Company for \$925,000. The bid was not within ten percent of the engineer's estimate, so the project went out for bid again with a new engineer estimate of \$850,000. The legal notice to bid was advertised on March 8, 2022 and March 15, 2022 with the bid opening scheduled for March 24, 2022. On March 24, 2022 the Village received one (1) bid from Peterson Construction Company of Wapakoneta, Ohio in the amount of \$930,000. Council adopted Resolution 2022-003 authorizing the Village Administrator to enter into a contract with Peterson Construction Company for the contract amount of \$930,000. Construction is to begin January of 2023.

H. Real Estate Purchase Agreement with Ronald E. Leininger and Kent E. Leininger

The Village entered into a real estate purchase agreement with Ronald E. Leininger and Kent E. Leininger to purchase approximately 0.2 acres of real property located at 401 East College Street, Lot 41, of the Baughman Addition in Jackson Center, Ohio. Council adopted Ordinance 2021-003 authorizing the Village Administrator to sign the real estate purchase agreement on December 23, 2020 in the amount of \$100,000 with two-thirds of all payments due and payable to Kent E. Leininger and one-third of all payment due and payable to Ronald E. Leininger. Per the real estate purchase agreement, the Village paid \$40,000 to the sellers at closing with the remaining \$60,000 being due and payable on or before January 31, 2022 including interest of two percent. Per the agreement the Village took possession of the property upon payment of the purchase price at closing. The Village has made some improvements to the property and is using it as cold storage for equipment and tools. As of January 12, 2022, the Village has made the final payment including interest to Ronald E. Leininger and Kent E. Leininger and owns the property free and clear.

Village of Jackson Center, Ohio
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Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Construction and Contractual Commitments (Continued)

I. Real Estate Purchase Agreement with METZCOM Development, LLC

The Village entered into a real estate purchase agreement with METZCOM Development, LLC to purchase approximately 18.819 acres of real property located in Jackson Center, Ohio. Council adopted Ordinance 2021-006 authorizing the Village Administrator and the Mayor to sign the real estate purchase agreement on March 23, 2021 in the amount of \$420,000. The Village took out a short-term loan (# 0341300253) the Peoples Federal Savings and Loan Association (Resolution 2021-004) to purchase the property. The Village acquired the property for the purpose of constructing a detention basin which will improve the ability to hold back storm water in the Jackson Center Creek to reduce the likelihood of flooding on the southeast and northeast side of the Village. The Village passed Resolution 2021-007 authorizing the Village Administrator to enter into a contract with Choice One Engineering for engineering services for the Hudson Lake II Detention Pond Project. The total contract amount is \$35,470 for engineering design, bidding services and construction services. The Village and Choice One Engineering opened bids on August 25, 2021 and on September 27, 2021 Village Council passed Resolution 2021-012 awarding the bid to RD Jones Excavating, Inc. This resolution authorized the Village Administrator to enter into a contract with RD Jones Excavating, Inc. for the amount of \$436,763.50 for construction of the Hudson Lake Detention Pond II Project. Construction work is expected to commence the spring of 2022 when the weather breaks. Construction of the detention pond was completed September of 2022.

I. West Pike Street Relief Storm Sewer Construction Project

In May 2022 we applied for CDBG grant monies to help fund this project. The engineers estimate is \$124,000 and we were awarded \$103,000 through CDBG making the Village match \$21,000. We should receive the monies from CDBG in February and the Village will then go to bid for construction in 2023.

J. Jackson View Cemetery

On September 26, 2022, Council passed Resolution 2022-012 authorizing the Village of Jackson Center, Ohio to register, operate, insure, and rename the Seventh Day Baptist Church Cemetery. The Seventh Day Baptist Church of Jackson Center, Ohio is the title owner of record and formerly operated the Seventh Day Baptist Church Cemetery located at 603 West Pike Street, Jackson Center, Ohio. The Church has dissolved and ceased operations a number of years ago and has not maintained the Cemetery for many years. After the Church ceased maintaining the Cemetery, it was maintained and operated by the Trustee, of the Edith A. Davis Trust, Shelby County Probate Court Case No.: 1996-TRU-07106. The Trust has no money to operate the Cemetery and the Trust has been terminated with the case being now closed. Currently, there is no one to operate the Cemetery which is located in the Village of Jackson Center, Ohio. Pursuant to Ohio Revised Code Chapter 759, a Cemetery that is located in a municipal corporation, such as a Village, can be operated by the Village, to serve a public purpose. The Village is in the process of adopting the rules and regulations for the Cemetery and has been maintaining the grounds since late 2021. The records that were kept by the Trustee have been received by the Village, but the records were not well maintained. It will take the Village sometime to determine if there are lots still available for purchase and the location of the lots that have been sold by the Trustee but are not actively being used at this time.

K. Assistance to Firefighters Grant Program

On November 14, 2022, Council passed Resolution 2022-016 authorizing the Village Administrator to participate in and commit Village funds to match the Assistance To Firefighters Grant Program through the Shelby County Firefighters Association (SCFA) for funds administered by the Federal Emergency Management Agency (FEMA) for mobile and portable radios. Shelby County Firefighters Association desires to participate in the grant program as a means to acquire mobile and portable radios for the needed protection of the firefighters and the public to improve radio communications for the SCFA. The SCFA is the primary agency for the grant application and is permitted to transfer assignment of the host department to a SCFA member department depending on grant eligibility requirements. Each department that is participating in the grant application understands that the ninety/ten

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Construction and Contractual Commitments (Continued)

K. Assistance to Firefighters Grant Program (Continued)

(90/10) matching funds that are required must be paid in advance upon grant approval. If this grant is approved, the radios will become property of each department, and each department will be responsible for maintenance and any other fee that may be incurred as the owner of the radios. The Village committed to apply for fourteen (14) portable radios and agrees to pay for all the matching funds up to, but not to exceed ten thousand dollars (\$10,000). The grant will be used to purchase Motorola radio models as communicated by the Shelby County Commissioners radio project.

Note 11 – Contingent Liabilities

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

Note 12 – Joint Ventures

Ohio Municipal Electric Generation Agency (OMEGA JV2)

The Village of Jackson Center is a Financing Participant and an Owner Participant with percentages of liability and ownership of .29% and .22% respectively 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 (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 Agreement.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2022, the Village of Jackson Center has met its debt coverage obligation.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis.

Village of Jackson Center, Ohio
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Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 12 – Joint Ventures (Continued)

Ohio Municipal Electric Generation Agency (OMEGA JV2) (Continued)

OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20-year fixed rates bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As of December, 2022, \$0 on AMP's Line of Credit was allocable to the financing of costs related to the JV2 Project.

