



VILLAGE OF GENOA
OTTAWA COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Genoa
Ottawa County
102 East 6th Street
Genoa, Ohio 43430

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 Genoa, Ottawa 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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, 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.

Emphasis of Matter

As discussed in Note 13 to the 2021 and 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2023, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

April 28, 2023

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Village of Genoa
Ottawa County
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts					
Property and Other Local Taxes	\$162,691	\$83,905			\$246,596
Municipal Income Tax	978,458				978,458
Intergovernmental	45,846	346,038		\$244,827	636,711
Charges for Services		23,084			23,084
Fines, Licenses and Permits	2,969				2,969
Earnings on Investments	8,330	5,870			14,200
Miscellaneous	9,873	8,909		\$10,719	29,501
<i>Total Cash Receipts</i>	<u>1,208,167</u>	<u>467,806</u>		<u>255,546</u>	<u>1,931,519</u>
Cash Disbursements					
Current:					
Security of Persons and Property	390,378	9,286			399,664
Leisure Time Activities		67,956			67,956
Community Environment	5,065				5,065
Basic Utility Services		985			985
Transportation		132,504			132,504
General Government	369,001				369,001
Capital Outlay	30,767	160,242		1,610,868	1,801,877
Debt Service:					
Principal Retirement		14,832		58,906	73,738
Interest and Fiscal Charges		2,203			2,203
<i>Total Cash Disbursements</i>	<u>795,211</u>	<u>388,008</u>		<u>1,669,774</u>	<u>2,852,993</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>412,956</u>	<u>79,798</u>		<u>(1,414,228)</u>	<u>(921,474)</u>
Other Financing Receipts (Disbursements)					
Other Debt Proceeds				1,088,893	1,088,893
Transfers In	377	1		321,448	321,826
Transfers Out	(321,826)				(321,826)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(321,449)</u>	<u>1</u>		<u>1,410,341</u>	<u>1,088,893</u>
<i>Net Change in Fund Cash Balances</i>	91,507	79,799		(3,887)	167,419
<i>Fund Cash Balances, January 1</i>	<u>369,548</u>	<u>351,692</u>	<u>\$20,191</u>	<u>304,415</u>	<u>1,045,846</u>
<i>Fund Cash Balances, December 31</i>	<u>\$461,055</u>	<u>\$431,491</u>	<u>\$20,191</u>	<u>\$300,528</u>	<u>\$1,213,265</u>

See accompanying notes to the financial statements

Village of Genoa
Ottawa County
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2021

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$3,162,105
Miscellaneous	508,781
	<u>3,670,886</u>
<i>Total Operating Cash Receipts</i>	<i>3,670,886</i>
Operating Cash Disbursements	
Personal Services	458,681
Employee Fringe Benefits	311,062
Contractual Services	2,378,893
Supplies and Materials	178,770
Other	2,643
	<u>3,330,049</u>
<i>Total Operating Cash Disbursements</i>	<i>3,330,049</i>
<i>Operating Income</i>	<i>340,837</i>
Non-Operating Receipts (Disbursements)	
Other Debt Proceeds	1,100,431
Miscellaneous Receipts	883
Capital Outlay	(76,986)
Principal Retirement	(1,612,430)
Interest and Other Fiscal Charges	(20,308)
	<u>(608,410)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(608,410)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(267,573)</i>
<i>Fund Cash Balances, January 1</i>	<i>2,521,290</i>
	<u>2,521,290</u>
<i>Fund Cash Balances, December 31</i>	<i>\$2,253,717</i>
	<u>\$2,253,717</u>

See accompanying notes to the financial statements

Village of Genoa
Ottawa County
Combined Statement of Additions, Deductions, and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	Custodial
	Other Custodial
Additions	
Amounts Held for Employees	\$15,044
Deductions	
Distribution on Behalf of Employees	22,033
<i>Net Change in Fund Cash Balances</i>	(6,989)
<i>Fund Cash Balances, January 1</i>	(26,242)
<i>Fund Cash Balances, December 31</i>	(\$33,231)

See accompanying notes to the financial statements

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 - Reporting Entity

The Village of Genoa, Ottawa County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general governmental services such as police protection, parks and recreation, building inspection, street maintenance and repairs, and water, sewer, electric, and refuse utility services.

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

The Village participates in a public entity risk pool, several joint ventures and two jointly governed organizations. Notes 6, 11 and 12 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, a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type, and a combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) for the fiduciary fund type, 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 Operating Fund The Street Operating 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.

Parks and Recreation Fund The Parks and Recreation Fund accounts for and reports receipts of property taxes and fees for the purpose of providing recreational activities.

