VILLAGE OF MONTPELIER
WILLIAMS COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 - 2021

OHIO AUDITOR OF STATE
KEITH FABER

VILLAGE OF MONTPELIER
WILLIAMS COUNTY
DECEMBER 31, 2022 AND 2021

TABLE OF CONTENTS

TABLE OF CONTENTS
(CONTINUED)

TITLE **PAGE**

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Village of Montpelier
Williams County
211 North Jonesville Street
P.O. Box 148
Montpelier, Ohio 43543-0148

To the Village Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montpelier, Williams County, Ohio (the Village), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2022 and 2021, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General and Parks and Recreation funds for the years then ended in accordance with the cash-basis of accounting described in Note 2.

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.

Emphasis of Matter – Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 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.

Keith Faber
Auditor of State
Columbus, Ohio

July 5, 2023

This page intentionally left blank.

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Net Position - Cash Basis
December 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	$ 8,443,804	$ 9,508,520	$ 17,952,324
Net Position:			
Restricted for:			
Park and Recreation Projects	989,446		989,446
Capital Projects	1,934,746		1,934,746
Other Purposes	893,859	138,221	1,032,080
Unrestricted	4,625,753	9,370,299	13,996,052
Total Net Position	$ 8,443,804	$ 9,508,520	$ 17,952,324

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Activities - Cash Basis
For the Year Ended December 31, 2022

	Cash Disbursements	Program Cash Receipts: Charges for Services	Program Cash Receipts: Operating Grants and Contributions	Program Cash Receipts: Capital Grants and Contributions
Governmental activities:				
General government:				
Security of Persons and Property	$ 1,073,604	$ 216,910	$ 2,058	
Public Health Services	13,411			
Leisure Time Activities	377,159	44,417	65,996	
Basic Utility Services	193,001	112,104		$ 24,213
Transportation	604,468	2,837	254,520	1,127
General Government	464,079	60,960	207,162	
Capital Outlay	750,527			279,174
Debt Service				
Principal	452,972			
Interest	16,001			
Total Governmental Activities	3,945,222	437,228	529,736	304,514
Business-type activities:				
Water	1,177,193	1,251,825		
Light	6,010,851	6,529,443		
Sewer	766,454	931,687		
Other Enterprise Funds	88,510	121,030		
Total Business Type Activities	8,043,008	8,833,985		
Total	$ 11,988,230	$ 9,271,213	$ 529,736	$ 304,514

General Cash Receipts and Transfers:
Property Taxes Levied For:
General Purposes
Police Pension
Local Taxes
Other Taxes
Grants and Entitlements Not Restricted to Specific Programs
Proceeds from the Sale of Notes
Investment Receipts
Sale of Fixed Assets
Miscellaneous
Transfers

Total General Cash Receipts and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the financial statements

Net (Disbursements) Receipts and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (854,636)		$ (854,636)
(13,411)		(13,411)
(266,746)		(266,746)
(56,684)		(56,684)
(345,984)		(345,984)
(195,957)		(195,957)
(471,353)		(471,353)
(452,972)		(452,972)
(16,001)		(16,001)
(2,673,744)		(2,673,744)
	$ 74,632	74,632
	518,592	518,592
	165,233	165,233
	32,520	32,520
	790,977	790,977
(2,673,744)	790,977	(1,882,767)
144,826		144,826
14,983		14,983
2,503,616		2,503,616
244,501	14,619	259,120
205,028		205,028
200,000		200,000
231,269		231,269
1,400		1,400
38,102	75,607	113,709
18,237	(18,237)	
3,601,962	71,989	3,673,951
928,218	862,966	1,791,184
7,515,586	8,645,554	16,161,140
$ 8,443,804	$ 9,508,520	$ 17,952,324

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2022

	General Fund	Parks and Recreation Fund	Tax Capital Improvement Fund	Sewer Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in Pooled Cash and Cash Equivalents	$ 3,508,423	$ 989,446	$ 1,117,330	$ 1,203,534	$ 1,625,071	$ 8,443,804
Fund Balances:						
Restricted		$ 989,446		$ 1,203,534	$ 1,625,071	$ 3,818,051
Committed	$ 121,083		$ 1,117,330			1,238,413
Unassigned	3,387,340					3,387,340
Total Fund Balances	$ 3,508,423	$ 989,446	$ 1,117,330	$ 1,203,534	$ 1,625,071	$ 8,443,804

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Receipts, Disbursements and Changes In Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Parks and Recreation Fund	Tax Capital Improvement Fund	Sewer Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Receipts:						
Municipal Income Taxes	$ 1,017,097	$ 469,427	$ 547,665	$ 469,427		$ 2,503,616
Property and Other Local Taxes	378,915				$ 25,395	404,310
Special Assessments			1,127			1,127
Charges for Services	286,386	40,514				326,900
Fines, Licenses and Permits	88,766				576	89,342
Intergovernmental	205,028	64,956	279,174		480,639	1,029,797
Interest	231,269				7,314	238,583
Miscellaneous	37,603	5,175	13,986	300	3,064	60,128
Total Receipts	2,245,064	580,072	841,952	469,727	516,988	4,653,803
Disbursements:						
Current:						
Security of Persons and Property	970,126		16,548		86,930	1,073,604
Public Health Services	13,411					13,411
Leisure Time Activities		377,159				377,159
Basic Utility Services					193,001	193,001
Transportation	350,691		4,830		248,947	604,468
General Government	437,506		26,249		324	464,079
Capital Outlay	79,224	89,116	581,820	367		750,527
Debt Service:						
Principal Retirement		250,000		202,972		452,972
Interest and Fiscal Charges		4,688		11,313		16,001
Total Disbursements	1,850,958	720,963	629,447	214,652	529,202	3,945,222
Excess of Receipts Over (Under) Disbursements	394,106	(140,891)	212,505	255,075	(12,214)	708,581
Other Financing Sources (Uses):						
Notes & Loans Issued		200,000				200,000
Sale of Capital Assets			1,400			1,400
Transfers In	28,828				75,000	103,828
Advances In					900,000	900,000
Transfers Out	(84,011)				(1,580)	(85,591)
Advances Out	(600,000)			(300,000)		(900,000)
Total Other Financing Sources (Uses)	(655,183)	200,000	1,400	(300,000)	973,420	219,637
Net Change in Fund Balances	(261,077)	59,109	213,905	(44,925)	961,206	928,218
Fund Balances Beginning of Year	3,769,500	930,337	903,425	1,248,459	663,865	7,515,586
Fund Balances End of Year	$ 3,508,423	$ 989,446	$ 1,117,330	$ 1,203,534	$ 1,625,071	$ 8,443,804

