

PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**VILLAGE OF JACKSON CENTER
SHELBY COUNTY**

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



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Village Council
Village of Jackson Center
122 E. Pike St.
Jackson Center, OH 45334

We have reviewed the *Independent Auditor's Report* of the Village of Jackson Center, Shelby County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L. Ridenbaugh".

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

March 11, 2026

This page intentionally left blank.

VILLAGE OF JACKSON CENTER
SHELBY COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|---|-------------|
| Independent Auditor's Report | 1 |
| Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2024 | 4 |
| Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type - For the Year Ended December 31, 2024 | 5 |
| Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2024 | 6 |
| Notes to the Financial Statements For the Year Ended December 31, 2024 | 7 |
| Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - Governmental Fund Types - For the Year Ended December 31, 2023 | 31 |
| Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type - For the Year Ended December 31, 2023 | 32 |
| Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2023 | 33 |
| Notes to the Financial Statements For the Year Ended December 31, 2023 | 34 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 57 |
| Schedule of Audit Findings | 59 |
| Summary Schedule of Prior Audit Findings | 60 |

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



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

September 30, 2025

**VILLAGE OF JACKSON CENTER
SHELBY COUNTY**

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

| | General | Special Revenue | Debt Service | Capital Projects | Combined Total |
|---|---------------------|--------------------|---------------------|---------------------|---------------------|
| Cash Receipts | | | | | |
| Property and Other Local Taxes | \$ 211,961 | \$ - | \$ - | \$ - | \$ 211,961 |
| Municipal Income Tax | 1,791,980 | - | 347,670 | - | 2,139,650 |
| Intergovernmental | 95,091 | 158,978 | - | 248,000 | 502,069 |
| Charges for Services | 72,082 | 43,767 | - | - | 115,849 |
| Licenses, Permits, and Fees | 15,124 | - | - | - | 15,124 |
| Fines, Forfeitures and Settlements | 5,507 | - | - | - | 5,507 |
| Earnings on Investments | 238,571 | 17,277 | 73,394 | - | 329,242 |
| Miscellaneous | 13,843 | 4,500 | - | - | 18,343 |
| <i>Total Cash Receipts</i> | <u>2,444,159</u> | <u>224,522</u> | <u>421,064</u> | <u>248,000</u> | <u>3,337,745</u> |
| Cash Disbursements | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 473,610 | 35,810 | - | - | 509,420 |
| Public Health Services | 4,502 | 11,217 | - | - | 15,719 |
| Leisure Time Activities | 256,697 | 850 | - | - | 257,547 |
| Community Environment | 52,775 | - | - | - | 52,775 |
| Transportation | 488,955 | 142,521 | - | - | 631,476 |
| General Government | 434,488 | - | - | - | 434,488 |
| Capital Outlay | 718,446 | - | - | 332,704 | 1,051,150 |
| Debt Service: | | | | | |
| Principal Retirement | 322,746 | - | 95,446 | - | 418,192 |
| Interest and Fiscal Charges | 64,823 | - | 25,967 | - | 90,790 |
| <i>Total Cash Disbursements</i> | <u>2,817,042</u> | <u>190,398</u> | <u>121,413</u> | <u>332,704</u> | <u>3,461,557</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(372,883)</u> | <u>34,124</u> | <u>299,651</u> | <u>(84,704)</u> | <u>(123,812)</u> |
| Other Financing Receipts (Disbursements) | | | | | |
| Loans Issued | - | - | - | 84,704 | 84,704 |
| Sale of Capital Assets | 750 | - | - | - | 750 |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>750</u> | <u>-</u> | <u>-</u> | <u>84,704</u> | <u>85,454</u> |
| Extraordinary Item | 2,500 | - | - | - | 2,500 |
| <i>Net Change in Fund Cash Balances</i> | <u>(369,633)</u> | <u>34,124</u> | <u>299,651</u> | <u>-</u> | <u>(35,858)</u> |
| <i>Fund Cash Balances, January 1</i> | <u>1,373,903</u> | <u>385,183</u> | <u>1,415,528</u> | <u>-</u> | <u>3,174,614</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 1,004,270</u> | <u>\$ 419,307</u> | <u>\$ 1,715,179</u> | <u>\$ -</u> | <u>\$ 3,138,756</u> |

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

**VILLAGE OF JACKSON CENTER
SHELBY COUNTY**

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

| | Enterprise |
|---|---------------------|
| Operating Cash Receipts | |
| Charges for Services | \$ 4,583,870 |
| Miscellaneous | 9,577 |
| | 4,593,447 |
| Operating Cash Disbursements | |
| Personal Services | 669,913 |
| Employee Fringe Benefits | 185,108 |
| Contractual Services | 2,610,814 |
| Supplies and Materials | 134,281 |
| Other | 6,450 |
| | 3,606,566 |
| <i>Total Operating Cash Disbursements</i> | <i>3,606,566</i> |
| <i>Operating Income (Loss)</i> | <i>986,881</i> |
| Non-Operating Receipts (Disbursements) | |
| Intergovernmental Receipts | 179,924 |
| Earnings on Investments | 5,759 |
| Loans Issued | 157,547 |
| Capital Outlay | (446,690) |
| Principal Retirement | (145,000) |
| Interest and Other Fiscal Charges | (85,000) |
| | (333,460) |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <i>(333,460)</i> |
| <i>Net Change in Fund Cash Balances</i> | <i>653,421</i> |
| <i>Fund Cash Balances, January 1</i> | <i>3,595,495</i> |
| <i>Fund Cash Balances, December 31</i> | <i>\$ 4,248,916</i> |

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

VILLAGE OF JACKSON CENTER
SHELBY COUNTY

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <u>Other Custodial</u> |
|--|----------------------------|
| Additions | |
| Fines, Licenses and Permits for Distribution | <u>\$ 3,001</u> |
| <i>Total Additions</i> | <u>3,001</u> |
| Deductions | |
| Distributions to Other Governments | <u>3,271</u> |
| <i>Total Deductions</i> | <u>3,271</u> |
| Net Change in Fund Balances | (270) |
| <i>Fund Cash Balances, January 1</i> | <u>270</u> |
| <i>Fund Cash Balances, December 31</i> | <u><u>\$ -</u></u> |

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

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

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

The Village participates in jointly governed organizations, joint ventures, and a public entity risk pool. Notes 6, 12, and 13 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

West Pike, Linden & Ohio Street Reconstruction Fund *The West Pike, Linden & Ohio Street reconstruction fund accounts for and reports proceeds of Ohio Public Works Commission (OPWC) Issue II grant and loan monies to be used for reconstruction of West Pike, Linden and Ohio Streets.*

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

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

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

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

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

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

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

Basis of Accounting

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process

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

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

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

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

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

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

Capital Assets

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

Accumulated Leave

Village employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 3 – Budgetary Activity

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

| 2024 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|--------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 2,446,079 | \$ 2,447,409 | \$ 1,330 |
| Special Revenue | 230,158 | 224,522 | (5,636) |
| Debt Service | 415,229 | 421,064 | 5,835 |
| Capital Projects | 342,704 | 332,704 | (10,000) |
| Enterprise | 5,461,554 | 4,936,084 | (525,470) |
| Total | \$ 8,895,724 | \$ 8,361,783 | \$ (533,941) |

| 2024 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|--------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 3,652,318 | \$ 2,820,732 | \$ 831,586 |
| Special Revenue | 258,015 | 190,398 | 67,617 |
| Debt Service | 126,247 | 121,413 | 4,834 |
| Capital Projects | 332,733 | 332,704 | 29 |
| Enterprise | 5,770,358 | 4,282,663 | 1,487,695 |
| Total | \$ 10,139,671 | \$ 7,747,910 | \$ 2,391,761 |

Note 4 – Deposits and Investments

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

| | |
|--------------------------------|--------------|
| | 2024 |
| Demand deposits | \$ 1,643,397 |
| Total deposits | 1,643,397 |
| STAR Ohio | 5,744,275 |
| Total investments | 5,744,275 |
| Total Deposits and Investments | \$ 7,387,672 |

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the village is holding \$9,049 in unremitted employee payroll withholdings.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 4 – Deposits and Investments (Continued)