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Permissive Motor Vehicle License Tax Fund The Permissive Motor Vehicle License Tax Fund accounts for and reports the receipt of permissive tax revenue for the purpose of maintaining and repairing streets and roads 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:

Equipment Debt Fund The Equipment Debt Fund uses transfers to pay principal and interest on various debt of the Village.

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

Capital Projects Fund The Capital Projects Fund accounts for and reports the receipt of a portion of the Village income tax through transfers committed by Council for the purpose of improving, constructing, and purchasing those items necessary to enhance the operation of the Village. This fund also received grants and loans for wastewater treatment plant improvement 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 Operating Fund The Water Operating Fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Electric Operating Fund The Electric Operating Fund accounts for the provision of electric services to the residents, non-residents, and commercial users utilizing this utility.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village did not have any trust funds.

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 funds account for health and flexible spending account activity.

Basis of Accounting

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

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

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Budgetary Process

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

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

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

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

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

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.

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.

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

Note 3 - Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,150,000	\$1,208,544	\$58,544
Special Revenue	492,887	467,807	(25,080)
Capital Projects	2,439,411	1,665,887	(773,524)
Enterprise	5,060,117	4,772,200	(287,917)
Total	\$9,142,415	\$8,114,438	(\$1,027,977)

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2021

2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,275,271	\$1,121,189	\$154,082
Special Revenue	626,821	396,046	230,775
Capital Projects	2,433,990	1,698,691	735,299
Enterprise	6,681,162	5,071,024	1,610,138
Total	\$11,017,244	\$8,286,950	\$2,730,294

Note 4 - Deposits and Investments

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

	2021
<i>Cash Management Pool (the Pool):</i>	
Demand deposits	(\$281,630)
Certificates of deposit	2,438,399
Other time deposits (savings and NOW accounts)	1,266,755
Total deposits	3,423,524
STAR Ohio	10,227
Total carrying amount of deposits and investments held in the Pool	\$3,433,751

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.

Deposits

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

Investments

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

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 homestead and rollback deductions. The financial statements include homestead and rollback 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 1.5 percent income tax on substantially all income earned in the Village as well as certain income of residents earned outside the Village. The Village contracts with Regional Income Tax Authority (RITA) to administer the Village's municipal income taxes.

Employers within the Village withhold income tax on employee compensation and remit the tax to RITA either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. In 2021, income tax receipts were posted to the General Fund.

Note 6 - Risk Management

Risk Pool Membership

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

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

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

	<u>2021</u>
Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

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 healthcare and survivor and disability benefits.

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

Ohio Police and Fire Retirement System

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

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

Social Security

One Village Council member contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The employee contributed 6.2 percent of his gross salary. The Village contributed an amount equal to 6.2 percent of the participant's gross salary. The Village has paid all contributions required through December 31, 2021.

Note 8 - Postemployment Benefits

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

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

Note 9 - Debt

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	\$1,674,233	0.29%
Ohio Public Works Commission Loans	730,392	0.00%
Vehicle and Equipment Leases	255,723	Various
AMP Ohio Bond Anticipation Note	1,090,000	Various
OMEGA JV5 Debt	305,088	Various
Total	<u>\$4,055,436</u>	

The Ohio Water Development Authority (OWDA) loans relate to the wastewater treatment plant and waterline extension projects. The Village will repay these loans through semiannual installments through the year 2052.

OWDA loan 8955 - Wastewater Treatment Plant Improvements NRD is currently “open” meaning the final disbursements have not yet been made from OWDA; therefore, future debt service requirements have not been finalized and are not presented in the amortization schedule below. As of December 31, 2021 \$1,674,233 has been disbursed from this loan.

The Ohio Public Works Commission (OPWC) loans relate to sewer system and street repairs. The Village will repay these loans through semiannual installments through the year 2050.

The American Municipal Power (AMP Ohio) Bond Anticipation Note (BAN) relates to the annual refinancing of the AMP Electric System Improvement Bond Anticipation Notes to improve the Village’s electric system.

The Omega JV5 loan relates to the purchase of Ohio Municipal Electronic Generation Agency Joint Venture (OMEGA JV5). OMEGA JV5 are distributive generation projects. An amortization schedule for the repayment of the loan is currently not available and, therefore, is not included in the schedule below.

Leases

The Village has entered into various vehicle and equipment leases. The Village disbursed \$103,864 to pay lease costs for the year ended December 31, 2021.

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Amortization

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

Year ending December 31:	OPWC Loans	AMP Ohio BAN	Equipment and Vehicle Leases
2022	\$50,449	\$1,090,000	\$82,353
2023	50,449		71,353
2024	50,449		71,382
2025	50,449		50,069
2026	50,449		
2027-2031	212,511		
2032-2036	113,442		
2037-2041	86,194		
2042-2046	51,710		
2047-2050	14,290		
Total	<u>\$730,392</u>	<u>\$1,090,000</u>	<u>\$275,157</u>

Note 10 - Miscellaneous Receipts

Enterprise Fund Type miscellaneous receipts primarily consisted of electricity production reimbursements from AMP Ohio.