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Receipts, Disbursements
and Changes In Fund Balance - Budgetary Basis
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts:				
Municipal Income Taxes	$ 772,000	$ 1,002,000	$ 1,017,097	$ 15,097
Property and Other Local Taxes	365,050	384,850	378,915	(5,935)
Charges for Services	277,120	281,632	286,386	4,754
Fines, Licenses and Permits	68,200	81,300	88,766	7,466
Intergovernmental	161,025	198,549	205,028	6,479
Interest	156,000	225,000	229,329	4,329
Miscellaneous	16,600	31,500	37,603	6,103
Total Receipts	1,815,995	2,204,831	2,243,124	38,293
Disbursements:				
Current:				
Security of Persons and Property	1,073,790	1,097,586	970,126	127,460
Public Health Services	16,410	16,410	13,411	2,999
Transportation	405,100	415,209	350,691	64,518
General Government	525,690	565,039	437,506	127,533
Capital Outlay	64,596	168,314	79,224	89,090
Total Disbursements	2,085,586	2,262,558	1,850,958	411,600
Excess of Receipts Over (Under) Disbursements	(269,591)	(57,727)	392,166	449,893
Other Financing Uses:				
Transfers Out	(84,013)	(84,013)	(84,011)	2
Advances Out		(600,000)	(600,000)	
Total Other Financing Uses	(84,013)	(684,013)	(684,011)	2
Net Change in Fund Balance	(353,604)	(741,740)	(291,845)	449,895
Fund Balance Beginning of Year	3,679,185	3,679,185	3,679,185	
Fund Balance End of Year	$ 3,325,581	$ 2,937,445	$ 3,387,340	$ 449,895

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Receipts, Disbursements
and Changes In Fund Balance - Budgetary Basis
Parks and Recreation Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts:				
Municipal Income Taxes	$ 355,000	$ 462,000	$ 469,427	$ 7,427
Charges for Services	31,500	41,049	40,514	(535)
Intergovernmental		64,955	64,956	1
Miscellaneous	1,280	4,580	5,175	595
Total Receipts	387,780	572,584	580,072	7,488
Disbursements:				
Current:				
Leisure Time Activities	482,645	484,525	377,159	107,366
Capital Outlay	45,000	89,557	89,116	441
Debt Service:				
Principal Retirement	250,000	250,000	250,000	
Interest and Fiscal Charges	8,500	8,500	4,688	3,812
Total Disbursements	786,145	832,582	720,963	111,619
Excess of Disbursements Over Receipts	(398,365)	(259,998)	(140,891)	119,107
Other Financing Sources:				
Notes Issued	200,000	200,000	200,000	
Net Change in Fund Balance	(198,365)	(59,998)	59,109	119,107
Fund Balance Beginning of Year	930,337	930,337	930,337	
Fund Balance End of Year	$ 731,972	$ 870,339	$ 989,446	$ 119,107

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2022

	Business-Type Activities				
	Water Fund	Light Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	$ 1,608,768	$ 5,888,706	$ 1,072,557	$ 938,489	$ 9,508,520
Net Position:					
Restricted				$ 138,221	$ 138,221
Unrestricted	$ 1,608,768	$ 5,888,706	$ 1,072,557	800,268	9,370,299
Total Net Position	$ 1,608,768	$ 5,888,706	$ 1,072,557	$ 938,489	$ 9,508,520

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Receipts, Disbursements,
and Changes In Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities				
	Water Fund	Light Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds
Operating Receipts:					
Charges for Services	$ 1,251,825	$ 6,529,443	$ 931,687	$ 121,030	$ 8,833,985
Other Operating Receipts	11,041	51,945	12,425	196	75,607
Total Operating Receipts	1,262,866	6,581,388	944,112	121,226	8,909,592
Operating Disbursements:					
Personal Services	404,652	623,855	376,501	66,158	1,471,166
Travel and Transportation	3,456	18,359	3,343		25,158
Contractual Services	51,285	4,849,946	156,020	22,352	5,079,603
Materials and Supplies	282,248	140,271	201,169		623,688
Total Operating Disbursements	741,641	5,632,431	737,033	88,510	7,199,615
Operating Income	521,225	948,957	207,079	32,716	1,709,977
Non-Operating Receipts (Disbursements):					
Debt Service	(391,069)	(180,372)			(571,441)
Capital Outlay	(44,483)	(183,429)	(29,421)		(257,333)
Other Financing Sources					
Property & Other Local Taxes		14,619			14,619
Other Financing Uses		(14,619)			(14,619)
Total Non-Operating Receipts (Disbursements)	(435,552)	(363,801)	(29,421)		(828,774)
Income before Transfers	85,673	585,156	177,658	32,716	881,203
Transfers Out	(3,391)	(6,438)	(8,408)		(18,237)
Change in Net Position	82,282	578,718	169,250	32,716	862,966
Net Position Beginning of Year	1,526,486	5,309,988	903,307	905,773	8,645,554
Net Position End of Year	$ 1,608,768	$ 5,888,706	$ 1,072,557	$ 938,489	$ 9,508,520

See accompanying notes to the financial statements

1. REPORTING ENTITY

The Village of Montpelier, Williams County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four year terms. The Mayor is elected to a four-year term and has no vote.

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

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, refuse, electric, water and sewer utilities, maintenance of Village streets and bridges, park operations, fire protection, and police services.

B. Component Units

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village. The Village has no component units.

C. Joint Ventures and Public Risk Pools

The Village participates in four joint venture organizations and a public entity risk pool. Notes 8, 12, 13, 14, and 15 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business-type activity is self-financing on a cash basis or draws from the general receipts of the Village.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Proprietary fund statements distinguish operating transactions from non-operating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as non-operating.

B. 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 in two categories: governmental an proprietary.

Governmental Funds

Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

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.

Park and Recreation Fund – This fund receives a portion of the 1.6 percent Village income tax. This fund is to be used for the operation, maintenance, and improvement of the Village Parks.

Tax Capital Improvement Fund - This fund receives a portion of the 1.6 percent Village income tax. This fund is to be used for capital improvements within the Village.

Sewer Capital Improvement Fund - This fund receives a portion of the 1.6 percent Village income tax. This fund is to be used to improve the sewer system within the Village.

The other governmental funds of the Village account for and report grants and other resources, whose use is restricted to a particular purpose

Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as enterprise funds.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major Enterprise funds:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Light Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate.

The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund level with personal services and transfers separately appropriated in all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Village Council during the year.

E. Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.
Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2022, the Village invested in negotiable certificates of deposit, United States treasuries, and federal agency securities. Investments are reported at cost.

Interest earnings are allocated to Village funds according to state statutes, grant requirements, or debt-related restrictions. During fiscal year 2022, interest receipts were credited to the General Fund for $231,269 which includes $184,953 assigned from other funds.

F. Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

H. Interfund Receivables/Payables

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

K. Long Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

L. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for road maintenance and improvements, police protection and utility customer deposits.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

There are no amounts restricted by enabling legislation.

M. Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as 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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute. State statute authorizes the Village Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

N. Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

O. Leases

For 2022, GASB Statement No. 87, Leases was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The Village is the lessee (as defined by GASB 87) in various leases related to vehicles and other equipment under noncancelable leases. Lease payables are not reflected under the Village's modified cash basis of accounting. Lease disbursements are recognized when they are received/paid.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budgetary Basis presented for the General and Parks and Recreation funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are funds included with the General fund as part of the GASB 54 requirements are not included in the budgetary statement.