The Village's net position to date in OMEGA JV2 was (\$2,271) at December 31, 2022. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. This debt was paid off in 2018. The Village's net position in OMEGA JV2 was (\$70) at December 31, 2020. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

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

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	Napolean	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
Grand Total				100.00%	134,081

Ohio Municipal Electric Generation Agency (OMEGA JV5)

The Village of Jackson center is a Financing Participant with an ownership percentage of .67% and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 12 – Joint Ventures (Continued)

Ohio Municipal Electric Generation Agency (OMEGA JV5) (Continued)

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

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

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2021, Jackson Center has met its debt coverage obligation.

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

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs. The 2016 BICs were redeemed in whole on February 15, 2021 with a draw on the Line of Credit which is evidenced by a subordinated note (the "2021 JV5 Note"). As of December 31, 2022, the balance on AMP's Line of Credit that was allocable to the 2021 JV5 Note was \$0.

The Village's net position to date in OMEGA JV5 was \$19,990 at December 31, 2022. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 – Jointly Governed Organizations

The Jackson Center Community Improvement Corporation (hereinafter referred to as “CIC”) was created as a local economic development organization pursuant to State statutes. The Corporation has six members, consisting of three members from local businesses, one elected Village Council member, the Village Administrator and a Chief Legal Officer. The Corporation was organized on December 18, 1989, under the laws of the State of Ohio as a not-for-profit corporation whose sole purpose is to advance, encourage, and promote the industrial, economic, commercial and civic development of the Village of Jackson Center, Ohio in accordance with Section 1724.10 of the Revised Code of the State of Ohio.

In fiscal year ending December 31, 2022, the Village transacted the following real estate transactions with the CIC.

Ordinance 2022-012 – The Village entered into an Assignment and Assumption of Purchase Agreement with the CIC to dispose of property no longer needed for a public purpose. The property is commonly known as real property containing two parcels, the first being lot number 590 containing 0.111 acres and the second being lot number 591 containing 0.111 acres located on Davis Street in the Village of Jackson Center, Ohio. The Village transferred said property to the CIC and the CIC transferred (sold) the property to Jimmy D. and Beth A. Butler. Jimmy D. and Beth A. Butler paid the CIC the amount of \$2,000 for the properties (One thousand and 00/100 dollars (\$1,000) for each of the two parcels.) and payment of the sale proceeds to the CIC was remitted to the Village. A copy of all the documentation can be found attached to the original Ordinance 2022-012 adopted March 28, 2022 referenced above.

Ordinance 2022-013 - The Village entered into an Assignment and Assumption of Purchase Agreement with the CIC to dispose of property no longer needed for a public purpose. The property is commonly known as real property containing one parcel being lot number 592 containing 0.111 acres located on Davis Street in the Village of Jackson Center, Ohio. The Village transferred said property to the CIC and the CIC transferred (sold) the property to Dwayne P. Kitchen. Dwayne P. Kitchen paid the CIC the amount of \$1,000 for the property and payment of the sale proceeds to the CIC was remitted to the Village. A copy of all the documentation can be found attached to the original Ordinance 2022-013 adopted March 28, 2022 referenced above.

Ordinance 2022-014 - The Village entered into an Assignment and Assumption of Purchase Agreement with the CIC to dispose of property no longer needed for a public purpose. The property is commonly known as real property containing one parcel being lot number 593 containing 0.161 acres located on Davis Street in the Village of Jackson Center, Ohio. The Village transferred said property to the CIC and the CIC transferred (sold) the property to Elizabeth A. Vanhoose. Elizabeth A. Vanhoose paid the CIC the amount of \$1,400 for the property and payment of the sale proceeds to the CIC was remitted to the Village. A copy of all the documentation can be found attached to the original Ordinance 2022-014 adopted March 28, 2022 referenced above.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 14 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Capital Projects	Total
Nonspendable:			
Unclaimed Monies	\$ 847	\$ -	\$ 847
Outstanding Encumbrances	-	205,152	205,152
<i>Total</i>	<u>\$ 847</u>	<u>\$ 205,152</u>	<u>\$ 205,999</u>

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 15 – AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 12. 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:

	2022
Total Fund Cash Balance	\$ 1,836,680
Long-Term Debt	2,295,000
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	3,139,704
Other Operating Receipts	31,901
Total Operating Receipts	3,171,605
 Operating Expenses	
Personal Services	220,769
Employee Fringe Benefits	56,715
Contractual Services	2,419,752
Supplies and Materials	16,512
Total Operating Expenses	2,713,748
Operating Income	457,857
 Nonoperating Receipts (Disbursements)	
Intergovernmental Receipts	7,067
Principal Payments	(155,299)
Interest Payments	(7,553)
Capital Outlay	(245,839)
Change in Fund Cash Balance	56,233
Beginning Fund Cash Balance	1,780,447
Ending Fund Cash Balance	\$ 1,836,680

Village of Jackson Center, Ohio
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Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 16 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

On July 26, 2021, Village Council passed resolution 2021-009 creating a special revenue fund named "American Rescue Plan Act ("ARP"). The American Rescue Plan Act of 2021 will provide additional relief to address the continue impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses. As part of the American Rescue Plan Act, \$350 billion in additional funding is being provided to state and local governments. Pursuant to guidance issued by the Auditor of State in an updated bulletin dated July 2, 2021, the Federal Funding Accountability and Transparency Act (FFATA) requires separate accountability for direct recipients (and subrecipients) of federal awards greater than \$30,000. Ohio Revised Code 5705.09 requires subdivisions to establish separate funds for each class of revenue derived from a source other than the general property tax.

On April 25, 2022, Council passed Ordinance 2022-004 authorizing the Village Administrator and Fiscal Officer to elect to take the "Standard Allowance" of up to \$10,000,000 as the amount of revenue loss for use for the provision of Governmental Services under Section 603©(1)(C) of the American Rescue Plan. §35.6(d) of the Final Rule provides for the use of a "standard allowance" – or for the use of a calculation formula by which an entity may determine the amount of "revenue loss" pursuant to Section 603©(1)(C) of ARP, but provides that recipients "must make a one-time election" between those options. The election provided for under §35.6(d)(1) of the Final Rule allowing a recipient to take up to \$10,000,000 as a standard allowance provides the county with more certainty as to exactly how much "revenue loss" funds may be used to provide for "the provision of government services" over the multi-year performance period allowed for use of ARP funds. Use of this standard allowance may be for the direct providing of government services, or it may be used as a secondary/additional legal justification or support for an ARP funded project/purchase in the event such a project was later deemed not to be otherwise appropriate for funding under Section 603©(1)(A)(B) or (D) of the ARP.