Note 11 - Joint Ventures / AMP Ohio Project Participation

OMEGA JV5

The Village is a Financing Participant with an ownership percentage of .69%, and shares participation with forty-one other subdivisions within the State of Ohio in the OMEGA JV5. Financing Participants own undivided interests, as tenants in common, without right of participation in the OMEGA JV5 Project.

Pursuant to the OMEGA JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipment 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.

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

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

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

As of December 30, 2021, \$42,360,731 of the 2001 Belleville Beneficial Interest Certificates ("2001 BICs") with a final maturity of 2030 was outstanding. The 2001 BICs are capital appreciation bonds with a final aggregate maturity amount of \$56,125,000. In addition, on February 15, 2014, AMP redeemed \$70,990,000 of the 2004 Belleville Beneficial Interest Certificates with the proceeds of a draw on the Line of Credit, which draw was evidenced by the proceeds of a note (the "JV5 Note"). On January 29, 2016, OMEGA JV5 caused the issuance of \$49,745,000 Belleville Beneficial Interest Refunding Certificates, Series 2016 (the "2016 BICs") to pay a portion of the outstanding balance of the JV5 Note and to pay costs of issuance. The balance of the JV5 Note has since been retired. The 2016 BICs bear interest at a variable rate, mature on February 1, 2024 and are subject to redemption and mandatory tender at the option of the holder commencing February 15, 2021. The 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"). The 2001 BICs and 2016 BICs are non-recourse to AMP. As of December 31, 2021, \$2,131,216 on AMP's Line of Credit was allocable to the 2021 JV5 Note.

The Village's net investment and its share of the operating results of OMEGA JV5 are reported in the Village's Electric Operating Fund (an Enterprise Fund). The Village's net investment in OMEGA JV5 was \$20,488 at December 31, 2020. Complete financial statements for OMEGA JV5 can be obtained from AMP at 1111 Schrock Road, Columbus, Ohio 43229, or from the State Auditor's website at www.ohioauditor.gov.

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OMEGA JV2

The Village is a Financing Participant and an Owner Participant with percentages of liability and ownership of .19% and .15%, 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, the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the JV2 Agreement.

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

Also pursuant to this Agreement, each participant has an obligation to pay its share of debt service on Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV2, 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 JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 2021, Village has met its debt coverage obligation.

The Agreement provides that the failure of any JV2 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV2 may take certain actions including the termination of a defaulting JV2 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV2 Participant's entitlement of Project Power, which together with the share of the other non-defaulting JV2 Participants, is equal to the defaulting JV2 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 JV2 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV2 Participant's ownership share of the project prior to any such increases.

The debt was extinguished in January of 2018. The Village's net investment in OMEGA JV2 was -\$787 at December 31, 2021. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

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The thirty-six participating subdivisions and their respective ownership shares at December 31, 2021 are:

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

Combined Hydroelectric Projects

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

To provide financing for the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the “Combined Hydroelectric Bonds”), in an original aggregate principal amount of \$2,254,955,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2021, \$2,119,182,647 aggregate principal amount of the Combined Hydroelectric Bonds and approximately \$4.2 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the Combined Hydroelectric Projects of 200 kW or 0.10% of capacity and associated energy from the Combined Hydroelectric Projects.

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AMP Fremont Energy Center (AFEC)

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

To provide permanent financing for the 90.69% Interest, in 2012, AMP issued, in two series \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the “AFEC Bonds”), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. On December 20, 2017, AMP issued bonds to refund all of the callable tax-exempt AFEC Bonds issued in 2012. As of December 31, 2021, \$882,930,831 aggregate principal amount of AFEC Bonds was outstanding.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the AFEC of 925 kW or 0.20% of capacity and associated energy from the AFEC.

Prairie State Energy Campus

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

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the “Initial Prairie State Bonds”) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. On January 14, 2015 and November 30, 2017, AMP issued bonds to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of December 31, 2021, AMP had \$1,550,985,000 aggregate principal amount of Prairie State Bonds.

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

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The Village has executed a take-or-pay power sales contract with AMP as a participant of the PSEC of 896 kW or 0.24% of capacity and associated energy from the PSEC.

Solar Electricity Prepayment Project

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

The Village has executed a take-or-pay power sales contract with AMP as a participant of the System of 515 kW or 0.88% of capacity and associated energy from the System.

AMP Generating Station (AMPGS) Project

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village’s share was 1,638 kilowatts of a total 771,281 kilowatts, giving the Village a .21 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 is \$283,643. The Village received a credit of \$99,402 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$74,078 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost balance of \$110,163. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village’s payments. These amounts will be recorded as they become estimable.