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash are as follows:

Net Change in Fund Balance	General Fund	Park and Recreation Fund
Cash Basis (As Reported)	$ (261,077)	$ 59,109
Perspective Difference:		
Activity of Funds Reclassified for Cash Reporting Purposes	(30,768)	
Budgetary Basis	$ (291,845)	$ 59,109

4. DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Village into three categories.

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

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

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

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

5. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

At year end, the Village had $1,950 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Custodial credit risk is the risk in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, $5,917,700 of the Village's bank balance of $6,452,897 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of December 31, 2022, the Village had the following investments:

		Investment Maturities			
	Cost Value	< 12 months	13 to 24 months	25 to 36 months	37 to 48 months
U.S. Treasuries	$ 2,165,493	$ 1,723,121	$ 442,372		
Federal Farm Credit Bank (FFCB)	468,255			$ 250,522	$ 217,733
Federal Home Loan Bank (FHLB)	2,758,118		782,915	1,975,203	
Federal Home Loan Mortgage Company (FHLMC)	1,463,968		1,000,850	463,118	
Negotiable Certificate of Deposit	4,763,646	2,681,859	1,336,933	744,854	
	$ 11,619,480	$ 4,404,980	$ 3,563,070	$ 3,433,697	$ 217,733

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk FFCB, FHLB, and FHLMC securities carry the highest ratings by Moody's and Standard and Poor's (Aaa/AAA AA+). The Village has no investment policy dealing with investment credit risk beyond the requirements in state statutes.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. FFCB, FHLB, and FHLMC notes are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Village's name.

The Village's investment policy states that all security transactions entered into by the Village shall be conducted on a delivery-versus-payment basis. Securities will be held by a third party custodian designated by the Director of Finance and evidenced by safekeeping receipts.

Concentration of Credit Risk The Village places no limit on the amount it invests in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2022:

Investment Issuer	Percentage of Investments
U.S. Treasuries	18.64%
Federal Farm Credit Bank	4.02%
Federal Home Loan Bank	23.74%
Federal Home Loan Mortgage Corporation Notes	12.60%
Negotiable Certificate of Deposits	41.00%

5. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2022, was $3.20 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

	Amount	Percent
Agriculture/Residential & Other Real Estate Property	$ 55,778,510	99%
Public Utility Personal Property	381,250	1%
Total	$ 56,159,760	100%

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

6. INCOME TAXES

The Village levies a 1.6 percent income tax on substantially all income earned in the Village. In addition, Village residents employed in municipalities having an income tax less than 1.6 percent must pay the difference to the Village. Additional increases in the income tax rate require voter approval. Employers within the Village withhold income tax on employee compensation and remit at least quarterly and file an annual declaration.

The Village's income tax ordinance requires .55 percent of the income tax receipts to be used to finance capital improvements. As a result, this portion of the receipts is allocated to the Tax and Sewer Capital Improvement funds each year. The remaining income tax receipts are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service, and other governmental functions when needed, as determined by Council. In 2022, the receipts were allocated to the General, Park and Recreation, Tax Capital Improvement, and Sewer Capital Improvement funds.

7. INTERFUND BALANCES AND TRANSFERS

TRANSFERS

During 2022, the following transfers were made:

	Transfers In	Transfers Out
Governmental Activities:		
General	$28,828	$84,011
Other Governmental Funds:		
Police Pension Fund	75,000	
Street Fund		1,580
Business Type Activities		
Water		3,391
Light		6,438
Sewer		8,408
	$103,828	$103,828

The Village transferred cash from the General Fund to Police Pension Fund to fund future retirement payouts. The Village also transferred cash from multiple funds to the Compensated Absence Fund to stabilize the other funds from future payments of accumulated benefits. This fund is included in the General Fund for reporting purposes.

INTERFUND BALANCES

Interfund balances at December 31, 2022, consisted of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
Major Funds		
General Fund	$600,000	
Sewer Tax Capital	300,000	
Other Governmental Funds		
WWIP - Grant Fund		$900,000
Total Governmental Activities	$900,000	$900,000

Interfund balances at December 31, 2022 consisted of $900,000 advanced to the WWIP – Grant Fund to provide working capital for the Combined Sewer Overflow (CSO) 7 Project. The interfund receivables/payables are expected to be repaid upon completion of the CSO 7 Project.

8. RISK MANAGEMENT

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

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

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 (the latest information available).

Assets	$ 21,777,439
Liabilities	(15,037,383)
Members' Equity	$ 6,740,056

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

9. DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

A. Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2022 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
** This rate is determined by OPERS' Board and has no maximum rate established by ORC.
*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was $244,298 for year 2022.

B. Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description – Village full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is $360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy **–** The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OPF was $83,040 for 2022.

C. Social Security

Several of the Village's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

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.

10. POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The heath care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets. the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was $0 for 2022.

B. Ohio Police and Fire Pension Fund

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contractually required contribution to OP&F was $2,185 for 2022.

11. DEBT

NOTES PAYABLE

The changes in the Village's notes payable during 2022 were as follows:

	Outstanding 12/31/2021	Issued	Retired	Outstanding 12/31/2022
Governmental Activities:				
Recreational Facilities				
Improvement Note, Series 2021	$250,000		$250,000	
Improvement Note, Series 2022		$200,000		$200,000
Total Governmental Activities	$250,000	$200,000	$250,000	$200,000

The Recreational Facilities Improvement Note, Series 2022 was issued for constructing a splash pad at the Municipal Park. The notes have an interest rate of 2.694 percent and mature July 19, 2023.

LONG-TERM OBLIGATIONS

The changes in the Village's long-term debt during 2022 were as follows:

	Outstanding 12/31/21	Additions	Deletions	Outstanding 12/31/22	Due in One Year
Governmental Activities:					
Ohio Water Development Authority Loans	$3,084,713		$202,972	$2,881,741	$203,990
Business-Type Activities:					
Ohio Public Works Commission Loan	28,830		5,766	23,064	5,766
Ohio Water Development Authority Loans	3,318,612		320,525	2,998,087	326,967
Total Business-Type Activities	3,347,442		326,291	3,021,151	332,733
Total Long-Term Obligations	$6,432,155		$529,263	$5,902,892	$536,723

The Ohio Public Works Commission (OPWC) Loan was entered into in 2005 to finance improvements to the Village's waterworks system. The interest free loan will be paid back over 20 years beginning in 2006 with the final payment due in 2026. Property and revenue of the Village's waterworks utility have been pledged to retire the debt.

There are the following Ohio Water Development Authority (OWDA) loans:

Loan 3959 in the amount of $7,551,180 was approved in 2003 to fund the construction, maintenance, and operation of a water treatment plant. This project was completed in 2006. Loan principal and interest payments at rate of two percent are due semi-annually on January 1 and July 1 commencing in July 2006 for 25 years.

Loan 5079 in the amount of $3,547,398 was approved in 2009 to fund the construction of Phase 1 of the Village of Montpelier's Combined Sewer Overflow project. After the award of the loan, the Village received a $2,008,500 grant from the American Recovery and Reinvestment Act funds. The project was completed on July 14, 2010. Loan principal and interest payments at the rate of one percent are due semi-annually on January 1 and July 1 commencing in January 2011 for 20 years.