Deposits

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

Investments

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

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

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

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

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

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

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2024.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

| | Principal | Interest Rate |
|--|---------------------|---------------|
| OPWC CM13J Jackson Street Water Main | \$ 16,750 | 0.00% |
| OWDA 5375 Rehab/Replacement Wastewater Collection | 35,830 | 0.00% |
| OPWC CM10P Water Well Installation | 100,068 | 0.00% |
| OPWC CM20R Wastewater Treatment Plant Improvements | 355,768 | 0.00% |
| OWDA 7315 Sewer System Updates | 325,257 | 2.53% |
| OPWC CT52T Davis/Linden Street Reconstruction | 383,334 | 0.00% |
| OWDA 7640 Wastewater Treatment Plant Building/Laboratory | 190,801 | 3.08% |
| OPWC CT49V Jackson, Washington & College Sts. Reconstruction | 425,000 | 0.00% |
| RealEstate Acquisition/Construction Project (Airstream) | 700,000 | 3.99% |
| American Municipal Power, Inc. Loan | 2,005,000 | 2.25% |
| US Bank Swimming Pool Improvement | 250,790 | 2.25% |
| Peoples Federal Savings & Loan Company 420 | 221,178 | 2.75% |
| Peoples Federal Savings & Loan Company 431 | 596,932 | 2.75% |
| OWDA 9823 WWTP Pump Station & Sludge Improvements | 980,517 | 1.16% |
| OPWC CT48Y South Main & East Pike St. Reconstruction | 482,759 | 0.00% |
| OPWC CM24AA West Pike, Linden, & Ohio | 74,704 | 0.00% |
| OWDA 10965 Water Treatment Plant Replacement | 130,160 | 2.00% |
| Total | \$ 7,274,848 | |

The Ohio Public Works Commission loan CM13J is a twenty-year loan that originated in 2008 and relates to the installation of a six-inch water main on Jackson Street within the village. The Village will repay the loan in semi-annual installments of \$3,350. at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be July, 2027. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 5375 is a twenty-year loan that originated in 2009 and relates to sanitary sewer cured in place pipe that was installed within the village. The Village will repay the loan in semiannual installments of \$3,257 at zero percent interest. The final installment payment of this loan will be July, 2030. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

The Ohio Public Works Commission loan CM10P is a thirty-year loan that originated in 2012 and relates to two water well installations on the Village well field. The Village will repay the loan in semiannual payments of \$2,633 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be January, 2044. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Public Works Commission loan CM20R is a thirty-year loan that originated in 2014 and relates to improvements at the wastewater treatment facility regarding construction for an alum feed system, building, clarifier rebuilds and a generator. The Village will repay the loan in semiannual payments of \$7,261 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be July, 2049. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 7315 is a twenty-year loan that originated in 2016 and relates to sewer system updates regarding construction for an alum feed system, building, clarifier rebuilds and a generator. The Village will repay the loan in semiannual installments of \$15,798 at 2.53% interest. The final installment payment of this loan will be January, 2037. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Public Works Commission loan CT52T is a thirty-year loan that originated in 2016 and relates to the Davis / Linden Street Reconstruction project regarding sidewalks and street improvements. The Village will repay the loan in semiannual installments of \$8,333 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be January, 2048. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 7640 is a twenty-year loan that originated in 2017 and relates to wastewater treatment plant building / laboratory and SCADA system. The Village will repay the loan in semiannual installments of \$8,961 at 3.08% interest. The final installment payment of this loan will be January 2038. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

The Ohio Public Works Commission loan CT49V is a thirty-year loan that originated in 2018 and relates to the Jackson, Washington and College Streets reconstruction project to reconstruct 650 feet of Jackson Street with new stone sub-base, asphalt, curb and gutter, sidewalk, and storm drainage. The reconstruction of 1500 feet of Washington Street with new sub-base, asphalt, and storm drainage, and the reconstruction of 3,000 feet of College Street with asphalt milling, asphalt, storm drainage, and water line. The Village will repay the loan in semiannual installments of \$8,333 at zero percent interest. The final installment payment of this loan will be July, 2050. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

In 2022, the Village issued a \$900,000 bond purchased by Huntington National Bank for the Real Estate Acquisition/Construction Project (Airstream). The purpose of this issue was to finance the purchase of approximately 50 acres of real property in the Village. The Village will repay the bond in annual installments of \$100,000 principal payments plus accrued interest at 3.99%. The final installment payment of this loan is due in March 2031. This will be satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

In August of 2018 the Village entered into a Loan Agreement and Promissory Note with American Municipal Power, Inc. and a Standby Note Purchase Agreement with the Treasurer of the State of Ohio, American Municipal Power, Inc. and Huntington National Bank. American Municipal Power, Inc. issued \$2,800,000 in Electric System Improvement Bond Anticipation Notes at an interest rate of 3.00% set to mature August 2019. AMP (American Municipal Power, Inc.) will be using the proceeds of the issuance to loan to the Village for construction of a new electric substation and approximately one mile of 69kV transmission line. The Village agrees that it will inform AMP of the amount of principal that the Village intends to retire plus accrued interest 90 days prior to the maturity of the Electric System Improvement Bond Anticipation Notes. AMP will then apply said payments to retire principal and satisfy interest and renew the outstanding principal with a new issuance in Electric System Improvement Bond Anticipation Notes. This loan will be satisfied with revenues of the electric system. The August 2019 issue was in the amount of \$2,949,000 and the Village retired at the time of closing \$153,000 in principal and \$57,185 in interest. This issue has a maturity date of August 13, 2020 and an interest rate of 2.25%. In turn the August 2020 issue was in the amount of \$2,585,000 and the Village retired at the time of closing \$164,022 in principal and \$44,465 in interest. This issue has a maturity date of August 12, 2021 and an interest rate of 1.50%. The August 2021 issue was in the amount of \$2,440,000 and the Village retired at the time of closing \$145,000 in principal and \$32,407 in interest. The issue has a maturity date of August 11, 2022 and an interest rate of 1.00%. The August 2022 issue was in the amount of \$2,295,000 and the Village retired at the time of closing \$145,000 in principal and \$4,492.31 in interest. The issue has a maturity date of August 10, 2023 and an interest rate of 3.00%.

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

In March 2020, the Village issued \$400,000 Swimming Pool Improvement Bonds, Series 2020 and authorized the sale of those bonds to U.S. Bank National Association for the purpose of making renovations and upgrades to the municipal swimming pool. The Village agrees to pay installments of principal and interest in the amount of \$45,129 for a period of ten years at 2.25% interest. The final installment payment of this loan will be March 2030. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

Peoples Federal Savings and Loan Association 326300420 loan originated in 2020 for a term of ten years, relates to an addition to the current Service Building located at 108 College Street. The Village will repay the loan in annual payments of \$40,485 at 2.75% interest. The final installment payment of this loan will be November, 2030. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

Peoples Federal Savings and Loan Association 326300431 loan originated in 2021 for a term of ten years, relates to the purchase of 18.819 acres of land in Jackson Center and construction of a detention basin on this land. The Village will repay the loan in annual payments of \$94,915 at 2.75% interest. The final payment of this loan will be October, 2031. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

The OWDA loan 9823 is a thirty-year loan that originated in 2022 and relates to wastewater treatment plant pump station and sludge improvements. The Village will repay the loan in semiannual installments of \$18,380 at 1.16% interest. The final installment payment of this loan will be due in July 2053. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village. As of December 31, 2024, the loan has not been finalized and therefore is not included in the OWDA amortization schedule below.

The OPWC loan CT48Y is a twenty-nine-year loan that originated in 2022 and relates to the South Main and East Pike Streets reconstruction project to reconstruct 1,200 feet of Main Street with new subbase, asphalt, storm drainage, and waterline; and for the reconstruction of 1,700 feet of East Pike Street with new sub-base, asphalt, curb and gutter, sidewalk, storm drainage, and waterline. The Village will repay the loan in semiannual installments of \$8,621 at zero percent interest. The final installment payment of this loan is due in January 2053. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

The OPWC loan CM24AA is a thirty-year loan that originated in 2024 and relates to the West Pike, Linden and Ohio Streets reconstruction project to reconstruct 2,400 feet of West Pike, Linden and Ohio Streets with new sub-base, asphalt, curb and gutter, sidewalk, storm drainage, and waterline. As of December 31, 2024, the loan has not been finalized and therefore is not included in the OPWC amortization schedule below.