Since March 31, 2014 the Village has made payments of \$22,033 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the Village’s allocation of additional costs incurred by the project is \$3,438 and interest expense incurred on AMP’s line-of-credit of \$9,201, resulting in a net impaired cost estimate at December 31, 2021 of \$73,145. The Village does have a potential PHFU Liability of \$84,126 resulting in a net total potential liability of \$157,280, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village’s credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

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Notes to the Financial Statements
For the Year Ended December 31, 2021

AMP still intends to develop this site for the construction of a generating asset; however, at December 31, 2019, the type of future generating asset had not been determined. In August 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the project. Following mediation, AMP and Bechtel reached a settlement which resolved all claims. The terms of such settlement are confidential.

Note 12 - Jointly Governed Organizations

Allen-Clay Joint Fire District

Allen-Clay Joint Fire District (the Fire District) is directed by an appointed four-member Board of Trustees. One board member is appointed by each political subdivision within the Fire District. Those subdivisions are Allen Township, Clay Township, Village of Clay Center and Village of Genoa. The Fire District provides fire protection and rescue services within the District and by contract to areas outside the Fire District. Financial information can be obtained from Lori Kepus, Fiscal Officer, Allen-Clay Joint Fire District, 3155 North Genoa-Clay Center Road, Genoa, Ohio 43430-9464.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments.

The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2021, the Village paid RITA \$28,505 for income tax collection services.

Note 13 - COVID-19

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

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:

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Notes to the Financial Statements
For the Year Ended December 31, 2021

Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Unclaimed Monies	\$25			\$25
Outstanding Encumbrances	4,152	\$8,038	\$28,917	41,107
<i>Total</i>	\$4,177	\$8,038	\$28,917	\$41,132

The fund balance of Special Revenue funds is either restricted or committed. The fund balance of Debt Service funds and Capital Projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the Special Revenue and Capital Projects funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

Note 15 - Contingent Liabilities

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

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

Note 16 - AMP Revenue Coverage

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

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Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2021

	2021
Total Fund Cash Balance	\$1,431,312
Total Long-Term Debt	1,395,088
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	1,920,580
Other Operating Receipts	507,295
Total Operating Receipts	2,427,875
 Operating Expenses	
Personal Services	213,697
Employee Fringe Benefits	144,011
Contractual Services	1,514,596
Supplies and Materials	95,403
Other	293
Total Operating Expenses	1,968,000
 Operating Income	 459,875
 Nonoperating Receipts (Disbursements)	
Other Debt Proceeds	1,100,431
Other Nonoperating Receipts	333
Principal Payments	(1,569,860)
Interest Payments	(18,605)
Other Nonoperating (Disbursements)	(35,904)
Change in Fund Cash Balance	(63,730)
Beginning Fund Cash Balance	1,495,042
Ending Fund Cash Balance	\$1,431,312

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Village of Genoa
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Notes to the Financial Statements
For the Year Ended December 31, 2021

Condensed Cash Flows Information:	2021
Net Cash Provided by:	
Operating Activities	\$459,875
Capital and Related Financing Activities	
Proceeds of Capital Debt	1,100,431
Principal Payments on Capital and Related Debt	(1,569,860)
Interest Payments on Capital and Related Debt	(18,605)
Other Capital and Related Financing Activities	(35,571)
Net Cash Used by Noncapital Financing Activities	(523,605)
Net Decrease	(63,730)
Beginning Fund Cash Balance	1,495,042
Ending Fund Cash Balance	\$1,431,312

Note 17 - Subsequent Event

The Village's AMP Ohio Bond Anticipation Note rolled over on December 8, 2022 in the amount of \$790,000 with a maturity date of December 7, 2023.

Note 18 - Compliance

Contrary to Ohio law, the Village made unallowable transfers from the State Highway, Special Projects, and Utility Deposit funds to the Street Operating Fund.