The 2022 activity includes, \$77,343 that the Village received in Federal funds from the Office of Ohio Budget and Management. This was the second tranche with the first tranche (\$76,730) being received in Fiscal Year 2021. The Village expended \$154,073 which was spent on-qualifying expenditures regarding the Hudson Lake II Detention Pond project as this is an allowable expense for infrastructure. These amounts are reflected as intergovernmental expenditures in the applicable Special Revenue Fund on the accompanying financial statements.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 182,225	\$ -	\$ -	\$ -	\$ 182,225
Municipal Income Tax	1,591,647	-	318,224	-	1,909,871
Intergovernmental	59,608	203,775	-	61,000	324,383
Charges for Services	62,675	26,721	-	-	89,396
Fines, Licenses and Permits	25,910	-	-	-	25,910
Earnings on Investments	2,357	205	459	-	3,021
Miscellaneous	15,977	1,719	-	-	17,696
<i>Total Cash Receipts</i>	<u>1,940,399</u>	<u>232,420</u>	<u>318,683</u>	<u>61,000</u>	<u>2,552,502</u>
Cash Disbursements					
Current:					
Security of Persons and Property	367,154	38,830	-	-	405,984
Public Health Services	4,188	900	-	-	5,088
Leisure Time Activities	266,688	-	-	-	266,688
Community Environment	25,209	-	-	-	25,209
Transportation	339,214	54,160	-	-	393,374
General Government	351,038	13,293	-	-	364,331
Capital Outlay	608,190	-	-	61,000	669,190
Debt Service:					
Principal Retirement	1,230,463	-	134,922	-	1,365,385
Interest and Fiscal Charges	63,290	-	20,461	-	83,751
<i>Total Cash Disbursements</i>	<u>3,255,434</u>	<u>107,183</u>	<u>155,383</u>	<u>61,000</u>	<u>3,579,000</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,315,035)</u>	<u>125,237</u>	<u>163,300</u>	<u>-</u>	<u>(1,026,498)</u>
Other Financing Receipts (Disbursements)					
Sale of Bonds	1,000,000	-	-	-	1,000,000
Other Debt Proceeds	820,000	-	-	-	820,000
Sale of Capital Assets	80,161	13,300	-	-	93,461
Transfers In	-	1,500	-	-	1,500
Transfers Out	(1,500)	-	-	-	(1,500)
Other Financing Uses	(1,000)	-	-	-	(1,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,897,661</u>	<u>14,800</u>	<u>-</u>	<u>-</u>	<u>1,912,461</u>
<i>Net Change in Fund Cash Balances</i>	582,626	140,037	163,300	-	885,963
<i>Fund Cash Balances, January 1</i>	<u>1,372,600</u>	<u>383,990</u>	<u>790,938</u>	<u>-</u>	<u>2,547,528</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,955,226</u>	<u>\$ 524,027</u>	<u>\$ 954,238</u>	<u>\$ -</u>	<u>\$ 3,433,491</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 3,759,213
Miscellaneous	37,784
<i>Total Operating Cash Receipts</i>	<i>3,796,997</i>
Operating Cash Disbursements	
Personal Services	431,142
Employee Fringe Benefits	105,196
Contractual Services	2,539,945
Supplies and Materials	120,161
Other	9,500
<i>Total Operating Cash Disbursements</i>	<i>3,205,944</i>
<i>Operating Income (Loss)</i>	<i>591,053</i>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	9,854
Earnings on Investments (proprietary funds only)	50
Capital Outlay	(113,888)
Principal Retirement	(145,000)
Interest and Other Fiscal Charges	(32,407)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(281,391)</i>
<i>Net Change in Fund Cash Balances</i>	<i>309,662</i>
<i>Fund Cash Balances, January 1</i>	<i>2,835,803</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 3,145,465</i>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Other Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 4,063
<i>Total Additions</i>	4,063
Deductions	
Distributions to Other Governments	3,543
<i>Total Deductions</i>	3,543
Net Change in Fund Balances	520
<i>Fund Cash Balances, January 1</i>	298
<i>Fund Cash Balances, December 31</i>	\$ 818

The notes to the financial statements are an integral part of this statement.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Jackson Center (the Village), Shelby County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides street maintenance, water, sewer, and electric utilities, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department.

Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools

The Village participates in jointly governed organizations, joint ventures, and a public entity risk pool. Notes 6, 12, 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

Basis of Presentation

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

Fund Accounting

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

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

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

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

American Rescue Plan Act (ARP) Fund The American rescue plan act fund accounts for and reports the portion of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) received from the U.S. Department of Treasury as passed through the State of Ohio.

Fire Equipment Fund The fire equipment fund receives 80% of fire protection contract revenue to purchase new fire engine equipment.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

Note Retirement Fund This fund receives proceeds of 16.7% of income tax revenue. The proceeds are being used to make debt payments related to constructing, repairing and improving water and wastewater treatment facilities for the Village.

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

Neighborhood Revitalization Projects The neighborhood revitalization projects fund accounts for and reports proceeds of Ohio Public Works Commission Issue II Grant monies \$500,000; Ohio Public Works Commission Issue II zero interest loan monies \$500,000; Community Development Block Grant Neighborhood Revitalization/Formula Grant monies \$600,000 and a Community Development Block Grant Allocation monies of \$120,000. The proceeds are restricted for the reconstruction of 1,200 feet of Main Street with new sub-base, asphalt, storm drainage, and waterline; and for reconstruction of 1,700 feet of East Pike with new sub-base, asphalt, curb and gutter, sidewalk, storm drainage, and waterline. North Fork, South Fork, Maple, Oak and Back Forty Drive will be paved. Tiger Trail Park upgrades will include two softball diamonds and two baseball diamonds with additional parking and the extension of the walking track and storm water upgrades.

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.

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

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for mayor's court activity.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

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

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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 14.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,837,037	\$ 3,840,560	\$ 3,523
Special Revenue	248,649	247,220	(1,429)
Debt Service	318,636	318,683	47
Capital Projects	61,000	61,000	-
Enterprise	3,806,807	3,806,901	94
Total	\$ 8,272,129	\$ 8,274,364	\$ 2,235

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,941,610	\$ 3,290,714	\$ 650,896
Special Revenue	148,417	107,183	41,234
Debt Service	155,383	155,383	-
Capital Projects	61,000	61,000	-
Enterprise	4,106,703	3,511,187	595,516
Total	\$ 8,413,113	\$ 7,125,467	\$ 1,287,646

Note 4 – Deposits and Investments

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

	2021
Demand deposits	\$ 1,403,380
Total deposits	1,403,380
STAR Ohio	5,176,394
Total investments	5,176,394
Total Deposits and Investments	\$ 6,579,774

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the village is holding \$6,979 in unremitted employee payroll withholdings.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (Continued)