The OWDA loan 10965 is a thirty-year loan that originated in 2024 and relates to a water treatment plant replacement project. The loan bears an interest rate of 2.00%. The final installment payment of this loan will be due in January 2056. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village. As of December 31, 2024, the loan has not been finalized and therefore is not included in the OWDA amortization schedule below.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

Amortization

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

| Year Ending December 31: | OPWC CM13J Jackson Street Water Main | OWDA 5375 Rehab/Replacement Wastewater Collection | OPWC CM10P Water Well Installation | OPWC CM20R Wastewater Treatment Plant Improvements |
|-----------------------------|--|--|--|---|
| 2025 | \$ 6,700 | \$ 6,515 | \$ 5,267 | \$ 14,521 |
| 2026 | 6,700 | 6,515 | 5,267 | 14,521 |
| 2027 | 3,350 | 6,515 | 5,267 | 14,521 |
| 2028 | - | 6,515 | 5,267 | 14,521 |
| 2029 | - | 6,515 | 5,267 | 14,521 |
| 2030-2034 | - | 3,255 | 26,334 | 72,606 |
| 2035-2039 | - | - | 26,334 | 72,606 |
| 2040-2044 | - | - | 21,065 | 72,606 |
| 2045-2049 | - | - | - | 65,345 |
| Total | <u>\$ 16,750</u> | <u>\$ 35,830</u> | <u>\$ 100,068</u> | <u>\$ 355,768</u> |

| Year Ending December 31: | OWDA 7315 Sewer System Updates | OPWC CT52T Davis/Linden Street Reconstruction | OWDA 7640 Wastewater Treatment Plant Building/Laboratory | OPWC CT49V Jackson, Washington & College Sts. Reconstruction |
|-----------------------------|---|---|---|--|
| 2025 | \$ 31,597 | \$ 16,667 | \$ 17,922 | \$ 16,667 |
| 2026 | 31,597 | 16,667 | 17,922 | 16,667 |
| 2027 | 31,597 | 16,667 | 17,922 | 16,667 |
| 2028 | 31,597 | 16,667 | 17,922 | 16,667 |
| 2029 | 31,597 | 16,667 | 17,922 | 16,667 |
| 2030-2034 | 157,985 | 83,333 | 89,611 | 83,333 |
| 2035-2039 | 63,194 | 83,333 | 53,767 | 83,333 |
| 2040-2044 | - | 83,333 | - | 83,333 |
| 2045-2049 | - | 50,000 | - | 83,333 |
| 2050-2054 | - | - | - | 8,333 |
| Total | <u>\$ 379,164</u> | <u>\$ 383,334</u> | <u>\$ 232,988</u> | <u>\$ 425,000</u> |

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

Amortization (Continued)

| Year Ending December 31: | RealEstate Acquisition - Construction Project (Airstream) | US Bank Swimming Pool Improvement | Peoples Federal Savings & Loan Company 420 | Peoples Federal Savings & Loan Company 431 |
|-----------------------------|---|--------------------------------------|--|--|
| 2025 | \$ 127,930 | \$ 45,129 | \$ 40,485 | \$ 94,915 |
| 2026 | 123,940 | 45,129 | 40,485 | 94,515 |
| 2027 | 119,950 | 45,129 | 40,485 | 94,515 |
| 2028 | 115,960 | 45,129 | 40,485 | 94,515 |
| 2029 | 111,970 | 45,129 | 40,485 | 94,515 |
| 2030-2034 | 211,970 | 45,129 | 40,485 | 189,829 |
| 2035-2039 | - | - | - | - |
| 2040-2044 | - | - | - | - |
| 2045-2049 | - | - | - | - |
| 2050-2054 | - | - | - | - |
| Total | <u>\$ 811,720</u> | <u>\$ 270,774</u> | <u>\$ 242,910</u> | <u>\$ 662,804</u> |

| Year Ending December 31: | OWDA 9823 WWTP Pump Station & Sludge Improvements | OPWC CT48Y South Main & East Pike St. Reconstruction | OPWC CM24AA West Pike, Linden & Ohio Sts. Reconstruction |
|-----------------------------|---|---|---|
| 2025 | \$ 20,251 | \$ 17,241 | \$ 2,490 |
| 2026 | 40,503 | 17,241 | 2,490 |
| 2027 | 40,503 | 17,241 | 2,490 |
| 2028 | 40,503 | 17,241 | 2,490 |
| 2029 | 40,503 | 17,241 | 2,490 |
| 2030-2034 | 202,513 | 86,207 | 12,451 |
| 2035-2039 | 202,513 | 86,207 | 12,451 |
| 2040-2044 | 202,513 | 86,207 | 12,451 |
| 2045-2049 | 202,513 | 86,207 | 12,451 |
| 2050-2054 | 162,011 | 51,726 | 12,450 |
| Total | <u>\$ 1,154,326</u> | <u>\$ 482,759</u> | <u>\$ 74,704</u> |

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 2,444 kilowatts of a total 771,281 kilowatts, giving the Village a 0.32 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014, legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share at March 31, 2014, of the impaired costs was \$425,258. The Village received a credit of \$35,463 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$110,530 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). In addition, the Village made payments totaling \$65,585 leaving an estimated net impaired cost estimate of \$213,680. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

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

Since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$5,482 and interest expense of \$12,853 incurred on AMP's line-of-credit of \$1,236,551 resulting in a net credit balance estimate at December 31, 2024 of \$3,649. The Village does have a Potential PHFU Liability of \$144,078 resulting in a net total potential liability of \$140,429, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such as negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

| | Original Ordinance kW | AFEC Allocation kW | Stranded Costs | | | | | Plant held for future use Costs | | | | | TOTAL |
|-----------------------------|-----------------------|--------------------|--------------------|--------------------------|--------------------------|----------------------|------------------------|---------------------------------|--------------------------|--------------------------|----------------------|--------------------|---------|
| | | | Stranded 3/31/2014 | Activity Since 3/31/2014 | Int. Exp Since 3/31/2014 | Pmts Since 3/31/2014 | Current Stranded Costs | PHFU 3/31/2014 | Activity Since 3/31/2014 | Int. Exp Since 3/31/2014 | Pmts Since 3/31/2014 | Current PHFU Costs | |
| | | | | | | | | | | | | | |
| JACKSON CENTER - 12/31/2024 | 2,444 | 330 | 213,680 | 5,482 | 12,853 | (235,664) | (3,649) | 110,530 | (2,029) | 35,577 | - | 144,078 | 140,429 |
| Net Change - 2024 | | | - | (187) | 223 | - | 37 | - | 232 | (8,724) | - | (8,492) | (8,455) |
| JACKSON CENTER - 12/31/2023 | 2,444 | 330 | 213,680 | 5,295 | 13,076 | (235,664) | (3,612) | 110,530 | (1,797) | 26,853 | - | 135,586 | 131,974 |
| Net Change - 2023 | | | - | (29) | (426) | - | (456) | - | 490 | (7,355) | - | (6,865) | (7,321) |
| JACKSON CENTER - 12/31/2022 | 2,444 | 330 | 213,680 | 5,266 | 12,650 | (235,664) | (4,068) | 110,530 | (1,307) | 19,498 | - | 128,721 | 124,653 |
| Net Change - 2022 | | | - | (61) | 86 | - | 2,400 | - | 129 | (3,314) | - | (3,185) | (785) |
| JACKSON CENTER - 12/31/2021 | 2,444 | 330 | 213,680 | 5,205 | 12,736 | (233,289) | (1,668) | 110,530 | (1,178) | 16,184 | - | 125,536 | 123,868 |
| Net Change - 2021 | | | - | (45) | (124) | - | 28,321 | - | 104 | (1,206) | - | (1,102) | 27,219 |
| JACKSON CENTER - 12/31/2020 | 2,444 | 330 | 213,680 | 5,160 | 12,612 | (204,799) | 26,653 | 110,530 | (1,074) | 14,978 | - | 124,434 | 151,087 |
| Net Change - 2020 | | | - | (30) | (649) | - | 28,491 | - | 144 | (1,842) | - | (1,698) | 26,114 |
| JACKSON CENTER - 12/31/2019 | 2,444 | 330 | 213,680 | 5,130 | 11,963 | (176,308) | 54,465 | 110,530 | (930) | 13,136 | - | 122,736 | 177,201 |
| Net Change - 2019 | | | - | (54) | (2,120) | - | 28,491 | - | 232 | (3,826) | - | (3,594) | 22,723 |
| JACKSON CENTER - 12/31/2018 | 2,444 | 330 | 213,680 | 5,076 | 9,843 | (147,817) | 80,782 | 110,530 | (698) | 9,310 | - | 119,142 | 199,924 |
| Net Change - 2018 | | | - | (47) | (2,571) | - | 28,491 | - | (21) | (3,384) | - | (3,405) | 22,468 |
| JACKSON CENTER - 12/31/2017 | 2,444 | 330 | 213,680 | 5,029 | 7,272 | (119,326) | 106,655 | 110,530 | (719) | 5,926 | - | 115,737 | 222,392 |
| Net Change - 2017 | | | - | (771) | (2,288) | - | 37,473 | - | 155 | (2,206) | - | (2,051) | 35,422 |
| JACKSON CENTER - 12/31/2016 | 2,444 | 330 | 213,680 | 4,258 | 4,984 | (78,794) | 144,128 | 110,530 | (564) | 3,720 | - | 113,686 | 257,814 |
| Net Change - 2016 | | | - | (1,009) | (2,229) | - | 25,252 | - | 213 | (1,578) | - | (1,365) | 23,887 |
| JACKSON CENTER - 12/31/2015 | 2,444 | 330 | 213,680 | 3,249 | 2,755 | (50,304) | 169,380 | 110,530 | (351) | 2,142 | - | 112,321 | 281,701 |
| Net Change - 2015 | | | - | (1,132) | (2,083) | - | 25,276 | - | 185 | (1,231) | - | (1,046) | 24,230 |
| JACKSON CENTER - 12/31/2014 | 2,444 | 330 | 213,680 | 2,117 | 672 | (21,813) | 194,656 | 110,530 | (166) | 911 | - | 111,275 | 305,931 |
| TOTAL | 771,281 | | | | | | | | | | | | |
| City Participation | 0.32% | | | | | | | | | | | | |