Village of Genoa
Ottawa County
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts					
Property and Other Local Taxes	\$157,652	\$75,493			\$233,145
Municipal Income Tax	901,595				901,595
Intergovernmental	40,754	311,764		\$177,535	530,053
Charges for Services		4,411			4,411
Special Assessments		300			300
Fines, Licenses and Permits	1,765				1,765
Earnings on Investments	25,647	17,417			43,064
Miscellaneous	22,436	5,980		2,349	30,765
<i>Total Cash Receipts</i>	<u>1,149,849</u>	<u>415,365</u>		<u>179,884</u>	<u>1,745,098</u>
Cash Disbursements					
Current:					
Security of Persons and Property	467,995	27,453			495,448
Leisure Time Activities		43,925			43,925
Community Environment	5,227	150			5,377
Basic Utility Services		17,267			17,267
Transportation		123,223			123,223
General Government	375,716	7,522			383,238
Capital Outlay	22,901	94,816		803,201	920,918
Debt Service:					
Principal Retirement		14,136	\$24,184	24,483	62,803
Interest and Fiscal Charges		2,802	284		3,086
<i>Total Cash Disbursements</i>	<u>871,839</u>	<u>331,294</u>	<u>24,468</u>	<u>827,684</u>	<u>2,055,285</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>278,010</u>	<u>84,071</u>	<u>(24,468)</u>	<u>(647,800)</u>	<u>(310,187)</u>
Other Financing Receipts (Disbursements)					
Other Debt Proceeds				580,964	580,964
Transfers In			24,796	296,831	321,627
Transfers Out	(296,831)				(296,831)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(296,831)</u>		<u>24,796</u>	<u>877,795</u>	<u>605,760</u>
<i>Net Change in Fund Cash Balances</i>	<u>(18,821)</u>	<u>84,071</u>	<u>328</u>	<u>229,995</u>	<u>295,573</u>
<i>Fund Cash Balances, January 1</i>	<u>388,369</u>	<u>267,621</u>	<u>19,863</u>	<u>74,420</u>	<u>750,273</u>
<i>Fund Cash Balances, December 31</i>	<u>\$369,548</u>	<u>\$351,692</u>	<u>\$20,191</u>	<u>\$304,415</u>	<u>\$1,045,846</u>

See accompanying notes to the financial statements

Village of Genoa
Ottawa County
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2020

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$3,055,742
Miscellaneous	495,835
	<u>3,551,577</u>
<i>Total Operating Cash Receipts</i>	<i>3,551,577</i>
Operating Cash Disbursements	
Personal Services	425,539
Employee Fringe Benefits	273,398
Contractual Services	2,243,819
Supplies and Materials	167,184
Other	661
	<u>3,110,601</u>
<i>Total Operating Cash Disbursements</i>	<i>3,110,601</i>
<i>Operating Income</i>	<i>440,976</i>
Non-Operating Receipts (Disbursements)	
Other Debt Proceeds	1,485,000
Miscellaneous Receipts	21,630
Capital Outlay	(7,047)
Principal Retirement	(2,068,578)
Interest and Other Fiscal Charges	(42,799)
	<u>(611,794)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(611,794)</i>
<i>Loss Before Transfers</i>	<i>(170,818)</i>
Transfers Out	(24,796)
	<u>(24,796)</u>
<i>Net Change in Fund Cash Balances</i>	<i>(195,614)</i>
<i>Fund Cash Balances, January 1</i>	<i>2,716,904</i>
	<u>2,716,904</u>
<i>Fund Cash Balances, December 31</i>	<i>\$2,521,290</i>
	<u>\$2,521,290</u>

See accompanying notes to the financial statements

Village of Genoa
Ottawa County
Combined Statement of Additions, Deductions, and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2020

	Custodial
	Other Custodial
Additions	
Amounts Held for Employees	\$17,101
Other Amounts Collected for Distribution	1,919
	19,020
<i>Total Additions</i>	<i>19,020</i>
Deductions	
Distributions on Behalf of Employees	32,033
	(13,013)
<i>Net Change in Fund Cash Balances</i>	<i>(13,013)</i>
<i>Fund Cash Balances, January 1</i>	<i>(13,229)</i>
<i>Fund Cash Balances, December 31</i>	<i>(\$26,242)</i>

See accompanying notes to the financial statements

Village of Genoa
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Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 - Reporting Entity

The Village of Genoa, Ottawa County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general governmental services such as police protection, parks and recreation, building inspection, street maintenance and repairs, and water, sewer, electric, and refuse utility services.

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

The Village participates in a public entity risk pool, several joint ventures and two jointly governed organizations. Notes 6, 11 and 12 to the financial statements provides additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

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, a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type, and a combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) for the fiduciary fund type, 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 Operating Fund The Street Operating 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.

Coronavirus Relief Fund The Coronavirus Relief Fund received monies from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to be used for eligible expenses.

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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:

Equipment Debt Fund The Equipment Debt Fund uses transfers to pay principal and interest on various debt of the Village.

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

Capital Projects Fund The Capital Projects Fund accounts for and reports the receipt of a portion of the Village income tax through transfers committed by Council for the purpose of improving, constructing, and purchasing those items necessary to enhance the operation of the Village. This fund also received grants and loans for wastewater treatment plant improvement 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 Fund:

Electric Operating Fund The Electric Operating Fund accounts for the provision of electric services to the residents, non-residents, and commercial users utilizing this utility.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village did not have any trust funds.

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 funds account for health and flexible spending account activity.

Basis of Accounting

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

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

Budgetary Process

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

Village of Genoa
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For the Year Ended December 31, 2020

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

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

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

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

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

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

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.

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.

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.

Village of Genoa
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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*.