Loan 6802 in the amount of $1,317,013 was approved in 2014 to fund the construction of Phase 4 of the Village of Montpelier's Combined Sewer Overflow project. At the completion of the project, the Village had drawn $764,635 of this loan as of December 31, 2018. Interest rate on the loan is one percent. Grant funds paid off the Ohio Public Works Grant and reduced the WPCLF loan by $111,792. The project was completed in 2017. Principal adjustments of $4,857 were added to the balance in 2018. Loan principal and interest payments at the rate of one percent are due semi-annually on January 1 and July 1 commencing in January 2016 for 20 years.

Loan 8706 in the amount of $2,301,817 was approved in 2019 to fund the construction of Phase VI of the Village of Montpelier's Combined Sewer Overflow Project. At the completion of the project, the Village had drawn $2,029,548 of this loan as of December 31, 2020. Interest rate on the loan is zero percent. The project was completed in 2020. Loan principal payments are due semi-annually on January 1 and July 1 commencing in January 2021 for 20 years.

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

Year Ending December 31:	OWDA Loans	OPWC Loans
2023	$ 599,588	$ 5,766
2024	599,588	5,766
2025	599,588	5,766
2026	599,588	5,766
2027	599,588	
2028-2032	2,278,925	
2033-2037	634,219	
2038-2043	304,431	
Total	$ 6,215,515	$ 23,064

FINANCED PURCHASES

The Village has entered into financed purchases agreements for vehicles and other equipment where ownership of the underlying asset transfers to the Village by the end of the contract. The Village disbursed $80,833 to pay these costs for the fiscal year ended December 31, 2022. Future financed purchases payment are as follows:

Year Ending December 31:		Amount
2023	$	80,833
2024		57,741
2025		57,741
2026		57,741
2027		57,741
2028-2032		115,482
Total	$	427,279

12. OMEGA JV2

The Village of Montpelier is a Non-Financing Participant and an Owner Participant with an ownership percentage of 2.98% and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

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

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

On an audited basis, the Village's net investment to date in OMEGA JV2 was ($15,644) at December 31, 2021 (the latest information available). Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2021 (the latest information available) are:

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

13. OMEGA JV4

The Village is a participant, with three other subdivisions within the State of Ohio, in a joint venture to oversee construction and operation of a 69 kilowatt transmission line in Williams County, the Ohio Municipal Electric Generation Agency Joint Venture (JV4). JV4 is managed by AMP, who acts as the joint venture's agent. The participants are obligated, by agreement, to remit on a monthly basis those costs incurred from using electric generated by the joint venture. JV4 does not have any debt outstanding. In the event of a shortfall, the Joint Venture participants are billed for their respective shares of the estimated shortfall.

On an audited basis, the Village's net investment to date in OMEGA JV4 was $352,123 at December 31, 2021 (the latest information available). Complete financial statements for OMEGA JV4 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

14. OMEGA JV5

The Village of Montpelier is a Financing Participant with an ownership percentage of 2.02 %, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

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

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

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

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

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued $153,415,000 and $13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of $56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of $116,910,000, which resulted in a savings to the membership of $34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was $65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of $49,745,000 for the purpose of refunding the promissory note to AMP in full. The 2016 Certificates bear interest at a variable rate, mature on February 1, 2024 and are subject to redemption and mandatory tender at the option of the holder commencing February 15, 2021. These 2016 Certificates were paid in full during 2021. On January 20, 2021, in order to expedite the retirement of the 2016 Beneficial Interest Certificates, OMEGA JV5s participants approved the borrowing of $9,300,000 in the form of a note payable from AMP. At December 31, 2021, the balance of the note was $2,131,216. This note was paid in full in the first quarter of 2022. The 2001 Certificates are non-recourse to AMP.

The Village's net investment and its share of operating results of OMEGA JV5 are reported in the Village's electric fund (an enterprise fund). The Village's net investment to date in OMEGA JV5 was $60,355 at December 31, 2021 (the latest information available). Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

15. OMEGA JV6

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

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

OMEGA JV6 was created to construct four (4) wind turbines near Bowling Green Ohio. Each turbine has a nominal capacity of 1.8 MW and sells electricity from its operations to OMEGA JV6 Participants.

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

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

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

The Village's net investment to date in OMEGA JV6 was $55,037 at December 31, 2021 (the latest information available). Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The ten participating subdivisions and their respective ownership shares at December 31, 2021 (the latest information available) are:

Participant	KW Amount	% of Financing
Bowling Green	4,100	56.94%
Cuyahoga Falls	1,800	25.00%
Napoleon	300	4.17%
Oberlin	250	3.47%
Wadsworth	250	3.47%
Edgerton	100	1.39%
Elmore	100	1.39%
Montpelier	100	1.39%
Pioneer	100	1.39%
Monroeville	100	1.39%
Total	7,200	100.00%

16. PURCHASED POWER

The Village's electric distribution system during 2022 purchased wholesale electric power from American Municipal Power (AMP) and Safari Energy. AMP provides power through a mixture of long term take or pay purchase contracts with the Village. Included in these contracts with AMP are; the Prairie State Energy Campus Project (2,488 kilowatts), generation started during 2012, Fremont Natural Gas Energy Center (1,320 kilowatts), generation started in 2012, and the Ohio River Hydroelectric Project (1,799 kilowatts), generation that started during Spring 2016. AMP provides the remaining power requirements with market-based purchases from various sources including New York Power Authority, Blue Creek Wind Farm, and other pooled market sources. Safari Energy provides power through a purchase contract with the Village for power generated by a photovoltaic system (Solar Field) located on Village owned property on Travis Drive. The Solar Field (2,930 kilowatts) generation started in 2020.

17. FUND BALANCES

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Parks & Recreation Fund	Tax Capital Improvement Fund	Sewer Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES						
Amounts Identified as:						
Restricted For:						
Road Maintenance and Improvements					$ 433,626	$ 433,626
Drug Alcohol Education and Enforcement					6,411	6,411
Police and Fire Pension					40,670	40,670
Parks and Recreation		$ 989,446				989,446
Capital Projects				$ 1,203,534	731,212	1,934,746
ARPA Coronavirus Relief					413,152	413,152
Total Restricted		989,446		1,203,534	1,625,071	3,818,051
Committed to:						
Compensated Absences	$ 121,083					121,083
Capital Projects			$ 1,117,330			1,117,330
Total Committed	121,083		1,117,330			1,238,413
Unassigned	3,387,340					3,387,340
Total Fund Cash Balances	$ 3,508,423	$ 989,446	$ 1,117,330	$ 1,203,534	$ 1,625,071	$ 8,443,804

18. CONTINGENT LIABILITIES

The Village is defendant in a lawsuit. Although management cannot presently determine the outcome of this suit, they believe the resolution of this matter will not materially adversely affect the Village's financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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.

19. CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2022, the Village implemented GASB Statement No. 87, "Leases" and GASB Implementation Guide 2019-3, "Leases".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Since the Village does not prepare financial statements using generally accepted accounting principles, the implementation of GASB Statement No. 87 did not have an effect on the financial statements of the Village. The notes to the basic financial statements include the disclosure requirements under the Statement.

This page intentionally left blank.

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Net Position - Cash Basis
December 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	$ 7,515,586	$ 8,645,554	$ 16,161,140
Net Position:			
Restricted for:			
Park and Recreation Projects	930,337		930,337
Capital Projects	1,248,459		1,248,459
Other Purposes	663,865	134,618	798,483
Unrestricted	4,672,925	8,510,936	13,183,861
Total Net Position	$ 7,515,586	$ 8,645,554	$ 16,161,140

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Activities - Cash Basis
For the Year Ended December 31, 2021

		Program Cash Receipts		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government:				
Security of Persons and Property	$ 978,920	$ 205,665	$ 1,863	$ 123,387
Public Health Services	12,260			
Leisure Time Activities	312,240	37,622	168,509	
Basic Utility Services	9,450	113,261		
Transportation	563,042	3,374	253,052	1,127
General Government	442,802	69,467	205,522	
Capital Outlay	1,216,691			255,745
Debt Service				
Principal	501,965			
Interest	17,887			
Total Governmental Activities	4,055,257	429,389	628,946	380,259
Business-type activities:				
Water	1,014,096	1,246,492		
Light	6,744,377	7,143,095		
Sewer	814,424	931,934		
Other Enterprise Funds	311,978	129,705		
Total Business Type Activities	8,884,875	9,451,226		
Total	$ 12,940,132	$ 9,880,615	$ 628,946	$ 380,259

General Cash Receipts and Transfers:
Property Taxes Levied For:
General Purposes
Police Pension
Local Taxes
Other Taxes
Grants and Entitlements Not Restricted to Specific Programs
Proceeds from the Sale of Notes
Investment Receipts
Sale of Fixed Assets
Miscellaneous
Transfers

Total General Cash Receipts and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the financial statements

Net (Disbursements) Receipts and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (648,005)		$ (648,005)
(12,260)		(12,260)
(106,109)		(106,109)
103,811		103,811
(305,489)		(305,489)
(167,813)		(167,813)
(960,946)		(960,946)
(501,965)		(501,965)
(17,887)		(17,887)
(2,616,663)		(2,616,663)
	$ 232,396	232,396
	398,718	398,718
	117,510	117,510
	(182,273)	(182,273)
	566,351	566,351
(2,616,663)	566,351	(2,050,312)
127,387		127,387
13,176		13,176
2,243,146		2,243,146
254,179	14,771	268,950
192,181		192,181
250,000		250,000
170,546	38	170,584
18,695		18,695
36,426	71,475	107,901
20,104	(20,104)	
3,325,840	66,180	3,392,020
709,177	632,531	1,341,708
6,806,409	8,013,023	14,819,432
$ 7,515,586	$ 8,645,554	$ 16,161,140

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2021

	General Fund	Parks and Recreation Fund	Tax Capital Improvement Fund	Sewer Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in Pooled Cash and Cash Equivalents	$ 3,769,500	$ 930,337	$ 903,425	$ 1,248,459	$ 663,865	$ 7,515,586
Fund Balances:						
Restricted		$ 930,337		$ 1,248,459	$ 663,865	$ 2,842,661
Committed	$ 90,315		$ 903,425			993,740
Assigned	467,736					467,736
Unassigned	3,211,449					3,211,449
Total Fund Balances	$ 3,769,500	$ 930,337	$ 903,425	$ 1,248,459	$ 663,865	$ 7,515,586

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Receipts, Disbursements and Changes In Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Parks and Recreation Fund	Tax Capital Improvement Fund	Sewer Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Receipts:						
Municipal Income Taxes	$ 911,287	$ 420,587	$ 490,685	$ 420,587		$ 2,243,146
Property and Other Local Taxes	371,203				$ 23,539	394,742
Special Assessments			1,127			1,127
Charges for Services	277,803	35,590				313,393
Fines, Licenses and Permits	89,605				795	90,400
Intergovernmental	192,181	167,609	204,132	175,000	459,485	1,198,407
Interest	170,546				952	171,498
Miscellaneous	36,021	3,123	20,190		3,588	62,922
Total Receipts	2,048,646	626,909	716,134	595,587	488,359	4,475,635
Disbursements:						
Current:						
Security of Persons and Property	888,036		4,621		86,263	978,920
Public Health Services	12,260					12,260
Leisure Time Activities		312,240				312,240
Basic Utility Services				9,450		9,450
Transportation	310,751		46,970		205,321	563,042
General Government	387,308		55,197		297	442,802
Capital Outlay	6,930	182,449	622,068	405,244		1,216,691
Debt Service:						
Principal Retirement		300,000		201,965		501,965
Interest and Fiscal Charges		5,566		12,321		17,887
Total Disbursements	1,605,285	800,255	728,856	628,980	291,881	4,055,257
Excess of Receipts Over (Under) Disbursements	443,361	(173,346)	(12,722)	(33,393)	196,478	420,378
Other Financing Sources (Uses):						
Notes & Loans Issued		250,000				250,000
Sale of Capital Assets			18,695			18,695
Transfers In	34,041				75,000	109,041
Transfers Out	(85,788)				(3,149)	(88,937)
Total Other Financing Sources (Uses)	(51,747)	250,000	18,695		71,851	288,799
Net Change in Fund Balances	391,614	76,654	5,973	(33,393)	268,329	709,177
Fund Balances Beginning of Year	3,377,886	853,683	897,452	1,281,852	395,536	6,806,409
Fund Balances End of Year	$ 3,769,500	$ 930,337	$ 903,425	$ 1,248,459	$ 663,865	$ 7,515,586

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Receipts, Disbursements
and Changes In Fund Balance - Budgetary Basis
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Receipts:				
Municipal Income Taxes	$ 690,000	$ 890,000	$ 911,287	$ 21,287
Property and Other Local Taxes	364,050	371,350	371,203	(147)
Charges for Services	272,450	272,450	277,803	5,353
Fines, Licenses and Permits	68,000	84,800	89,605	4,805
Intergovernmental	151,025	181,025	192,181	11,156
Interest	108,000	178,000	170,382	(7,618)
Miscellaneous	16,600	35,300	36,021	721
Total Receipts	1,670,125	2,012,925	2,048,482	35,557
Disbursements:				
Current:				
Security of Persons and Property	910,896	993,810	888,036	105,774
Public Health Services	16,110	16,110	12,260	3,850
Transportation	382,560	382,560	310,751	71,809
General Government	516,650	521,550	387,308	134,242
Capital Outlay	64,596	80,296	6,930	73,366
Total Disbursements	1,890,812	1,994,326	1,605,285	389,041
Excess of Receipts Over (Under) Disbursements	(220,687)	18,599	443,197	424,598
Other Financing Uses:				
Transfers Out	(85,791)	(85,791)	(85,788)	3
Net Change in Fund Balance	(306,478)	(67,192)	357,409	424,601
Fund Balance Beginning of Year	3,321,776	3,321,776	3,321,776	
Fund Balance End of Year	$ 3,015,298	$ 3,254,584	$ 3,679,185	$ 424,601