Note 10 – Construction and Contractual Commitments

A. Combined Hydroelectric Projects (79 Members)

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

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued ten series of its Combined Hydroelectric Projects Revenue Bonds (the “Combined Hydroelectric Bonds”), in an original aggregate principal amount \$2,483,845,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2024, \$2,059,888,824 aggregate principal amount of the Combined Hydroelectric Bonds.

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 10 – Construction and Contractual Commitments (Continued)

A. Combined Hydroelectric Projects (79 Members) (Continued)

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

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

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

B. Greenup Hydroelectric Project (47 Members)

In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the "AMP Interest") in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the "Greenup Bonds") and, with a portion of the proceeds thereof, acquired the AMP Interest. The Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 31, 2024, \$114,800,000 aggregate principal amount of the Greenup Bonds was outstanding.

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

C. Prairie State Energy Campus (68 Members)

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

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the "Initial Prairie State Bonds") to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. In 2015, 2017 and 2019, AMP issued bonds (the "Prairie State Refunding Bonds" and, together with the Initial Prairie State Bonds, the "Prairie State Bonds") to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009, certain of callable outstanding Initial Prairie State Bonds issued as Build America Bonds and certain of the bonds issued in 2015 to refund the Initial Prairie State Bonds. As of December 31, 2024, AMP had \$1,278,980,000 aggregate principal amount of Prairie State Bonds outstanding.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 10 – Construction and Contractual Commitments (Continued)

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the "Prairie State Power Sales Contract") with 68 Members (the "Prairie State Participants"). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract. The capacity factor for the Prairie State Energy Campus for the fiscal year ending December 31, 2024 (the latest information available) was 87.3%.

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

D. West Pike, Linden & Ohio Street Reconstruction

All work has been completed on the West Pike, Linden & Ohio Street Reconstruction Project. The Village received \$248,000 in OPWC Grant and \$248,000 in zero interest loan monies for the reconstruction of 2400 feet of roadway, with 50 CY new stone sub-base, 1124 CY of asphalt, 1500 LF of curb and gutter, 7500 SF of sidewalk, 200 LF of storm drainage and 2500 LF of water line. All grant monies were disbursed on July 24, 2024 and November 25, 2024. The first and final disbursement from the loan was on December 2, 2024, in the amount of \$74,704, which is the loan amount outstanding.

E. Jackson Center Water Treatment Plant Replacement Project

The Village has obtained the following funding to complete this project; \$249,000 of SCIP Grant monies from the OPWC of which \$235,000 has been disbursed (\$35,000 in 2024), \$249,000 of RLP loan monies from OPWC, \$4,177,160 of OWDA loan monies, of which \$129,567 has been disbursed, and \$750,000 in CDBG RPIG grant monies of which \$252,851 has been disbursed. This project includes the construction of a new Water Treatment Plant for the Village of Jackson Center. The new treatment components include aeration, detention tank, low service pumps, pressure filters, pressure softeners, chemical feed system and plant controls. The existing raw water wells, clear well, and high service pumps will remain as is and be integrated into the new plan operation. The existing WTP to be replaced was originally built in 1972 and reached its useful life.

F. Real Estate Purchase Agreement

With Ordinance 2024-022 and Resolution 2024-014, the Village entered into a real estate purchase agreement with Sari K. Silwani Trust to purchase real estate located at 209 West Pike Street. The purchase price was \$135,000, with the agreement stating that the Village would pay \$35,000 upon the execution of the agreement. The Village made the payment on November 18, 2024. That payment will be credited towards the total purchase price when the purchase is complete in 2025. The purchase was made complete on January 10, 2025, and the Village paid the remainder to the Jackson Center Community Improvement Corporation (CIC) on January 8, 2025.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 10 – Construction and Contractual Commitments (Continued)

G. Memorandum of Understanding with JC CIC and the Board of Shelby County Commissioners

The Village entered into a Memorandum of Understanding between the Village of Jackson Center, an Ohio Municipal Corporation; Jackson Center Community Improvement Corporation (CIC), an Ohio Non-Profit Corporation (Collectively the Village and the CIC shall be referred to as the Subrecipient) and the Board of County Commissioners of Shelby County, Ohio. Shelby County has made a commitment to find long-term solutions to the shortage of child-care through partnering agencies. The Village has entered into a purchase agreement for the property located at 209 West Pike Street and the Village will assign the right to purchase said property to the CIC with the intent of using the property as a Childcare Facility. The CIC will oversee the renovations and ensure the property is prepared for use as a daycare center. This includes contracting with a general contractor for construction work and identifying a qualified operator (Lessee) to manage daily operations. The CIC will also enter into a lease agreement with the Lessee, who will assume responsibility for all aspects of owning and operating the daycare facility, including compliance with licensing and regulatory requirements. The Subrecipients requested funding support for start-up costs for the proposed childcare facility on the property. The Shelby County Commissioners desires to allocate a portion of American Rescue Plan Act (“ARPA”) funds to the Subrecipients to support the proposed childcare facility in the amount of \$100,000. This amount will be disbursed through incremental payments upon proof of payment, or receipt of invoices submitted by the Subrecipients by the Subrecipient for the purchase price of the property and work completed related to construction and start-up costs for the proposed childcare facility.

H. Hail Damage and Repairs

On March 14, 2024, the Village experienced a hailstorm that was part of the storm that included a tornado that affected Auglaize and Logan Counties. Many homes, cars, and businesses experienced hail damage. The Village contracted with D & S Roofing of Western Ohio, LLC for roof and siding repairs on Village properties. The Village paid a total of \$302,020 for repairs. The Village still has a few properties that need to be repaired once the weather is warmer. The Village also had to make repairs on two of our police cruisers. The Village was reimbursed by insurance for all of these disbursements.

I. Morris- Rose Road Water Main Project

With Resolution 2024-012 the Village entered into a contract with Precise Boring of Ohio for construction of the Morris-Rose Road Water Main Project. The Village plans to extend a water main to Morris-Rose Road and loop the Village’s water system to East Pike Street. The project includes installation of a water main by horizontal directional drilling along Morris-Rose Road from State Route 274 to Village Parkway Court. The engineer’s estimate for the project is \$485,612. The bid opening was held and Precise Boring of Ohio was the best and lowest bid at \$332,499. The Village has not obtained financing for this project at this time.

Note 11 – Contingent Liabilities

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 12 – Joint Ventures

Ohio Municipal Electric Generation Agency (OMEGA JV2)

The Village of Jackson Center is a Financing Participant and an Owner Participant with percentages of liability and ownership of .29% and .22% respectively and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

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

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2024, the Village of Jackson Center has met its debt coverage obligation.

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

OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20-year fixed rates bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As of December 2023 (the latest information available), there was no balance on AMP's Line of Credit was allocable to the financing of costs related to the JV2 Project.