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

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,084,010	\$1,149,849	\$65,839
Special Revenue	458,448	415,365	(43,083)
Debt Service	34,000	24,796	(9,204)
Capital Projects	2,916,347	1,057,679	(1,858,668)
Enterprise	5,213,700	5,058,207	(155,493)
Total	\$9,706,505	\$7,705,896	(\$2,000,609)

2020 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,406,241	\$1,170,931	\$235,310
Special Revenue	552,725	333,164	219,561
Debt Service	25,000	24,468	532
Capital Projects	2,922,830	827,684	2,095,146
Enterprise	6,512,081	5,257,144	1,254,937
Total	\$11,418,877	\$7,613,391	\$3,805,486

Village of Genoa
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Notes to the Financial Statements
For the Year Ended December 31, 2020

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 investments accounts are as follows:

	2020
<i>Cash Management Pool (the Pool):</i>	
Demand deposits	(\$252,686)
Certificates of deposit	2,428,215
Other time deposits (savings and NOW accounts)	1,355,147
Total deposits	3,530,676
STAR Ohio	10,218
Total carrying amount of deposits and investments held in the Pool	\$3,540,894

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.

Deposits

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

Investments

Investments in STAR Ohio 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 homestead and rollback deductions. The financial statements include homestead and rollback 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.

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For the Year Ended December 31, 2020

Income Taxes

The Village levies a 1.5 percent income tax on substantially all income earned in the Village as well as certain income of residents earned outside the Village. The Village contracts with Regional Income Tax Authority (RITA) to administer the Village municipal income taxes.

Employers within the Village withhold income tax on employee compensation and remit the tax to RITA either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. In 2020, income tax receipts were posted to the General Fund.

Note 6 - Risk Management

Risk Pool Membership

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

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

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

	<u>2020</u>
Cash and investments	\$40,318,971
Actuarial liabilities	\$14,111,510

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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

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Notes to the Financial Statements
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Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members’ wages. The Village has paid all contributions required through December 31, 2020.

Social Security

One Village Council member contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

The employee contributed 6.2 percent of his gross salary. The Village contributed an amount equal to 6.2 percent of the participant’s gross salary. The Village has paid all contributions required through December 31, 2020.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

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

Note 9 - Debt

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans	\$623,771	Various
Ohio Public Works Commission Loans	780,842	0.00%
Vehicle and Equipment Leases	216,110	Various
AMP Ohio Bond Anticipation Note	1,485,000	0.40%
OMEGA JV5 Debt	367,729	Various
Total	<u>\$3,473,452</u>	

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The Ohio Water Development Authority (OWDA) loans relate to the wastewater treatment plant and waterline extension projects. The Village will repay these loans through semiannual installments through the year 2052.

OWDA loan 8955 - Wastewater Treatment Plant Improvements NRD is currently “open” meaning the final disbursements have not yet been made from OWDA; therefore, future debt service requirements have not been finalized and are not presented in the amortization schedule below. As of December 31, 2020 \$581,200 has been disbursed from this loan.

The Ohio Public Works Commission (OPWC) loans relate to sewer system and street repairs. The Village will repay these loans through semiannual installments through the year 2050.

The American Municipal Power (AMP Ohio) Bond Anticipation Note (BAN) relates to the annual refinancing of the AMP Electric System Improvement Bond Anticipation Notes to improve the Village’s electric system.

The Omega JV5 loan relates to the purchase of Ohio Municipal Electronic Generation Agency Joint Venture (OMEGA JV5). OMEGA JV5 are distributive generation projects. An amortization schedule for the repayment of the loan is currently not available and, therefore, is not included in the schedule below.

Leases

The Village has entered into various vehicle and equipment leases. The Village disbursed \$95,830 to pay lease costs for the year ended December 31, 2020.

Amortization

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

Year ending December 31:	OPWC Loans	OWDA Loans	AMP Ohio BAN	Equipment and Vehicle Leases
2021	\$50,449	\$44,274	\$1,485,000	\$71,295
2022	50,449			49,684
2023	50,449			38,813
2024	50,449			38,813
2025	50,449			38,813
2026-2030	231,863			
2031-2035	125,197			
2036-2040	91,459			
2041-2045	60,963			
2046-2050	19,115			
Total	\$780,842	\$44,274	\$1,485,000	\$237,418

Village of Genoa
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Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 10 - Miscellaneous Receipts

Enterprise Fund Type miscellaneous receipts primarily consisted of electricity production reimbursements from AMP Ohio.

Note 11 - Joint Ventures / AMP Ohio Project Participation

OMEGA JV5

The Village is a Financing Participant with an ownership percentage of .69%, and shares participation with forty-one other subdivisions within the State of Ohio in the OMEGA JV5. Financing Participants own undivided interests, as tenants in common, without right of participation in the OMEGA JV5 Project.