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Receipts, Disbursements
and Changes In Fund Balance - Budgetary Basis
Parks and Recreation Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts:				
Municipal Income Taxes	$ 318,000	$ 410,000	$ 420,587	$ 10,587
Charges for Services	41,500	36,010	35,590	(420)
Intergovernmental		232,565	167,609	(64,956)
Miscellaneous	1,080	2,503	3,123	620
Total Receipts	360,580	681,078	626,909	(54,169)
Disbursements:				
Current:				
Leisure Time Activities	422,520	436,220	312,240	123,980
Capital Outlay	47,000	258,034	182,449	75,585
Debt Service:				
Principal Retirement	300,000	300,000	300,000	
Interest and Fiscal Charges	3,000	5,567	5,566	1
Total Disbursements	772,520	999,821	800,255	199,566
Excess of Disbursements Over Receipts	(411,940)	(318,743)	(173,346)	145,397
Other Financing Sources:				
Notes Issued	250,000	250,000	250,000	
Net Change in Fund Balance	(161,940)	(68,743)	76,654	145,397
Fund Balance Beginning of Year	853,683	853,683	853,683	
Fund Balance End of Year	$ 691,743	$ 784,940	$ 930,337	$ 145,397

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2021

	Business-Type Activities				
	Water Fund	Light Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	$ 1,526,486	$ 5,309,988	$ 903,307	$ 905,773	$ 8,645,554
Net Position:					
Restricted				$ 134,618	$ 134,618
Unrestricted	$ 1,526,486	$ 5,309,988	$ 903,307	771,155	8,510,936
Total Net Position	$ 1,526,486	$ 5,309,988	$ 903,307	$ 905,773	$ 8,645,554

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Receipts, Disbursements,
and Changes In Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2021

	Business-Type Activities				
	Water Fund	**Light Fund**	**Sewer Fund**	**Other Enterprise Funds**	**Total Enterprise Funds**
Operating Receipts:					
Charges for Services	$ 1,246,492	$ 7,143,095	$ 931,934	$ 129,705	$ 9,451,226
Other Operating Receipts	11,914	51,991	7,280	290	71,475
Total Operating Receipts	1,258,406	7,195,086	939,214	129,995	9,522,701
Operating Disbursements:					
Personal Services	371,263	698,772	333,996	13,434	1,417,465
Travel and Transportation	2,917	8,197	2,600		13,714
Contractual Services	37,474	5,534,437	151,550	42,190	5,765,651
Materials and Supplies	182,959	101,036	263,915	183,469	731,379
Total Operating Disbursements	594,613	6,342,442	752,061	239,093	7,928,209
Operating Income (Loss)	663,793	852,644	187,153	(109,098)	1,594,492
Non-Operating Receipts (Disbursements):					
Debt Service	(391,068)	(182,932)	(43,178)	(72,885)	(690,063)
Capital Outlay	(28,415)	(204,232)	(19,185)		(251,832)
Other Financing Sources					
Property & Other Local Taxes		14,771			14,771
Interest				38	38
Other Financing Uses		(14,771)			(14,771)
Total Non-Operating Receipts (Disbursements)	(419,483)	(387,164)	(62,363)	(72,847)	(941,857)
Income before Transfers	244,310	465,480	124,790	(181,945)	652,635
Transfers Out	(3,806)	(7,475)	(8,823)		(20,104)
Change in Net Position	240,504	458,005	115,967	(181,945)	632,531
Net Position Beginning of Year	1,285,982	4,851,983	787,340	1,087,718	8,013,023
Net Position End of Year	$ 1,526,486	$ 5,309,988	$ 903,307	$ 905,773	$ 8,645,554

See accompanying notes to the financial statements

VILLAGE OF MONTPELIER
WILLIAMS COUNTY

Statement of Changes in Fiduciary Net Position - Cash Basis
Custodial Fund
For the Year Ended December 31, 2021

	Fiduciary Type Activities Custodial Fund
Deductions:	
Customer Credits Applied to Utility Billings	$ 2,301
Net Position Beginning of Year	$ 2,301
Net Position End of Year	

See accompanying notes to the financial statements

1. REPORTING ENTITY

The Village of Montpelier, Williams County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four year terms. The Mayor is elected to a four-year term and has no vote.

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

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, refuse, electric, water and sewer utilities, maintenance of Village streets and bridges, park operations, fire protection, and police services.

B. Component Units

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village. The Village has no component units.

C. Joint Ventures and Public Risk Pools

The Village participates in four joint venture organizations and a public entity risk pool. Notes 8, 12, 13, 14, and 15 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business-type activity is self-financing on a cash basis or draws from the general receipts of the Village.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from non-operating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as non-operating.

B. 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 in three categories: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

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.

Park and Recreation Fund – This fund receives a portion of the 1.6 percent Village income tax. This fund is to be used for the operation, maintenance, and improvement of the Village Parks.

Tax Capital Improvement Fund - This fund receives a portion of the 1.6 percent Village income tax. This fund is to be used for capital improvements within the Village.

Sewer Capital Improvement Fund - This fund receives a portion of the 1.6 percent Village income tax. This fund is to be used to improve the sewer system within the Village.

The other governmental funds of the Village account for and report grants and other resources, whose use is restricted to a particular purpose

Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as enterprise funds.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major Enterprise funds:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Light Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Fiduciary Funds - Fiduciary Fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Village's custodial fund accounts for overpayments of utility billings by individuals.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate.

The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund level with personal services and transfers separately appropriated in all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Village Council during the year.

E. Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2021, the Village invested in negotiable certificates of deposit and federal agency securities. Investments are reported at cost.

Interest earnings are allocated to Village funds according to state statutes, grant requirements, or debt-related restrictions. During fiscal year 2021, interest receipts were credited to the General Fund for $170,546 which includes $129,715 assigned from other funds.

F. Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

H. Interfund Receivables/Payables

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. The Village made no advances during the year.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

K. Long Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

L. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for road maintenance and improvements, police protection and utility customer deposits.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

There are no amounts restricted by enabling legislation.

M. Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as 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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute. State statute authorizes the Village Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

N. Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budgetary Basis presented for the General and Parks and Recreation funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are funds included with the General fund as part of the GASB 54 requirements are not included in the budgetary statement.