The Village's net position to date in OMEGA JV2 was (\$4,334) at December 31, 2023 (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.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 12 – Joint Ventures (Continued)

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

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

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

Ohio Municipal Electric Generation Agency (OMEGA JV5)

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

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP. OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 12 – Joint Ventures (Continued)

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

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, 2024, Jackson Center has met its debt coverage obligation.

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

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

The Village's net position to date in OMEGA JV5 was \$19,990 at December 31, 2023 (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.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 13 – Jointly Governed Organizations

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

In fiscal year ending December 31, 2024, the Village transacted a real estate transaction with the CIC as described in Note 10.F.

Note 14 – Fund Balances

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

| Fund Balances | General | Total |
|--------------------------|----------|----------|
| Nonspendable: | | |
| Unclaimed Monies | \$ 893 | \$ 893 |
| Outstanding Encumbrances | 3,690 | 3,690 |
| <i>Total</i> | \$ 4,583 | \$ 4,583 |

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 15 – AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 12. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village’s Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

| | |
|---------------------------------------|---------------------|
| | <u>2024</u> |
| Total Fund Cash Balance | \$ 2,260,129 |
| Long-Term Debt | <u>2,005,000</u> |
| Condensed Operating Information: | |
| Operating Receipts | |
| Charges for Services | 3,000,954 |
| Other Operating Receipts | <u>8,917</u> |
| Total Operating Receipts | <u>3,009,871</u> |
| Operating Expenses | |
| Personal Services | 300,508 |
| Employee Fringe Benefits | 82,729 |
| Contractual Services | 2,118,288 |
| Supplies and Materials | <u>21,951</u> |
| Total Operating Expenses | <u>2,523,476</u> |
| Operating Income | <u>486,395</u> |
| Nonoperating Receipts (Disbursements) | |
| Intergovernmental Receipts | 36,394 |
| Principal Payments | (145,000) |
| Interest Payments | (85,000) |
| Capital Outlay | (126,015) |
| Change in Fund Cash Balance | 166,774 |
| Beginning Fund Cash Balance | <u>2,093,355</u> |
| Ending Fund Cash Balance | <u>\$ 2,260,129</u> |

**VILLAGE OF JACKSON CENTER
SHELBY COUNTY**

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

| | General | Special Revenue | Debt Service | Capital Projects | Totals (Memorandum Only) |
|---|---------------------|--------------------|---------------------|---------------------|--------------------------------|
| Cash Receipts | | | | | |
| Property and Other Local Taxes | \$ 185,478 | \$ - | \$ - | \$ - | \$ 185,478 |
| Municipal Income Tax | 2,167,374 | - | 422,679 | - | 2,590,053 |
| Intergovernmental | 68,755 | 124,869 | - | 54,225 | 247,849 |
| Charges for Services | 70,573 | 28,282 | - | - | 98,855 |
| Fines, Licenses and Permits | 18,463 | 35 | - | - | 18,498 |
| Earnings on Investments | 191,387 | 15,203 | 55,957 | - | 262,547 |
| Miscellaneous | 9,324 | 1,500 | - | - | 10,824 |
| <i>Total Cash Receipts</i> | <u>2,711,354</u> | <u>169,889</u> | <u>478,636</u> | <u>54,225</u> | <u>3,414,104</u> |
| Cash Disbursements | | | | | |
| Current: | | | | | |
| Security of Persons and Property | 509,677 | 29,081 | - | - | 538,758 |
| Public Health Services | 4,404 | 1,665 | - | - | 6,069 |
| Leisure Time Activities | 328,681 | - | - | - | 328,681 |
| Community Environment | 43,825 | - | - | - | 43,825 |
| Transportation | 368,850 | 182,932 | - | - | 551,782 |
| General Government | 439,802 | - | - | - | 439,802 |
| Capital Outlay | 581,471 | - | - | 544,225 | 1,125,696 |
| Debt Service: | | | | | |
| Principal Retirement | 301,086 | - | 187,237 | - | 488,323 |
| Interest and Fiscal Charges | 73,081 | - | 23,860 | - | 96,941 |
| <i>Total Cash Disbursements</i> | <u>2,650,877</u> | <u>213,678</u> | <u>211,097</u> | <u>544,225</u> | <u>3,619,877</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>60,477</u> | <u>(43,789)</u> | <u>267,539</u> | <u>(490,000)</u> | <u>(205,773)</u> |
| Other Financing Receipts (Disbursements) | | | | | |
| Loans Issued | - | - | - | 490,000 | 490,000 |
| Sale of Capital Assets | 29,241 | - | - | - | 29,241 |
| Transfers In | - | 2,500 | - | - | 2,500 |
| Transfers Out | (2,500) | - | - | - | (2,500) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>26,741</u> | <u>2,500</u> | <u>-</u> | <u>490,000</u> | <u>519,241</u> |
| <i>Net Change in Fund Cash Balances</i> | 87,218 | (41,289) | 267,539 | - | 313,468 |
| <i>Fund Cash Balances, January 1 - Restated - See Note 17</i> | <u>1,286,685</u> | <u>426,472</u> | <u>1,147,989</u> | <u>-</u> | <u>2,861,146</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 1,373,903</u> | <u>\$ 385,183</u> | <u>\$ 1,415,528</u> | <u>\$ -</u> | <u>\$ 3,174,614</u> |

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

VILLAGE OF JACKSON CENTER
SHELBY COUNTY

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

| | Enterprise |
|---|---------------------|
| Operating Cash Receipts | |
| Charges for Services | \$ 4,359,455 |
| Miscellaneous | 27,830 |
| <i>Total Operating Cash Receipts</i> | <i>4,387,285</i> |
| Operating Cash Disbursements | |
| Personal Services | 647,643 |
| Employee Fringe Benefits | 197,685 |
| Contractual Services | 2,707,264 |
| Supplies and Materials | 166,236 |
| Other | 3,363 |
| <i>Total Operating Cash Disbursements</i> | <i>3,722,191</i> |
| <i>Operating Income (Loss)</i> | <i>665,094</i> |
| Non-Operating Receipts (Disbursements) | |
| Intergovernmental Receipts | 200,000 |
| Earnings on Investments (proprietary funds only) | 4,584 |
| Loans Issued | 1,008,202 |
| Capital Outlay | (1,341,982) |
| Principal Retirement | (145,000) |
| Interest and Other Fiscal Charges | (59,448) |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <i>(333,644)</i> |
| <i>Net Change in Fund Cash Balances</i> | <i>331,450</i> |
| <i>Fund Cash Balances, January 1 - Restated - See Note 17</i> | <i>3,264,045</i> |
| <i>Fund Cash Balances, December 31</i> | <i>\$ 3,595,495</i> |

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

VILLAGE OF JACKSON CENTER
SHELBY COUNTY

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2023

| | <u>Other Custodial</u> |
|--|----------------------------|
| Additions | |
| Fines, Licenses and Permits for Distribution | <u>\$ 7,453</u> |
| <i>Total Additions</i> | <u>7,453</u> |
| Deductions | |
| Distributions to Other Governments | <u>7,541</u> |
| <i>Total Deductions</i> | <u>7,541</u> |
| Net Change in Fund Balances | (88) |
| <i>Fund Cash Balances, January 1</i> | <u>358</u> |
| <i>Fund Cash Balances, December 31</i> | <u><u>\$ 270</u></u> |

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

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

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

The Village participates in jointly governed organizations, joint ventures, and a public entity risk pool. Notes 6, 12, and 13 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

Neighborhood Revitalization Projects Fund The neighborhood revitalization projects fund accounts for and reports proceeds of Ohio Public Works Commission (OPWC) Issue II grant and loan monies to be used for various construction projects.