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

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

Also pursuant to this Agreement, each participant has an obligation to pay its share of debt service on Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 2020, Village has met its debt coverage obligation.

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

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

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As of December 30, 2020, \$40,112,110 of the 2001 Belleville Beneficial Interest Certificates (“2001 BICs”) with a final maturity of 2030 was outstanding. The 2001 BICs are capital appreciation bonds with a final aggregate maturity amount of \$56,125,000. In addition, on February 15, 2014, AMP redeemed \$70,990,000 of the 2004 Belleville Beneficial Interest Certificates with the proceeds of a draw on the Line of Credit, which draw was evidenced by the proceeds of a note (the “JV5 Note”). On January 29, 2016, OMEGA JV5 caused the issuance of \$49,745,000 Belleville Beneficial Interest Refunding Certificates, Series 2016 (the “2016 BICs”) to pay a portion of the outstanding balance of the JV5 Note and to pay costs of issuance. The balance of the JV5 Note has since been retired. The 2016 BICs bear interest at a variable rate, mature on February 1, 2024 and are subject to redemption and mandatory tender at the option of the holder commencing February 15, 2021. The 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”). The 2001 BICs and 2016 BICs are non-recourse to AMP. As of December 31, 2020, the outstanding debt was \$53,627,110.

The Village’s net investment and its share of the operating results of OMEGA JV5 are reported in the Village’s Electric Operating Fund (an Enterprise Fund). The Village’s net investment in OMEGA JV5 was \$20,488 at December 31, 2020. Complete financial statements for OMEGA JV5 can be obtained from AMP at 1111 Schrock Road, Columbus, Ohio 43229, or from the State Auditor’s website at www.ohioauditor.gov.

OMEGA JV2

The Village is a Financing Participant and an Owner Participant with percentages of liability and ownership of .19% and .15%, 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, the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the JV2 Agreement.

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

Also pursuant to this Agreement, each participant has an obligation to pay its share of debt service on Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant’s System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV2, the net assets will be shared by the financing participants on a percentage of ownership basis.

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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 JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 2020, the Village has met its debt coverage obligation.

The Agreement provides that the failure of any JV2 participant to makes any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV2 may take certain actions including the termination of a defaulting JV2 Participant’s entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV2 Participant’s entitlement of Project Power, which together with the share of the other non-defaulting JV2 Participants, is equal to the defaulting JV2 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 JV2 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV2 Participant’s ownership share of the project prior to any such increases.

The debt was extinguished in January of 2018. The Village's net investment in OMEGA JV2 was -\$48 at December 31, 2020. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2018 are:

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

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Combined Hydroelectric Projects

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

To provide financing for the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the “Combined Hydroelectric Bonds”), in an original aggregate principal amount of \$2,254,955,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2020, \$2,140,742,059 aggregate principal amount of the Combined Hydroelectric Bonds and approximately \$23 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the Combined Hydroelectric Projects of 200 kW or 0.10% of capacity and associated energy from the Combined Hydroelectric Projects.

AMP Fremont Energy Center (AFEC)

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

To provide permanent financing for the 90.69% Interest, in 2012, AMP issued, in two series \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the “AFEC Bonds”), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. On December 20, 2017, AMP issued bonds to refund all of the callable tax-exempt AFEC Bonds issued in 2012. As of December 31, 2020, \$625,094,998 aggregate principal amount of AFEC Bonds was outstanding.

The Village has executed a take-or-pay power sales contract with AMP as a participant of the AFEC of 925 kW or 0.20% of capacity and associated energy from the AFEC.

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Prairie State Energy Campus

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

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the “Initial Prairie State Bonds”) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. On January 14, 2015 and November 30, 2017, AMP issued bonds to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of December 31, 2018, AMP had \$1,608,075,000 aggregate principal amount of Prairie State Bonds.

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

The Village has executed a take-or-pay power sales contract with AMP as a participant of the PSEC of 896 kW or 0.24% of capacity and associated energy from the PSEC.

Solar Electricity Prepayment Project

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

The Village has executed a take-or-pay power sales contract with AMP as a participant of the System of 515 kW or 0.88% of capacity and associated energy from the System.

AMP Generating Station (AMPGS) Project

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village’s share was 1,638 kilowatts of a total 771,281 kilowatts, giving the Village a .21 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.

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 is \$283,643. The Village received a credit of \$99,402 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$74,078 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost balance of \$110,163. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. These amounts will be recorded as they become estimable.

Since March 31, 2014 the Village has made payments of \$22,033 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$3,438 and interest expense incurred on AMP's line-of-credit of \$9,201, resulting in a net impaired cost estimate at December 31, 2020 of \$72,468. The Village does have a potential PHFU Liability of \$83,387 resulting in a net total potential liability of \$155,855, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property. AMP still intends to develop this site for the construction of a generating asset; however, at December 31, 2019, the type of future generating asset had not been determined. In August 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the project. Following mediation, AMP and Bechtel reached a settlement which resolved all claims. The terms of such settlement are confidential.