Deposit

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

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

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

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

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

Note 6 – Risk Management

Ohio Municipal League Worker's Compensation Group Rating Plan

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for workers' compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Risk Management (Continued)

Risk Pool Membership

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

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

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. 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 remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Defined Benefit Pension Plans (Continued)

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2021.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest
OWDA 3797 Upgrade WTP/Distribution System	\$ 56,891	3.25%
OPWC CM13J Jackson Street Water Main	40,200	0.00%
OWDA 5375 Rehab/Replacement WW Collection	55,373	0.00%
OPWC CM10P Water Well Installation	118,502	0.00%
OPWC CM20R WWTP Improvements	406,591	0.00%
OWDA 7315 Sewer System Updates	392,359	2.53%
OPWC CT52T Davis/Linden Street	441,667	0.00%
OWDA 7640 WWTP Building/Laboratory	225,068	3.08%
OPWC CT49V Jackson, Washington & College	483,333	0.00%
Real Estate Aquisition/Construction Project	1,000,000	2.89%
American Municipal Power, Inc. Loan	2,440,000	2.25%
Peoples Federal Savings & Loan Company 408	69,529	3.00%
US Bank Swimming Pool Improvement Loan	363,796	2.25%
Peoples Federal Savings & Loan Company 420	319,295	2.75%
Peoples Federal Savings & Loan Company 431	820,000	2.75%
Total	<u>\$ 7,232,604</u>	

The Ohio Water Development Authority loan 3797 is a twenty-year loan that originated in 2002 and relates to improvements made at the water treatment plant / distribution system. The Village will repay the loan in semiannual installments of \$29,140.43 at 3.25% interest. The final installment payment of this loan will be January, 2023. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Public Works Commission loan CM13J is a twenty-year loan that originated in 2008 and relates to the installation of a six-inch water main on Jackson Street within the village. The Village will repay the loan in semiannual installments of \$3,350.00 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be July, 2027. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 5375 is a twenty-year loan that originated in 2009 and relates to sanitary sewer cured in place pipe that was installed within the village. The Village will repay the loan in semiannual installments of \$3,257.27 at zero percent interest. The final installment payment of this loan will be July, 2030. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt (Continued)

The Ohio Public Works Commission loan CM10P is a thirty-year loan that originated in 2012 and relates to two water well installations on the Village well field. The Village will repay the loan in semiannual payments of \$2,633.38 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be January, 2044. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Public Works Commission loan CM20R is a thirty-year loan that originated in 2014 and relates to improvements at the wastewater treatment facility regarding construction for an alum feed system, building, clarifier rebuilds and a generator. The Village will repay the loan in semiannual payments of \$7,260.57 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be July, 2049. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 7315 is a twenty-year loan that originated in 2016 and relates to sewer system updates regarding construction for an alum feed system, building, clarifier rebuilds and a generator. The Village will repay the loan in semiannual installments of \$15,798.49 at 2.53% interest. The final installment payment of this loan will be January, 2037. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Public Works Commission loan CT52T is a thirty-year loan that originated in 2016 and relates to the Davis / Linden Street Reconstruction project regarding sidewalks and street improvements. The Village will repay the loan in semiannual installments of \$8,333.33 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be January, 2048. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 7640 is a twenty-year loan that originated in 2017 and relates to wastewater treatment plant building / laboratory and SCADA system. The Village will repay the loan in semiannual installments of \$8,961.10 at 3.08% interest. The final installment payment of this loan will be January 2038. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt (Continued)

The Ohio Public Works Commission loan CT49V is a thirty-year loan that originated in 2018 and relates to the Jackson, Washington and College Streets reconstruction project to reconstruct 650 feet of Jackson Street with new stone sub-base, asphalt, curb and gutter, sidewalk, and storm drainage. The reconstruction of 1500 feet of Washington Street with new sub-base, asphalt, and storm drainage, and the reconstruction of 3,000 feet of College Street with asphalt milling, asphalt, storm drainage, and water line. The Village will repay the loan in semiannual installments of \$8,333.33 at zero percent interest. The final installment payment of this loan will be July, 2050. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

In March of 2021 the Village hired bond counsel (Dinsmore & Shohl) to act as bond counsel with respect to municipal securities issued as Real Estate Acquisition Bond Anticipation Notes. The Village issued bonds in the amount of \$1,000,000 payable to The Huntington National Bank at an interest rate of 2.89% set to mature on March 19, 2022. The original proceeds were used to purchase approximately 50 acres of real property in the Village, however, the proceeds of this issue were used to pay off the 2020 issue. The Village plans to pay down principal and interest and renew the obligations each year until principal can be paid to zero. This will be satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

In August of 2018 the Village entered into a Loan Agreement and Promissory Note with American Municipal Power, Inc. and a Standby Note Purchase Agreement with the Treasurer of the State of Ohio, American Municipal Power, Inc. and Huntington National Bank. American Municipal Power, Inc. issued \$2,800,000 in Electric System Improvement Bond Anticipation Notes at an interest rate of 3.00% set to mature August 2019. AMP (American Municipal Power, Inc.) will be using the proceeds of the issuance to loan to the Village for construction of a new electric substation and approximately one mile of 69kV transmission line. The Village agrees that it will inform AMP of the amount of principal that the Village intends to retire plus accrued interest 90 days prior to the maturity of the Electric System Improvement Bond Anticipation Notes. AMP will then apply said payments to retire principal and satisfy interest and renew the outstanding principal with a new issuance in Electric System Improvement Bond Anticipation Notes. This loan will be satisfied with revenues of the electric system. The August 2019 issue was in the amount of \$2,949,000 and the Village retired at the time of closing \$153,000 in principal and \$57,185.33 in interest. This issue has a maturity date of August 13, 2020 and an interest rate of 2.25%. In turn the August 2020 issue was in the amount of \$2,585,000 and the Village retired at the time of closing \$164,022.12 in principal and \$44,465.46 in interest. This issue has a maturity date of August 12, 2021 and an interest rate of 1.50%. The August 2021 issue was in the amount of \$2,440,000 and the Village retired at the time of closing \$145,000 in principal and \$32,407.36 in interest. The issue has a maturity date of August 11, 2022 and an interest rate of 1.00%.