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

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

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

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

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

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

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

Basis of Accounting

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process

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

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

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

Capital Assets

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

Accumulated Leave

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 – Budgetary Activity

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

| 2023 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|---------------------|---------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 2,721,344 | \$ 2,740,595 | \$ 19,251 |
| Special Revenue | 255,969 | 172,389 | (83,580) |
| Debt Service | 478,533 | 478,636 | 103 |
| Capital Projects | 496,000 | 544,225 | 48,225 |
| Enterprise | 5,887,380 | 5,595,487 | (291,893) |
| Total | \$ 9,839,226 | \$ 9,531,332 | \$ (307,894) |

| 2023 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|---------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 3,300,569 | \$ 2,653,377 | \$ 647,192 |
| Special Revenue | 331,093 | 213,678 | 117,415 |
| Debt Service | 218,315 | 211,097 | 7,218 |
| Capital Projects | 554,225 | 544,225 | 10,000 |
| Enterprise | 6,470,378 | 5,276,385 | 1,193,993 |
| Total | \$ 10,874,580 | \$ 8,898,762 | \$ 1,975,818 |

Note 4 – Deposits and Investments

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

| | |
|--------------------------------|---------------------|
| | 2023 |
| Demand deposits | \$ 1,282,500 |
| Total deposits | 1,282,500 |
| STAR Ohio | 5,487,879 |
| Total investments | 5,487,879 |
| Total Deposits and Investments | \$ 6,770,379 |

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the village is holding \$9,525 in unremitted employee payroll withholdings.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (Continued)

Deposits

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

Investments

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

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

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

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

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

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

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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

Social Security

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

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

Note 8 – Postemployment Benefits

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

| | Principal | Interest Rate |
|--|---------------------|---------------|
| OPWC CM13J Jackson Street Water Main | \$ 23,450 | 0.00% |
| OWDA 5375 Rehab/Replacement Wastewater Collection | 42,345 | 0.00% |
| OPWC CM10P Water Well Installation | 105,336 | 0.00% |
| OPWC CM20R Wastewater Treatment Plant Improvements | 370,289 | 0.00% |
| OWDA 7315 Sewer System Updates | 348,189 | 2.53% |
| OPWC CT52T Davis/Linden Street Reconstruction | 400,000 | 0.00% |
| OWDA 7640 Wastewater Treatment Plant Building/Laboratory | 202,575 | 3.08% |
| OPWC CT49V Jackson, Washington & College Sts. Reconstruction | 441,666 | 0.00% |
| RealEstate Acquisition/Construction Project (Airstream) | 800,000 | 3.99% |
| American Municipal Power, Inc. Loan | 2,150,000 | 2.25% |
| Peoples Federal Savings & Loan Company 408 | 23,848 | 3.00% |
| US Bank Swimming Pool Improvement | 289,301 | 2.25% |
| Peoples Federal Savings & Loan Company 420 | 254,641 | 2.75% |
| Peoples Federal Savings & Loan Company 431 | 673,280 | 2.75% |
| OWDA 9823 WWTP Pump Station & Sludge Improvements | 980,868 | 1.16% |
| OPWC CT48Y South Main & East Pike St. Reconstruction | 490,000 | 0.00% |
| Total | <u>\$ 7,595,788</u> | |

The Ohio Public Works Commission loan CM13J is a twenty-year loan that originated in 2008 and relates to the installation of a six-inch water main on Jackson Street within the village. The Village will repay the loan in semi-annual installments of \$3,350. at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be July, 2027. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 5375 is a twenty-year loan that originated in 2009 and relates to sanitary sewer cured in place pipe that was installed within the village. The Village will repay the loan in semiannual installments of \$3,257 at zero percent interest. The final installment payment of this loan will be July, 2030. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

The Ohio Public Works Commission loan CM10P is a thirty-year loan that originated in 2012 and relates to two water well installations on the Village well field. The Village will repay the loan in semiannual payments of \$2,633 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be January, 2044. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Public Works Commission loan CM20R is a thirty-year loan that originated in 2014 and relates to improvements at the wastewater treatment facility regarding construction for an alum feed system, building, clarifier rebuilds and a generator. The Village will repay the loan in semiannual payments of \$7,261 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be July, 2049. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 7315 is a twenty-year loan that originated in 2016 and relates to sewer system updates regarding construction for an alum feed system, building, clarifier rebuilds and a generator. The Village will repay the loan in semiannual installments of \$15,798 at 2.53% interest. The final installment payment of this loan will be January, 2037. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Public Works Commission loan CT52T is a thirty-year loan that originated in 2016 and relates to the Davis / Linden Street Reconstruction project regarding sidewalks and street improvements. The Village will repay the loan in semiannual installments of \$8,333 at zero percent interest. On April 7, 2020 the Ohio Public Works Commission notified the Village that due to the COVID-19 pandemic, the Ohio Public Works Commission hereby defers all July 2020 Loan Repayments with no payment due until the January 2021 billing cycle. Loan amortization schedules were reissued to show no payment due for July 2020. The Village opted to make a double payment (for July 2020 and January 2021) in January 2021 which will be applied as an extra payment. There were no late fees or additional accrued interest as part of this deferral. The final installment payment of this loan will be January, 2048. This loan is satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

The Ohio Water Development Authority loan 7640 is a twenty-year loan that originated in 2017 and relates to wastewater treatment plant building / laboratory and SCADA system. The Village will repay the loan in semiannual installments of \$8,961 at 3.08% interest. The final installment payment of this loan will be January 2038. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

The Ohio Public Works Commission loan CT49V is a thirty-year loan that originated in 2018 and relates to the Jackson, Washington and College Streets reconstruction project to reconstruct 650 feet of Jackson Street with new stone sub-base, asphalt, curb and gutter, sidewalk, and storm drainage. The reconstruction of 1500 feet of Washington Street with new sub-base, asphalt, and storm drainage, and the reconstruction of 3,000 feet of College Street with asphalt milling, asphalt, storm drainage, and water line. The Village will repay the loan in semiannual installments of \$8,333 at zero percent interest. The final installment payment of this loan will be July, 2050. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

In 2022, the Village issued a \$900,000 bond purchased by Huntington National Bank for the Real Estate Acquisition/Construction Project (Airstream). The purpose of this issue was to finance the purchase of approximately 50 acres of real property in the Village. The Village will repay the bond in annual installments of \$100,000 principal payments plus accrued interest at 3.99%. The final installment payment of this loan is due in March 2031. This will be satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

In August of 2018 the Village entered into a Loan Agreement and Promissory Note with American Municipal Power, Inc. and a Standby Note Purchase Agreement with the Treasurer of the State of Ohio, American Municipal Power, Inc. and Huntington National Bank. American Municipal Power, Inc. issued \$2,800,000 in Electric System Improvement Bond Anticipation Notes at an interest rate of 3.00% set to mature August 2019. AMP (American Municipal Power, Inc.) will be using the proceeds of the issuance to loan to the Village for construction of a new electric substation and approximately one mile of 69kV transmission line. The Village agrees that it will inform AMP of the amount of principal that the Village intends to retire plus accrued interest 90 days prior to the maturity of the Electric System Improvement Bond Anticipation Notes. AMP will then apply said payments to retire principal and satisfy interest and renew the outstanding principal with a new issuance in Electric System Improvement Bond Anticipation Notes. This loan will be satisfied with revenues of the electric system. The August 2019 issue was in the amount of \$2,949,000 and the Village retired at the time of closing \$153,000 in principal and \$57,185 in interest. This issue has a maturity date of August 13, 2020 and an interest rate of 2.25%. In turn the August 2020 issue was in the amount of \$2,585,000 and the Village retired at the time of closing \$164,022 in principal and \$44,465 in interest. This issue has a maturity date of August 12, 2021 and an interest rate of 1.50%. The August 2021 issue was in the amount of \$2,440,000 and the Village retired at the time of closing \$145,000 in principal and \$32,407 in interest. The issue has a maturity date of August 11, 2022 and an interest rate of 1.00%. The August 2022 issue was in the amount of \$2,295,000 and the Village retired at the time of closing \$145,000 in principal and \$4,492.31 in interest. The August 2023 issue was in the amount of \$2,150,000 and the Village retired at the time of closing \$145,000 in principal and \$59,448 in interest. The issue has a maturity date of August 9, 2024 and an interest rate of 4.625%.

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

In March 2020, the Village issued \$400,000 Swimming Pool Improvement Bonds, Series 2020 and authorized the sale of those bonds to U.S. Bank National Association for the purpose of making renovations and upgrades to the municipal swimming pool. The Village agrees to pay installments of principal and interest in the amount of \$45,129 for a period of ten years at 2.25% interest. The final installment payment of this loan will be March 2030. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

Peoples Federal Savings and Loan Association 326300420 loan originated in 2020 for a term of ten years, relates to an addition to the current Service Building located at 108 College Street. The Village will repay the loan in annual payments of \$40,485 at 2.75% interest. The final installment payment of this loan will be November, 2030. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

Peoples Federal Savings and Loan Association 326300431 loan originated in 2021 for a term of ten years, relates to the purchase of 18.819 acres of land in Jackson Center and construction of a detention basin on this land. The Village will repay the loan in annual payments of \$94,915 at 2.75% interest. The final payment of this loan will be October, 2031. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

The OWDA loan 9823 is a thirty-year loan that originated in 2022 and relates to wastewater treatment plant pump station and sludge improvements. The Village will repay the loan in semiannual installments of \$21,251 at 1.16% interest. The final installment payment of this loan will be due in July 2053. This loan will be satisfied with income tax receipts that were levied for the purpose of constructing, repairing and improving water and wastewater treatment facilities for the Village. As of December 31, 2023, the loan has not been finalized and therefore is not included in the OWDA amortization schedule below.