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash are as follows:

Net Change in Fund Balance	General Fund	Park and Recreation Fund
Cash Basis (As Reported)	$ 391,614	$ 76,654
Perspective Difference:		
Activity of Funds Reclassified for Cash Reporting Purposes	(34,205)	
Budgetary Basis	$ 357,409	$ 76,654

4. DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Village into three categories.

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

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

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

Protection of the Village’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

5. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

At year end, the Village had $1,950 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

<u>Deposits</u>

Custodial credit risk is the risk in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, $1,245 of the Village's bank balance of $4,754,686 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of December 31, 2021, the Village had the following investments:

		Investment Maturities				
	Cost Value	< 12 months	13 to 24 months	25 to 36 months	37 to 48 months	49 to 60 months
Federal Farm Credit Bank (FFCB)	$ 468,255				$ 250,522	$ 217,733
Federal Home Loan Bank (FHLB)	2,207,822			$ 499,900	1,707,922	
Federal Home Loan Mortgage Company (FHLMC)	1,249,452			1,000,850	248,602	
Negotiable Certificate of Deposit	7,589,373	$ 2,825,728	$ 2,681,859	1,336,933	744,853	
	$ 11,514,902	$ 2,825,728	$ 2,681,859	$ 2,837,683	$ 2,951,899	$ 217,733

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk FFCB, FHLB, and FHLMC securities carry the highest ratings by Moody's and Standard and Poor's (Aaa/AAA AA+). The Village has no investment policy dealing with investment credit risk beyond the requirements in state statutes.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. FFCB, FHLB, and FHLMC notes are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Village's name.

The Village's investment policy states that all security transactions entered into by the Village shall be conducted on a delivery-versus-payment basis. Securities will be held by a third party custodian designated by the Director of Finance and evidenced by safekeeping receipts.

Concentration of Credit Risk The Village places no limit on the amount it invests in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2021:

Investment Issuer	Percentage of Investments
Federal Farm Credit Bank	4.07%
Federal Home Loan Bank	19.17%
Federal Home Loan Mortgage Corporation Notes	10.85%
Negotiable Certificate of Deposits	65.91%

5. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2021, was $3.20 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

	Amount	**Percent**
Agriculture/Residential & Other Real Estate Property	$49,621,030	99%
Public Utility Personal Property	369,900	1%
Total	$49,990,930	100%

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

6. INCOME TAXES

The Village levies a 1.6 percent income tax on substantially all income earned in the Village. In addition, Village residents employed in municipalities having an income tax less than 1.6 percent must pay the difference to the Village. Additional increases in the income tax rate require voter approval. Employers within the Village withhold income tax on employee compensation and remit at least quarterly and file an annual declaration.

The Village's income tax ordinance requires .55 percent of the income tax receipts to be used to finance capital improvements. As a result, this portion of the receipts is allocated to the Tax and Sewer Capital Improvement funds each year. The remaining income tax receipts are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service, and other governmental functions when needed, as determined by Council. In 2021, the receipts were allocated to the General, Park and Recreation, Tax Capital Improvement, and Sewer Capital Improvement funds.

7. INTERFUND TRANSFERS

During 2021, the following transfers were made:

	Transfers In	Transfers Out
Governmental Activities:		
General	$34,041	$85,788
Other Governmental Funds:		
Police Pension Fund	75,000	
Street Fund		3,149
Business Type Activities		
Water		3,806
Light		7,475
Sewer		8,823
	$109,041	$109,041

The Village transferred cash from the General Fund to Police Pension Fund to fund future retirement payouts. The Village also transferred cash from multiple funds to the Compensated Absence Fund to stabilize the other funds from future payments of accumulated benefits. This fund is included in the General Fund for reporting purposes.

8. RISK MANAGEMENT

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

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

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	(15,037,383)
Members' Equity	$ 6,740,056

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

9. DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

A. Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description **–** Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2021 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2021 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was $231,033 for year 2021.

B. Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description – Village full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is $360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OPF was $77,300 for 2021.

C. Social Security

Several of the Village's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

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.

10. POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The heath care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets. the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was $0 for 2021.

B. Ohio Police and Fire Pension Fund

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Account Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contractually required contribution to OP&F was $2,034 for 2021.

11. DEBT

NOTES PAYABLE

The changes in the Village's notes payable during 2021 were as follows:

	Outstanding 12/31/2020	Issued	Retired	Outstanding 12/31/2021
Governmental Activities:				
Recreational Facilities				
Improvement Note, Series 2020	$300,000		$300,000	
Improvement Note, Series 2021		$250,000		$250,000
Total Governmental Activities	$300,000	$250,000	$300,000	$250,000

The Recreational Facilities Improvement Note, Series 2021 was issued for constructing a splash pad at the Municipal Park. The notes have an interest rate of 1.25 percent and mature July 20, 2022.

LONG-TERM OBLIGATIONS

The changes in the Village's long-term debt during 2021 were as follows:

	Outstanding 12/31/20	Additions	Deletions	Outstanding 12/31/21	Due in One Year
Governmental Activities:					
Ohio Water Development Authority Loans	$3,286,677		$201,965	$3,084,712	$202,972
Total Governmental Activities	3,286,677		201,965	3,084,712	202,972
Business-Type Activities:					
Ohio Waterworks System Revenue Bonds	42,000		42,000		
Ohio Public Works Commission Loan	34,596		5,766	28,830	5,766
Ohio Water Development Authority Loans	3,703,373		384,761	3,318,612	320,525
Total Business-Type Activities	3,779,969		432,527	3,347,442	326,291
Total Long-Term Obligations	$7,066,646		$634,492	$6,432,154	$529,263

The Ohio Waterworks System Revenue Bonds in the amount of $750,000 were issued in 1982 to finance improvements to the Village's waterworks system. The bonds are repaid annually with five percent interest over 39 years with the final payment due in 2021. Property and revenue of the Village's waterworks utility have been pledged to retire the debt. Debt payments were made from the Tax Capital Improvement fund and the Sewer fund.

As required by the mortgage revenue bond covenant, the Village has established and funded a reserve fund, included as an enterprise fund. This Revenue bond was paid in full in 2021 from the reserve fund.

The Ohio Public Works Commission (OPWC) Loan was entered into in 2005 to finance improvements to the Village's waterworks system. The interest free loan will be paid back over 20 years beginning in 2006 with the final payment due in 2026. Property and revenue of the Village's waterworks utility have been pledged to retire the debt.

There are the following Ohio Water Development Authority (OWDA) loans:

Loan 3261 in the amount of $1,628,662 was approved in 2000 to finance the improvement of the wastewater treatment plant. The loan will be paid back annually with interest of 6.41 percent over 20 years with revenues from user fees charged. This loan was paid in full in 2021.

Loan 3959 in the amount of $7,551,180 was approved in 2003 to fund the construction, maintenance, and operation of a water treatment plant. This project was completed in 2006. Loan principal and interest payments at rate of two percent are due semi-annually on January 1 and July 1 commencing in July 2006 for 25 years.

Loan 5079 in the amount of $3,547,398 was approved in 2009 to fund the construction of Phase 1 of the Village of Montpelier's Combined Sewer Overflow project. After the award of the loan, the Village received a $2,008,500 grant from the American Recovery and Reinvestment Act funds. The project was completed on July 14, 2010. Loan principal and interest payments at the rate of one percent are due semi-annually on January 1 and July 1 commencing in January 2011 for 20 years.