Peoples Federal Savings and Loan Association 326300408 loan originated in 2019 for a term of five years, relates to the purchase of a 2020 Stoops Freightliner Dump/Plow truck. The Village will repay the loan in annual payments of \$24,595.48 at 3.00% interest. The final installment payment of this loan will be January, 2024. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

In March 2020, the Village issued \$400,000 Swimming Pool Improvement Bonds, Series 2020 and authorized the sale of those bonds to U.S. Bank National Association for the purpose of making renovations and upgrades to the municipal swimming pool. The Village agrees to pay installments of principal and interest in the amount of \$45,128.86 for a period of ten years at 2.25% interest. The final installment payment of this loan will be March 2030. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt (Continued)

Peoples Federal Savings and Loan Association 326300420 loan originated in 2020 for a term of ten years, relates to an addition to the current Service Building located at 108 College Street. The Village will repay the loan in annual payments of \$40,484.97 at 2.75% interest. The final installment payment of this loan will be November, 2030. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

Peoples Federal Savings and Loan Association 341300253 loan originated in 2021 for a term of three months, relates to the purchase of 18.819 acres of land in Jackson Center. The Village rolled this loan into a new loan that will also cover the construction costs for the detention basin. The interest rate on this loan was 2.75% and the Village paid interest of \$2,879.58 in July 2021 and then paid interest of \$2,911.23 in October 2021 when it was rolled into a new loan. The Village purchased this land for the purpose of installing a detention basin. The loan was only taken out for three months as the intent was to role it into a construction loan for the detention basin as well. When the three-month maturity date came due, the Village was not ready to go out to bid yet and the bank extended the loan for another three months with a new maturity of October 19, 2021. This loan was then paid off with the proceeds of the next loan that will be addressed in the next paragraph.

Peoples Federal Savings and Loan Association 326300431 loan originated in 2021 for a term of ten years, relates to the purchase of 18.819 acres of land in Jackson Center and construction of a detention basin on this land. The Village will repay the loan in annual payments of \$94,914.54 at 2.75% interest. The final payment of this loan will be October, 2031. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

Amortization

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

Year Ending December 31:	OWDA 3797	OPWC CM13J	OWDA 5375	OPWC CM10P
	Upgrade WTP/Distribution System	Jackson Street Water Main	Rehab/Replacement WW Collection	Water Well Installation
2022	\$ 58,174	\$ 6,700	\$ 6,515	\$ 5,267
2023	-	6,700	6,515	5,267
2024	-	6,700	6,515	5,267
2025	-	6,700	6,515	5,267
2026	-	6,700	6,515	5,267
2027-2031	-	6,700	22,798	26,334
2032-2036	-	-	-	26,334
2037-2041	-	-	-	26,334
2042-2046	-	-	-	13,165
Total	\$ 58,174	\$ 40,200	\$ 55,373	\$ 118,502

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt (Continued)

Amortization (Continued)

Year Ending December 31:	OPWC CM20R WWTP Improvements	OWDA 7315 Sewer System Updates	OPWC CT52T Davis/Linden Street	OWDA 7640 WWTP Building/Laboratory	OPWC CT49V Jackson, Washington & College
2022	\$ 14,521	\$ 31,597	\$ 16,667	\$ 17,922	\$ 16,667
2023	14,521	31,597	16,667	17,922	16,667
2024	14,521	31,597	16,667	17,922	16,667
2025	14,521	31,597	16,667	17,922	16,667
2026	14,521	31,597	16,667	17,922	16,667
2027-2031	72,606	157,985	83,333	89,611	83,333
2032-2036	72,606	157,985	83,333	89,611	83,333
2037-2041	72,606	-	83,333	17,922	83,333
2042-2046	72,606	-	83,333	-	83,333
2047-2051	43,562	-	25,000	-	66,666
Total	<u>\$ 406,591</u>	<u>\$ 473,955</u>	<u>\$ 441,667</u>	<u>\$ 286,754</u>	<u>\$ 483,333</u>

Year Ending December 31:	Real Estate Aquisition - Construction Project	Peoples Federal Savings & Loan Company 408	US Bank Swimming Pool Improvement Loan	Peoples Federal Savings & Loan Company 420	Peoples Federal Savings & Loan Company 431
2022	\$ 128,900	\$ 24,595	\$ 45,129	\$ 40,485	\$ 94,915
2023	135,711	24,595	45,129	40,485	94,915
2024	131,920	24,596	45,129	40,485	94,915
2025	127,930	-	45,129	40,485	94,915
2026	123,940	-	45,129	40,485	94,915
2027-2031	559,850	-	180,515	161,940	474,571
Total	<u>\$ 1,208,251</u>	<u>\$ 73,786</u>	<u>\$ 406,160</u>	<u>\$ 364,365</u>	<u>\$ 949,146</u>

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt (Continued)

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 2,444 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.32 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. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. 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 \$425,258. The village received a credit of \$35,463 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$110,530 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). In addition, the Village made payments totaling \$65,585 leaving an estimated net impaired cost balance of \$213,680. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement amount the participants and the AMP General Fund based on each participants original project share in kW including the AMP General Fund's project share. Since March 31, 2014 the Village has made payments of \$235,664 to AMP toward its net impaired cost estimate.

Since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$5,205 and interest expense of \$12,736 incurred on AMP's line-of-credit of \$3,593,843 resulting in a net credit balance estimate at December 31, 2021 of \$1,668. The Village does have a Potential PHFU Liability of \$125,536 resulting in a net total potential liability of \$123,868, 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 as negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

	Original Ordinance	AFEC Allocation	Stranded Costs					Plant held for future use Costs					TOTAL
			Stranded	Activity Since	Int. Exp Since	Pmts Since	Current Stranded	PHFU	Activity Since	Int. Exp Since	Pmts Since	Current PHFU	
JACKSON CENTER - 12/31/2021	2,444	330	213,680	5,205	12,736	(233,289)	(1,668)	110,530	(1,178)	16,184	-	125,536	123,868
Net Change - 2021			-	(45)	(124)	28,490	28,321	-	104	(1,206)	-	(1,102)	27,219
JACKSON CENTER - 12/31/2020	2,444	330	213,680	5,160	12,612	(204,799)	26,653	110,530	(1,074)	14,978	-	124,434	151,087
Net Change - 2020			-	(30)	(649)	28,491	27,812	-	144	(1,842)	-	(1,698)	26,114
JACKSON CENTER - 12/31/2019	2,444	330	213,680	5,130	11,963	(176,308)	54,465	110,530	(930)	13,136	-	122,736	177,201
Net Change - 2019			-	(54)	(2,120)	28,491	26,317	-	232	(3,826)	-	(3,594)	22,723
JACKSON CENTER - 12/31/2018	2,444	330	213,680	5,076	9,843	(147,817)	80,782	110,530	(698)	9,310	-	119,142	199,924
Net Change - 2018			-	(47)	(2,571)	28,491	25,873	-	(21)	(3,384)	-	(3,405)	22,468
JACKSON CENTER - 12/31/2017	2,444	330	213,680	5,029	7,272	(119,326)	106,655	110,530	(719)	5,926	-	115,737	222,392
Net Change - 2017			-	(771)	(2,288)	40,532	37,473	-	155	(2,206)	-	(2,051)	35,422
JACKSON CENTER - 12/31/2016	2,444	330	213,680	4,258	4,984	(78,794)	144,128	110,530	(564)	3,720	-	113,686	257,814
Net Change - 2016			-	(1,009)	(2,229)	28,490	25,252	-	213	(1,578)	-	(1,365)	23,887
JACKSON CENTER - 12/31/2015	2,444	330	213,680	3,249	2,755	(50,304)	169,380	110,530	(351)	2,142	-	112,321	281,701
Net Change - 2015			-	(1,132)	(2,083)	28,491	25,276	-	185	(1,231)	-	(1,046)	24,230
JACKSON CENTER - 12/31/2014	2,444	330	213,680	2,117	672	(21,813)	194,656	110,530	(166)	911	-	111,275	305,931
TOTAL	771,281												
City Participation	0.32%												