The OPWC loan CT48Y is a twenty-nine-year loan that originated in 2022 and relates to the South Main and East Pike Streets reconstruction project to reconstruct 1,200 feet of Main Street with new subbase, asphalt, storm drainage, and waterline; and for the reconstruction of 1,700 feet of East Pike Street with new sub-base, asphalt, curb and gutter, sidewalk, storm drainage, and waterline. The Village will repay the loan in semiannual installments of \$8,621 at zero percent interest. The final installment payment of this loan is due in January 2053. This loan is satisfied with income tax receipts that were levied for the purpose of general municipal operations, maintenance, constructions, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

During 2023, the Village had a loan with Peoples Federal Savings and Loan Association in the amount of \$105,000 for the purpose of manhole lining. This loan was issued on September 1, 2023 with an interest rate of 8.50%. The Village retired the loan in full on November 8, 2023 and paid \$1,712 in interest. The loan was reported in the Sewer Operating Enterprise Fund.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

Amortization

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

| Year Ending December 31: | OPWC CM13J Jackson Street Water Main | OWDA 5375 Rehab/Replacement Wastewater Collection | OPWC CM10P Water Well Installation | OPWC CM20R Wastewater Treatment Plant Improvements |
|-----------------------------|--|--|---|--|
| 2024 | \$ 6,700 | \$ 6,515 | \$ 5,267 | \$ 14,521 |
| 2025 | 6,700 | 6,515 | 5,267 | 14,521 |
| 2026 | 6,700 | 6,515 | 5,267 | 14,521 |
| 2027 | 3,350 | 6,515 | 5,267 | 14,521 |
| 2028 | - | 6,515 | 5,267 | 14,521 |
| 2029-2033 | - | 9,770 | 26,334 | 72,606 |
| 2034-2038 | - | - | 26,334 | 72,606 |
| 2039-2043 | - | - | 26,333 | 72,606 |
| 2044-2048 | - | - | - | 72,606 |
| 2049-2053 | - | - | - | 7,260 |
| Total | <u>\$ 23,450</u> | <u>\$ 42,345</u> | <u>\$ 105,336</u> | <u>\$ 370,289</u> |

| Year Ending December 31: | OWDA 7315 Sewer System Updates | OPWC CT52T Davis/Linden Street Reconstruction | OWDA 7640 Wastewater Treatment Plant Building/Laboratory | OPWC CT49V Jackson, Washington & College Sts. Reconstruction |
|-----------------------------|---|---|---|--|
| 2024 | \$ 31,597 | \$ 16,667 | \$ 17,922 | \$ 16,667 |
| 2025 | 31,597 | 16,667 | 17,922 | 16,667 |
| 2026 | 31,597 | 16,667 | 17,922 | 16,667 |
| 2027 | 31,597 | 16,667 | 17,922 | 16,667 |
| 2028 | 31,597 | 16,667 | 17,922 | 16,667 |
| 2029-2033 | 157,985 | 83,333 | 89,611 | 83,333 |
| 2034-2038 | 94,791 | 83,333 | 71,689 | 83,333 |
| 2039-2043 | - | 83,333 | - | 83,333 |
| 2044-2048 | - | 66,666 | - | 83,333 |
| 2049-2053 | - | - | - | 24,999 |
| Total | <u>\$ 410,761</u> | <u>\$ 400,000</u> | <u>\$ 250,910</u> | <u>\$ 441,666</u> |

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

Amortization (Continued)

| Year Ending December 31: | RealEstate Acquisition - Construction Project (Airstream) | Peoples Federal Savings & Loan Company 408 | US Bank Swimming Pool Improvement | Peoples Federal Savings & Loan Company 420 | Peoples Federal Savings & Loan Company 431 |
|-----------------------------|---|--|---|---|---|
| 2024 | \$ 135,711 | \$ 24,595 | \$ 45,129 | \$ 40,485 | \$ 94,915 |
| 2025 | 131,920 | - | 45,129 | 40,485 | 94,515 |
| 2026 | 127,930 | - | 45,129 | 40,485 | 94,515 |
| 2027 | 123,940 | - | 45,129 | 40,485 | 94,515 |
| 2028 | 119,950 | - | 45,129 | 40,485 | 94,515 |
| 2029-2033 | 323,940 | - | 90,258 | 80,970 | 284,744 |
| 2034-2038 | - | - | - | - | - |
| 2039-2043 | - | - | - | - | - |
| 2044-2048 | - | - | - | - | - |
| 2049-2053 | - | - | - | - | - |
| Total | <u>\$ 963,391</u> | <u>\$ 24,595</u> | <u>\$ 315,903</u> | <u>\$ 283,395</u> | <u>\$ 757,719</u> |

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 2,444 kilowatts of a total 771,281 kilowatts, giving the Village a 0.32 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014, legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share at March 31, 2014, of the impaired costs was \$425,258. The Village received a credit of \$35,463 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$110,530 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). In addition, the Village made payments totaling \$65,585 leaving an estimated net impaired cost estimate of \$213,680. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

Since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$5,295 and interest expense of \$13,076 incurred on AMP's line-of-credit of \$1,236,551 resulting in a net credit balance estimate at December 31, 2023 of \$3,612. The Village does have a Potential PHFU Liability of \$135,586 resulting in a net total potential liability of \$131,974, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such as negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

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

| | Original Ordinance | AFEC Allocation | Stranded Costs | | | | | Plant held for future use Costs | | | | | TOTAL |
|-----------------------------|--------------------|-----------------|----------------|----------------|----------------|------------|------------------------|---------------------------------|----------------|----------------|------------|--------------------|---------|
| | | | Stranded | Activity Since | Int. Exp Since | Pmts Since | Current Stranded Costs | PHFU | Activity Since | Int. Exp Since | Pmts Since | Current PHFU Costs | |
| | | | | | | | | | | | | | |
| JACKSON CENTER - 12/31/2023 | 2,444 | 330 | 213,680 | 5,295 | 13,076 | (235,664) | (3,612) | 110,530 | (1,797) | 26,853 | - | 135,586 | 131,974 |
| Net Change - 2023 | | | - | (29) | (426) | - | (456) | - | 490 | (7,355) | - | (6,865) | (7,321) |
| JACKSON CENTER - 12/31/2022 | 2,444 | 330 | 213,680 | 5,266 | 12,650 | (235,664) | (4,068) | 110,530 | (1,307) | 19,498 | - | 128,721 | 124,653 |
| Net Change - 2022 | | | - | (61) | 86 | 2,375 | 2,400 | - | 129 | (3,314) | - | (3,185) | (785) |
| JACKSON CENTER - 12/31/2021 | 2,444 | 330 | 213,680 | 5,205 | 12,736 | (233,289) | (1,668) | 110,530 | (1,178) | 16,184 | - | 125,536 | 123,868 |
| Net Change - 2021 | | | - | (45) | (124) | 28,490 | 28,321 | - | 104 | (1,206) | - | (1,102) | 27,219 |
| JACKSON CENTER - 12/31/2020 | 2,444 | 330 | 213,680 | 5,160 | 12,612 | (204,799) | 26,653 | 110,530 | (1,074) | 14,978 | - | 124,434 | 151,087 |
| Net Change - 2020 | | | - | (30) | (649) | 28,491 | 27,812 | - | 144 | (1,842) | - | (1,698) | 26,114 |
| JACKSON CENTER - 12/31/2019 | 2,444 | 330 | 213,680 | 5,130 | 11,963 | (176,308) | 54,465 | 110,530 | (930) | 13,136 | - | 122,736 | 177,201 |
| Net Change - 2019 | | | - | (54) | (2,120) | 28,491 | 26,317 | - | 232 | (3,826) | - | (3,594) | 22,723 |
| JACKSON CENTER - 12/31/2018 | 2,444 | 330 | 213,680 | 5,076 | 9,843 | (147,817) | 80,782 | 110,530 | (698) | 9,310 | - | 119,142 | 199,924 |
| Net Change - 2018 | | | - | (47) | (2,571) | 28,491 | 25,873 | - | (21) | (3,384) | - | (3,405) | 22,468 |
| JACKSON CENTER - 12/31/2017 | 2,444 | 330 | 213,680 | 5,029 | 7,272 | (119,326) | 106,655 | 110,530 | (719) | 5,926 | - | 115,737 | 222,392 |
| Net Change - 2017 | | | - | (771) | (2,288) | 40,532 | 37,473 | - | 155 | (2,206) | - | (2,051) | 35,422 |
| JACKSON CENTER - 12/31/2016 | 2,444 | 330 | 213,680 | 4,258 | 4,984 | (78,794) | 144,128 | 110,530 | (564) | 3,720 | - | 113,686 | 257,814 |
| Net Change - 2016 | | | - | (1,009) | (2,229) | 28,490 | 25,252 | - | 213 | (1,578) | - | (1,365) | 23,887 |
| JACKSON CENTER - 12/31/2015 | 2,444 | 330 | 213,680 | 3,249 | 2,755 | (50,304) | 169,380 | 110,530 | (351) | 2,142 | - | 112,321 | 281,701 |
| Net Change - 2015 | | | - | (1,132) | (2,083) | 28,491 | 25,276 | - | 185 | (1,231) | - | (1,046) | 24,230 |
| JACKSON CENTER - 12/31/2014 | 2,444 | 330 | 213,680 | 2,117 | 672 | (21,813) | 194,656 | 110,530 | (166) | 911 | - | 111,275 | 305,931 |
| TOTAL | 771,281 | | | | | | | | | | | | |
| City Participation | 0.32% | | | | | | | | | | | | |