Loan 6802 in the amount of $1,317,013 was approved in 2014 to fund the construction of Phase 4 of the Village of Montpelier's Combined Sewer Overflow project. At the completion of the project, the Village had drawn $764,635 of this loan as of December 31, 2018. Interest rate on the loan is one percent. Grant funds paid off the Ohio Public Works Grant and reduced the WPCLF loan by $111,792. The project was completed in 2017. Principal adjustments of $4,857 were added to the balance in 2018. Loan principal and interest payments at the rate of one percent are due semi-annually on January 1 and July 1 commencing in January 2016 for 20 years.

Loan 8706 in the amount of $2,301,817 was approved in 2019 to fund the construction of Phase VI of the Village of Montpelier's Combined Sewer Overflow Project. At the completion of the project, the Village had drawn $2,029,548 of this loan as of December 31, 2020. Interest rate on the loan is zero percent. The project was completed in 2020. Loan principal payments are due semi-annually on January 1 and July 1 commencing in January 2021 for 20 years.

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

Year Ending December 31:	OWDA Loans	OPWC Loans
2022	$ 599,588	$ 5,766
2023	599,588	5,766
2024	599,588	5,766
2025	599,588	5,766
2026	599,588	5,766
2027-2031	2,734,758	
2032-2036	676,497	
2037-2042	405,908	
Total	$ 6,815,103	$ 28,830

LEASES

The Village leases vehicles and other equipment under noncancelable leases. The Village disbursed $80,833 to pay lease costs for the year ended December 31, 2021. Future lease payments are as follows:

Year Ending December 31:	Amount
2022	$ 80,833
2023	80,833
2024	57,741
2025	57,741
2026	57,741
2027-2031	173,223
Total	$ 508,112

12. OMEGA JV2

The Village of Montpelier is a Non-Financing Participant and an Owner Participant with an ownership percentage of 2.98% and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

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

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

On an audited basis, the Village's net investment to date in OMEGA JV2 was ($15,644) at December 31, 2021. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 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	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161

Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	0.80%	1,066	Custar	0.00%	4
	95.20%	127,640		4.80%	6,441
			Grand Total	100.00%	134,081

13. OMEGA JV4

The Village is a participant, with three other subdivisions within the State of Ohio, in a joint venture to oversee construction and operation of a 69 kilowatt transmission line in Williams County, the Ohio Municipal Electric Generation Agency Joint Venture (JV4). JV4 is managed by AMP, who acts as the joint venture's agent. The participants are obligated, by agreement, to remit on a monthly basis those costs incurred from using electric generated by the joint venture. JV4 does not have any debt outstanding. In the event of a shortfall, the Joint Venture participants are billed for their respective shares of the estimated shortfall.

On an audited basis, the Village's net investment to date in OMEGA JV4 was $352,123 at December 31, 2021. Complete financial statements for OMEGA JV4 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

14. OMEGA JV5

The Village of Montpelier is a Financing Participant with an ownership percentage of 2.02 %, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

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

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

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

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

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued $153,415,000 and $13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of $56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of $116,910,000, which resulted in a savings to the membership of $34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was $65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of $49,745,000 for the purpose of refunding the promissory note to AMP in full. The 2016 Certificates bear interest at a variable rate, mature on February 1, 2024 and are subject to redemption and mandatory tender at the option of the holder commencing February 15, 2021. These 2016 Certificates were paid in full during 2021. On January 20, 2021, in order to expedite the retirement of the 2016 Beneficial Interest Certificates, OMEGA JV5s participants approved the borrowing of $9,300,000 in the form of a note payable from AMP. At December 31, 2021, the balance of the note was $2,131,216. This note was paid in full in the first quarter of 2022. The 2001 Certificates are non-recourse to AMP.

The Village's net investment and its share of operating results of OMEGA JV5 are reported in the Village's electric fund (an enterprise fund). The Village's net investment to date in OMEGA JV5 was $60,355 at December 31, 2021. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

15. OMEGA JV6

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

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

OMEGA JV6 was created to construct four (4) wind turbines near Bowling Green Ohio. Each turbine has a nominal capacity of 1.8 MW and sells electricity from its operations to OMEGA JV6 Participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess funds shall be paid to the Participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2021 Montpelier has met their debt coverage obligation.

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

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

The Village's net investment to date in OMEGA JV6 was $55,037 at December 31, 2021. Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The ten participating subdivisions and their respective ownership shares at December 31, 2021 are:

Participant	KW Amount	% of Financing
Bowling Green	4,100	56.94%
Cuyahoga Falls	1,800	25.00%
Napoleon	300	4.17%
Oberlin	250	3.47%
Wadsworth	250	3.47%
Edgerton	100	1.39%
Elmore	100	1.39%
Montpelier	100	1.39%
Pioneer	100	1.39%
Monroeville	100	1.39%
Total	7,200	100.00%

16. PURCHASED POWER

The Village's electric distribution system during 2021 purchased wholesale electric power from American Municipal Power (AMP) and Safari Energy. AMP provides power through a mixture of long term take or pay purchase contracts with the Village. Included in these contracts with AMP are; the Prairie State Energy Campus Project (2,488 kilowatts), generation started during 2012, Fremont Natural Gas Energy Center (1,320 kilowatts), generation started in 2012, and the Ohio River Hydroelectric Project (1,799 kilowatts), generation that started during Spring 2016. AMP provides the remaining power requirements with market-based purchases from various sources including New York Power Authority, Blue Creek Wind Farm, and other pooled market sources. Safari Energy provides power through a purchase contract with the Village for power generated by a photovoltaic system (Solar Field) located on Village owned property on Travis Drive. The Solar Field (2,930 kilowatts) generation started in 2020.

17. FUND BALANCES

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Parks & Recreation Fund	Tax Capital Improvement Fund	Sewer Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES						
Amounts Identified as:						
Restricted For:						
Road Maintenance and Improvements					$ 416,423	$ 416,423
Drug Alcohol Education and Enforcement					7,540	7,540
Police and Fire Pension					34,178	34,178
Parks and Recreation		$ 930,337				930,337
Capital Projects				$ 1,248,459		1,248,459
ARPA Coronavirus Relief					205,724	205,724
Total Restricted		930,337		1,248,459	663,865	2,842,661
Committed to:						
Compensated Absences	$ 90,315					90,315
Capital Projects			$ 903,425			903,425
Total Committed	90,315		903,425			993,740
Assigned to:						
Other Purposes - Budget Stabilization	467,736					467,736
Unassigned	3,211,449					3,211,449
Total Fund Cash Balances	$ 3,769,500	$ 930,337	$ 903,425	$ 1,248,459	$ 663,865	$ 7,515,586

18. CONTINGENT LIABILITIES

The Village is defendant in a lawsuit. Although management cannot presently determine the outcome of this suit, they believe the resolution of this matter will not materially adversely affect the Village's financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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.

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Village of Montpelier
Williams County
211 North Jonesville Street
P.O. Box 148
Montpelier, Ohio 43543-0148

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States' *(Government Auditing Standards)*, the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montpelier, Williams County, Ohio (the Village) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated July 5, 2023, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles.

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 of 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

July 5, 2023

OHIO AUDITOR OF STATE
KEITH FABER

VILLAGE OF MONTPELIER

WILLIAMS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 7/20/2023

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