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Construction and Contractual Commitments

A. Combined Hydroelectric Projects (79 Members)

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

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

On August 14, 2017, AMP filed a lawsuit in the U.S. District Court for the Southern District of Ohio against Voith Hydro, Inc. (“Voith”), which was the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project. In the lawsuit, AMP alleges, among other things that Voith failed to deliver equipment on a timely basis and that certain of the equipment delivered was materially defective, causing significant delays. AMP has alleged proven damages of at least \$40 million. On October 16, 2017, Voith filed its answer, denying each of AMP’s claims, and asserting two counterclaims seeking the payment of amounts it claims are due under the contract, amounts currently held by AMP as purported liquidated damages and \$40 million in damages, plus interest and legal fees. On December 1, 2017, AMP filed its answer to the Voith counterclaims, denying all liability to Voith.

As part of the initial disclosures, AMP listed 70 potential witnesses and \$90 million in gross damages, while Voith listed over 100 potential witnesses and \$65 million in gross damages. A scheduling order has been established which provides for an October 31, 2022 trial date.

The Village of Jackson Center 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.

B. Greenup Hydroelectric Project (47 Members)

In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the “AMP Interest”) in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the “Greenup Bonds”) and, with a portion of the proceeds thereof, acquired the AMP Interest. The Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of July 1, 2021, \$120,600,000 aggregate principal amount of the Greenup Bonds was outstanding.

The Village of Jackson Center has executed a take-or-pay power sales contract with AMP as a participant of the Greenup Hydroelectric Project of 13 kW or 0.04% of capacity and associated energy from the Greenup Hydroelectric Project.

Village of Jackson Center, Ohio
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Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Construction and Contractual Commitments (Continued)

C. Prairie State Energy Campus (68 Members)

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

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the "Initial Prairie State Bonds") to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. In 2015, 2017 and 2019, AMP issued bonds (the "Prairie State Refunding Bonds" and, together with the Initial Prairie State Bonds, the "Prairie State Bonds") to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009, certain of callable outstanding Initial Prairie State Bonds issued as Build America Bonds and certain of the bonds issued in 2015 to refund the Initial Prairie State Bonds. As of July 1, 2021, AMP had \$1,439,610,000 aggregate principal amount of Prairie State Bonds outstanding.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the "Prairie State Power Sales Contract") with 68 Members (the "Prairie State Participants"). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract. The capacity factor for the Prairie State Energy Campus for the fiscal year ending December 31, 2021 was 95.6%.

The Village of Jackson Center has executed a take-or-pay power sales contract with AMP as a participant of the Prairie State Energy Campus Project of 1,393 kW or 0.07% of capacity and associated energy from the Prairie State Energy Campus Project.

D. Neighborhood Revitalization Projects

In the Summer of 2020, the Village Council applied for grant monies from Ohio Public Works Commission (OPWC) and Community Development Block Grant (CDBG) Neighborhood Revitalization Program and Ohio Department of Natural Resources (ODNR). The Village Council has been informed that we will be receiving a \$600,000 CDBG grant and a \$120,000 CDBG Allocation from the Neighborhood Revitalization Program. The Village has also been awarded a \$500,000 grant from OPWC along with a \$500,000 zero interest loan and signed the agreements for the grant and loan on July 25, 2021. The Village was informed that the grant application to ODNR was not approved. The Village's match for these projects will be \$200,000. The Village's plans for these monies are as follows:

- New water main from Parkview Street to the Village Corporation line to the East. This will be an installation of a new eight-inch water main to replace the old six inch main. New curb, gutter and sidewalks will be added on the South side of Pike Street and the street pavement will be widened.
- New water main installation on South Main Street with new twelve-inch water main will be installed from Leo Street to the South Corporation limit. This will replace an old six inch main. New curb, gutter and sidewalks will also be added and the pavement widened.
- Paving will take place on several streets: North Fork, South Fork, Maple, Oak and Back Forty Drive will all be paved.
- Work will also be starting on the second phase of Tiger Trail Park. This will include two softball diamonds, two baseball diamonds, additional parking area and extension of the walking track and storm water upgrades.

Village of Jackson Center, Ohio
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Notes to the Financial Statements
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Note 10 – Construction and Contractual Commitments (Continued)

The project funds weren't available until July 2021. The Shelby County Commissioners held a bid opening on December 21, 2021 at their chambers and received four bids. The Engineer's Estimate was \$2,235,000. The bid was awarded to Shinn Bros. Inc. from Celina with a bid of \$1,908,000 who was the lowest and best bid. At their meeting on December 27, 2021 Village Council approved a motion to recommend to the Shelby County Commissioners that the Shinn Bros. Inc. bid be awarded for the completion of the project. Therefore, the completion of the projects will be the Summer of 2022.

E. Water Treatment Plant Reconstruction Project

On August 20, 2021, the Village authorized Access Engineering to submit for funding through the Water and Wastewater Infrastructure Grant Program. Then on September 27, 2021, Village Council passed resolution 2021-013 authorizing the Village Administrator to prepare and submit an application to the Ohio Public Works Commission for funding for the Water Plant Reconstruction Project. The current Water Treatment Plant has fifty years of serving the businesses and residents of the Village and the components are reaching the end of their useful life. The Village intends to construct a new Water Treatment Plant to serve the growth of the Village and the ever-changing rules and regulations of the Ohio Environmental Protection Agency for the production of high-quality drinking water for consumers. This project is in the design phase with no Engineer's Estimate or funding secured at this time. This should be completed by year end and looking for construction to begin in 2023.