Note 10 – Construction and Contractual Commitments

A. Combined Hydroelectric Projects (79 Members)

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 10 – Construction and Contractual Commitments (Continued)

A. Combined Hydroelectric Projects (79 Members) (Continued)

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

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

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

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

B. Greenup Hydroelectric Project (47 Members)

In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the “AMP Interest”) in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the “Greenup Bonds”) and, with a portion of the proceeds thereof, acquired the AMP Interest. The Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 31, 2023, \$116,830,000 aggregate principal amount of the Greenup Bonds was outstanding.

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 10 – Construction and Contractual Commitments (Continued)

C. Prairie State Energy Campus (68 Members)

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

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

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the "Prairie State Power Sales Contract") with 68 Members (the "Prairie State Participants"). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract. The capacity factor for the Prairie State Energy Campus for the fiscal year ending December 31, 2022 (the latest information available) was 88.9%.

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

D. Neighborhood Revitalization Projects

All work per contract has been completed on the Ball Fields, additional parking, walking track and stormwater upgrades. Final payment to Shinn Bros was for \$109,764. This payment was made in December 2023.

E. Wastewater Treatment Plant Improvements Project

All work has been completed on the Wastewater Treatment Plant Improvements Project. The Village received the Certificate of Completion on December 21, 2023. The final pay application was for a total of \$27,387 bringing the final total for the project to \$1,014,765.

Note 11 – Contingent Liabilities

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 12 – Joint Ventures

Ohio Municipal Electric Generation Agency (OMEGA JV2)

The Village of Jackson Center is a Financing Participant and an Owner Participant with percentages of liability and ownership of .29% and .22% respectively and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

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

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2023, the Village of Jackson Center has met its debt coverage obligation.

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

OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20-year fixed rates bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As of December, 2023, \$0 on AMP's Line of Credit was allocable to the financing of costs related to the JV2 Project..

The Village's net position to date in OMEGA JV2 was (\$4,334) at December 31, 2023. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 12 – Joint Ventures (Continued)

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

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

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

Ohio Municipal Electric Generation Agency (OMEGA JV5)

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

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 12 – Joint Ventures (Continued)

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

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants. Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2023, Jackson Center has met its debt coverage obligation.

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

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs. The 2016 BICs were redeemed in whole on February 15, 2021 with a draw on the Line of Credit which is evidenced by a subordinated note (the "2021 JV5 Note"). As of December 31, 2023, the balance on AMP's Line of Credit that was allocable to the 2021 JV5 Note was \$0.

The Village's net position to date in OMEGA JV5 was \$19,990 at December 31, 2023. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 13 – Jointly Governed Organizations

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

In fiscal year ending December 31, 2023, the Village transacted the following real estate transactions with the CIC.

Ordinance 2023-009 - The Village entered into an Assignment and Assumption of Purchase Agreement with the CIC to dispose of property no longer needed for a public purpose. The property is commonly known as real property containing one parcel being lot number 594 containing 0.542 acres commonly known at 308 West Pike Street, Jackson Center, OH 45334. The Village transferred said property to the CIC and the CIC transferred (sold) the property to Josh Carter and Brooke Carter, Trustees of The Carter Family Revocable Living Trust, dated May 10, 2023 (“Buyer”). The Buyer paid the CIC the amount of \$30,000 for the property and payment of the sale proceeds to the CIC was remitted to the Village. A copy of all the documentation can be found attached to the original Ordinance 2023-009 adopted May 22, 2023 referenced above.

Note 14 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. At year end the balances of these amounts were as follows:

| Fund Balances | General | Total |
|------------------|---------|--------|
| Nonspendable: | | |
| Unclaimed Monies | \$ 893 | \$ 893 |
| <i>Total</i> | \$ 893 | \$ 893 |

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

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 15 – AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 12. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village’s Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements. Summary financial information for the Electric Fund is presented below:

| | |
|----------------------------------|---------------------|
| | 2023 |
| Total Fund Cash Balance | \$ 2,093,355 |
| Long-Term Debt | <u>2,150,000</u> |
| Condensed Operating Information: | |
| Operating Receipts | |
| Charges for Services | 3,086,853 |
| Other Operating Receipts | 26,948 |
| Total Operating Receipts | <u>3,113,801</u> |
| Operating Expenses | |
| Personal Services | 256,016 |
| Employee Fringe Benefits | 74,995 |
| Contractual Services | 2,113,772 |
| Supplies and Materials | 40,092 |
| Total Operating Expenses | <u>2,484,875</u> |
| Operating Income | <u>628,926</u> |
| Nonoperating Disbursements | |
| Principal Payments | (145,000) |
| Interest Payments | (59,448) |
| Capital Outlay | (167,803) |
| Change in Fund Cash Balance | 256,675 |
| Beginning Fund Cash Balance | 1,836,680 |
| Ending Fund Cash Balance | <u>\$ 2,093,355</u> |

Note 16 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Village of Jackson Center, Ohio
Shelby County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 17 - Prior Period Restatement

During 2023 the Village determined the need to void prior year outstanding checks. The determination had the follow effect on the fund cash balance at January 1, 2023:

| | General Fund | Enterprise Fund |
|--------------------------------------|----------------------------|----------------------------|
| December 31, 2022 | \$ 1,286,485 | \$ 3,263,754 |
| Voided Prior Year Outstanding Checks | <u>200</u> | <u>291</u> |
| January 1, 2023, restated | <u><u>\$ 1,286,685</u></u> | <u><u>\$ 3,264,045</u></u> |

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

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

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of Jackson Center, Shelby County, (the Village) and have issued our report thereon dated September 30, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of audit findings as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Village's Response to Findings

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

Purpose of This Report

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



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

September 30, 2025

VILLAGE OF JACKSON CENTER
SHELBY COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

FINDING NUMBER 2024-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- Mayor's Court receipts, disbursements, and fund balances were not accurately recorded on the financial statements in 2024 and 2023;
- Loan Proceeds for OPWC Loan CT48Y was misclassified as Intergovernmental instead of Loans Issued in the Neighborhood Revitalization Projects fund in 2023; and
- The Primary Checking account balance on the December 2023 reconciliation was overstated by \$593, resulting in the 2023 cash balance to be overstated.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications and adjustments. The financial statements reflect all reclassifications and adjustments, and the Village has posted all adjustments to its accounting system. There were also additional errors noted that were not material in nature and are, therefore, not reflected in the financial statements.

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

We also recommend the Fiscal Officer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Officials' Response – Mayor's Court has been moved into UAN and is now being managed by the Administrative Clerk

**VILLAGE OF JACKSON CENTER
SHELBY COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

| Finding Number | Finding Summary | Status | Additional Information |
|----------------|---------------------|---------------|------------------------------|
| 2022-001 | Financial Reporting | Not Corrected | Repeated as Finding 2024-001 |

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF JACKSON CENTER

SHELBY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/24/2026

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

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