F. Construction of a Village Utilities Garage Facility Addition

On February 8, 2021, Village Council passed Resolution 2021-002 authorizing the Village Administrator to enter into a contract for professional services with Freytag and Associates, Inc. for plan design for an addition onto the existing Village utilities garage facility. The Village intends to construct a 4,320 square foot building addition onto the existing Village utilities service garage located at 108 East College Street. The cost of the services to be provided by Freytag and Associates, Inc. will not exceed \$25,800. On May 27, 2021 the Village Administrator approved of an Amendment to the Agreement to authorize design of an automatic sprinkler system in the addition and existing facility. Due to the size of the building, automatic sprinkler system is required by the Miami County Department of Development/Building Regulations. The lump sum fee for the amendment in design is \$2,000. Freytag and Associates, Inc. established an Engineer's Estimate for the project of \$560,000. The Village advertised for bids and held the bid opening on November 10, 2021 with two bids being received in the amounts of \$849,000 and \$833,000. Because the bids exceeded the engineers estimate by more than ten percent; Freytag and Associates, Inc. reevaluated the cost of the project and came up with a new Engineer's Estimate of \$650,000. The Village advertised for bids and held the bid opening on December 17, 2021 with seven bids being received in the amounts of \$805,000 from Wise Construction Company, Inc., \$797,635 from Armcorp Construction, Inc., \$668,000 from ACI Construction Co., Inc., \$659,000 from Rupp Rosebrock, Inc., \$653,800 from Westerheide Construction Company, \$649,600 from Ferguson Construction Company and \$613,745 from Heyne Construction, Inc. On December 27, 2021 the Village Council passed resolution 2021-017 to authorize the Village Administrator to enter into a contract with Heyne Construction Inc. of Minster, Ohio for the Vehicle Storage Building Addition construction project in the amount of \$613,745. The building has been ordered and will be delivered in May and the contractor has given the Village a completion date of October 25, 2022.

Note 10 – Construction and Contractual Commitments (Continued)

G. Wastewater Treatment Plant Improvements Project

On April 12, 2021, Village Council passed Resolution 2021-003 authorizing the Village Administrator to enter into a contract with Poggemeyer Design Group for engineering for the Village Wastewater Treatment Plant Improvements Project. The Village plans the replacement of RAS/WAS Screw Pumps and Dried Sludge Cake Screw Conveyer. Poggemeyer Design Group will provide engineering design, bidding services and construction services. The total

Village of Jackson Center, Ohio
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Notes to the Financial Statements
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Note 10 – Construction and Contractual Commitments (Continued)

G. Wastewater Treatment Plant Improvements Project

contract amount is \$56,000. On May 24, 2021, Village Council passed resolution 2021-008 to amend the contract with Poggemeyer Design Group. This amendment includes the replacement of the Grit Pump, Grit Classifier and Grit System Control Panel. The new total contract amount is \$79,500. On January 10, 2022, Village Council passed Resolution 2022-001 to authorize the Village Administrator to apply for, accept, and enter into a Water Pollution Control Loan Fund (WPCLF) agreement for planning, design and/or construction of a Wastewater Facility; and designating the Note Retirement Fund as the dedicated repayment source for the loan. The Engineer's Estimate for the project is \$805,891. The legal notice to bid will be advertised on February 2, 2022 and February 9, 2022 with the bid opening scheduled for March 2, 2022.

H. Real Estate Purchase Agreement with Ronald E. Leininger and Kent E. Leininger

The Village entered into a real estate purchase agreement with Ronald E. Leininger and Kent E. Leininger to purchase approximately 0.2 acres of real property located at 401 East College Street, Lot 41, of the Baughman Addition in Jackson Center, Ohio. Council adopted Ordinance 2021-003 authorizing the Village Administrator to sign the real estate purchase agreement on December 23, 2020 in the amount of \$100,000 with two-thirds of all payments due and payable to Kent E. Leininger and one-third of all payment due and payable to Ronald E. Leininger. Per the real estate purchase agreement, the Village paid \$40,000 to the sellers at closing with the remaining \$60,000 being due and payable on or before January 31, 2022 including interest of two percent. Per the agreement the Village took possession of the property upon payment of the purchase price at closing. The Village has made some improvements to the property and is using it as cold storage for equipment and tools. As of January 12, 2022, the Village has made the final payment including interest to Ronald E. Leininger and Kent E. Leininger and owns the property free and clear.

I. Real Estate Purchase Agreement with METZCOM Development, LLC

The Village entered into a real estate purchase agreement with METZCOM Development, LLC to purchase approximately 18.819 acres of real property located in Jackson Center, Ohio. Council adopted Ordinance 2021-006 authorizing the Village Administrator and the Mayor to sign the real estate purchase agreement on March 23, 2021 in the amount of \$420,000. The Village took out a short-term loan (# 0341300253) the Peoples Federal Savings and Loan Association (Resolution 2021-004) to purchase the property. The Village acquired the property for the purpose of constructing a detention basin which will improve the ability to hold back storm water in the Jackson Center Creek to reduce the likelihood of flooding on the southeast and northeast side of the Village. The Village passed Resolution 2021-007 authorizing the Village Administrator to enter into a contract with Choice One Engineering for engineering services for the Hudson Lake II Detention Pond Project. The total contract amount is \$35,470 for engineering design, bidding services and construction services. The Village and Choice One Engineering opened bids on August 25, 2021 and on September 27, 2021 Village Council passed Resolution 2021-012 awarding the bid to RD Jones Excavating, Inc. This resolution authorized the Village Administrator to enter into a contract with RD Jones Excavating, Inc. for the amount of \$436,763.50 for construction of the Hudson Lake Detention Pond II Project. Construction work is expected to commence the spring of 2022 when the weather breaks.

Note 11 – Contingent Liabilities

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – Joint Ventures

Ohio Municipal Electric Generation Agency (OMEGA JV2)

The Village of Jackson Center is a Financing Participant and an Owner Participant with percentages of liability and ownership of .29% and .22% respectively 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 (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 Agreement.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2022, the Village of Jackson Center has met its debt coverage obligation.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20-year fixed rates bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As of December, 2021, \$943,869.92 on AMP's Line of Credit was allocable to the financing of costs related to the JV2 Project.

The Village's net position to date in OMEGA JV2 was (\$1,155) at December 31, 2021. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – Joint Ventures (Continued)

Ohio Municipal Electric Generation Agency (OMEGA JV2) (Continued)

As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. This debt was paid off in 2018. The Village's net position in OMEGA JV2 was (\$70) at December 31, 2020. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2021 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	Napolean	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
Grand Total				100.00%	134,081

Ohio Municipal Electric Generation Agency (OMEGA JV5)

The Village of Jackson center is a Financing Participant with an ownership percentage of .67% and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 12 – Joint Ventures (Continued)

Ohio Municipal Electric Generation Agency (OMEGA JV5) (Continued)

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2021, Jackson Center has met its debt coverage obligation.

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

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs. The 2016 BICs were redeemed in whole on February 15, 2021 with a draw on the Line of Credit which is evidenced by a subordinated note (the "2021 JV5 Note"). As of December 31, 2021, the balance on AMP's Line of Credit that was allocable to the 2021 JV5 Note was \$2,131,216.

The Village's net position to date in OMEGA JV5 was \$19,990 at December 31, 2021. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

Note 13 – Jointly Governed Organizations

The Jackson Center Community Improvement Corporation (hereinafter referred to as "CIC") was created as a local economic development organization pursuant to State statutes. The Corporation has six members, consisting of three members from local businesses, one elected Village Council member, the Village Administrator and a Chief Legal Officer. The Corporation was organized on December 18, 1989, under the laws of the State of Ohio as a not-for-profit corporation whose sole purpose is to advance, encourage, and promote the industrial, economic, commercial and civic development of the Village of Jackson Center, Ohio in accordance with Section 1724.10 of the Revised Code of the State of Ohio.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 13 – Jointly Governed Organizations (Continued)

In fiscal year ending December 31, 2021, the Village transacted the following real estate transactions with the CIC.

Ordinance 2021-009 – The Village entered into an Assignment and Assumption of Purchase Agreement with the CIC to dispose of property no longer needed for a public purpose. The property is commonly known as real property containing 2.954 acres located on Washington Street in the Village of Jackson Center, Ohio. The Village transferred said property to the CIC and the CIC transferred (sold) the property to Dads Life, LLC. Dads Life, LLC paid the CIC the amount of \$25,000 for the property and payment of the sale proceeds to the CIC was remitted to the Village. A copy of all the documentation can be found attached to the original Ordinance 2021-009 adopted May 10, 2021 referenced above.

Ordinance 2021-014 – The Village entered into an Assignment and Assumption of Purchase Agreement with the CIC to dispose of property no longer needed for a public purpose. The property is commonly known as 209 West Pike Street within the Village of Jackson Center, Ohio. The Village transferred said property to the CIC and the CIC transferred (sold) the property to Sari K. Salwani, Trustee of The Sari K. Salwani Trust dated January 15, 2002. Sari K. Salwani, Trustee of The Sari K. Salwani Trust paid the CIC the amount of \$55,000 for the property and payment of the sale proceeds to the CIC was remitted to the Village. A copy of all the documentation can be found attached to the original Ordinance 2021-014 adopted June 14, 2021 referenced above.

Ordinance 2021-020 – The Village entered into an Assignment and Assumption of Purchase Agreement with the CIC to dispose of property no longer needed for a public purpose. The property is commonly known as Lot 582 located on West Pike Street in the Village of Jackson Center, Ohio. The Village transferred said property to the CIC and the CIC transferred (sold) the property to Michael V. and Kellei A. Metz. Michael V. and Kellei A. Metz paid the CIC the amount of \$1.00 for the property and payment of the sale proceeds to the CIC was remitted to the Village. A copy of all the documentation can be found attached to the original Ordinance 2021-020 adopted July 26, 2021 referenced above.

Note 14 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Capital Projects	Total
Nonspendable:			
Unclaimed Monies	\$ 558	\$ -	\$ 558
Outstanding Encumbrances	-	32,780	32,780
<i>Total</i>	<u>\$ 558</u>	<u>\$ 32,780</u>	<u>\$ 33,338</u>

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 15 – AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 12. 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:

	2021
Total Fund Cash Balance	\$ 1,780,447
Long-Term Debt	<u>2,440,000</u>
Condensed Operating Information:	
Operating Receipts	
Charges for Services	2,850,955
Other Operating Receipts	30,654
Total Operating Receipts	<u>2,881,609</u>
Operating Expenses	
Personal Services	214,820
Employee Fringe Benefits	57,868
Contractual Services	2,275,691
Supplies and Materials	37,828
Total Operating Expenses	<u>2,586,207</u>
Operating Income	<u>295,402</u>
Nonoperating Receipts (Disbursements)	
Intergovernmental Receipts	9,854
Principal Payments	(145,000)
Interest Payments	(32,407)
Capital Outlay	<u>(107,680)</u>
Change in Fund Cash Balance	<u>20,169</u>
Beginning Fund Cash Balance	1,760,278
Ending Fund Cash Balance	<u>\$ 1,780,447</u>

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 16 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The 2021 activity includes, \$113.12 which was a refund received (\$112.36) for an expenditure made in fiscal year 2020, and interest earned on the fund of \$0.76, \$12,890.01 that was expended on qualifying expenditures and \$402.68 which was returned to the granting agency. These amounts are reflected as general governmental expenditures in the applicable Special Revenue Fund on the accompanying financial statements.

On July 26, 2021, Village Council passed resolution 2021-009 creating a special revenue fund named "American Rescue Plan Act ("ARP"). The American Rescue Plan Act of 2021 will provide additional relief to address the continue impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses. As part of the American Rescue Plan Act, \$350 billion in additional funding is being provided to state and local governments. Pursuant to guidance issued by the Auditor of State in an updated bulletin dated July 2, 2021, the Federal Funding Accountability and Transparency Act (FFATA) requires separate accountability for direct recipients (and subrecipients) of federal awards greater than \$30,000. Ohio Revised Code 5705.09 requires subdivisions to establish separate funds for each class of revenue derived from a source other than the general property tax. On July 22, 2021 the Village received \$76,730.15 in Federal funds from the Office of Ohio Budget and Management. The Village plans to use these monies for expenditures for the Hudson Lake II Detention Pond project as this is an allowable expense for infrastructure.

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

Village of Jackson Center
Shelby County
122 East Pike Street
P.O. Box 819
Jackson Center, Ohio 45334

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued 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 and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Jackson Center, Shelby County, (the Village) and have issued our report thereon dated July 31, 2023, 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 audit findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Village's Response to Findings

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

Purpose of This Report

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

July 31, 2023

VILLAGE OF JACKSON CENTER
SHELBY COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of management and is essential to ensure the information provided to the readers of the financial statements accurately reflects the Village's activity. The Village should have procedures in place to prevent or detect material misstatements for the accurate presentation of the Village's financial statements. The Fiscal Officer did not always accurately post receipts and disbursements to the Village's accounting system.

During 2022 and 2021, receipts and disbursements were not always posted or classified correctly. The following posting errors were noted:

- Mayors Court receipts, disbursements, and fund balances were not recorded on the financial statements in 2022 and 2021.

Not posting receipts and disbursements accurately resulted in the financial statements requiring reclassification entries. The financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all receipts and disbursements are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Village Officer's Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and proper posting.

Officials' Response – We have moved the Mayors Court account balance into UAN.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Financial Reporting	Not Corrected	Repeated as Finding 2022-001

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF JACKSON CENTER

SHELBY 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 11/21/2023

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

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