Note 12 - Jointly Governed Organizations

Allen-Clay Joint Fire District

Allen-Clay Joint Fire District (the Fire District) is directed by an appointed four-member Board of Trustees. One board member is appointed by each political subdivision within the Fire District. Those subdivisions are Allen Township, Clay Township, the Village of Clay Center and the Village of Genoa. The Fire District provides fire protection and rescue services within the District and by contract to areas outside the Fire District. Financial information can be obtained from Lori Kepus, Fiscal Officer, Allen-Clay Joint Fire District, 3155 North Genoa-Clay Center Road, Genoa, Ohio 43430-9464.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2021, the Village paid RITA \$26,441 for income tax collection services.

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 13 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$403		\$403
Outstanding Encumbrances	2,261	\$1,870	4,131
<i>Total</i>	\$2,664	\$1,870	\$4,534

The fund balance of Special Revenue funds is either restricted or committed. The fund balance of Debt Service funds and Capital Projects funds are restricted, committed, or assigned. These restricted and committed amounts in the Special Revenue funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

Note 15 - Contingent Liabilities

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

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. 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 Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 16 - AMP Revenue Coverage

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

	<u>2020</u>
Total Fund Cash Balance	\$1,495,042
Total Long-Term Debt	1,852,729
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	1,877,447
Other Operating Receipts	<u>478,114</u>
Total Operating Receipts	<u>2,355,561</u>
 Operating Expenses	
Personal Services	196,680
Employee Fringe Benefits	126,613
Contractual Services	1,444,202
Supplies and Materials	79,408
Other	<u>661</u>
Total Operating Expenses	<u>1,847,564</u>
 Operating Income	<u>507,997</u>
 Nonoperating Receipts (Disbursements)	
Other Debt Proceeds	1,485,000
Other Nonoperating Receipts	6,914
Principal Payments	(2,028,539)
Interest Payments	(39,495)
Other Nonoperating (Disbursements)	(289)
Transfers	<u>(8,260)</u>
Change in Fund Cash Balance	(76,672)
Beginning Fund Cash Balance	<u>1,571,714</u>
Ending Fund Cash Balance	<u><u>\$1,495,042</u></u>

Village of Genoa
Ottawa County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Condensed Cash Flows Information:	2020
Net Cash Provided by:	
Operating Activities	\$507,997
Capital and Related Financing Activities	
Proceeds of Capital Debt	1,485,000
Principal Payments on Capital and Related Debt	(2,028,539)
Interest Payments on Capital and Related Debt	(39,495)
Other Capital and Related Financing Activities	(1,635)
Net Cash Used by Noncapital Financing Activities	(584,669)
Net Decrease	(76,672)
Beginning Fund Cash Balance	1,571,714
Ending Fund Cash Balance	\$1,495,042

Note 17 - Change in Accounting Principle

For 2020, the Village has made changes to its cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) - all governmental fund types.

Note 18 - Subsequent Event

The Village's AMP Ohio Bond Anticipation Note rolled over on December 9, 2021 for \$1,090,000 with a maturity date of December 8, 2022.

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OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

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

Village of Genoa
Ottawa County
102 East 6th Street
Genoa, Ohio 43430

To the Village of Council:

We have audited, in accordance the 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, 2021 and 2020 and the related notes to the financial statements of the Village of Genoa, Ottawa County, Ohio (the Village) and have issued our report thereon dated April 28, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent period of the Village.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2021-002.

Village's Response to Findings

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

April 28, 2023

VILLAGE OF GENOA
OTTAWA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020

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

FINDING NUMBER 2021-001

Material Weakness - Financial Reporting

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

The following errors requiring adjustment to the financial statements and notes to the financial statements were identified:

- In 2021, Special Revenue Fund Type intergovernmental receipts in the amount of \$56,747 were incorrectly classified as property and other taxes receipts;
- In 2021, Capital Projects Fund Type other debt proceeds receipts in the amount of \$1,088,893 were incorrectly classified as intergovernmental revenue receipts;
- In 2020, Debt Service Fund Type principal retirement and interest and fiscal charges disbursements in the amounts of \$24,184 and \$284, respectively, were incorrectly classified as capital outlay disbursements; and
- In 2020, Capital Projects Fund Type other debt proceeds receipts in the amount of \$580,964 were incorrectly classified as intergovernmental revenue receipts.

These errors were not identified and corrected prior to the Village preparing its financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. The failure to adequately monitor financial statements and notes to the financial statements could allow for misstatements to occur and go undetected. The accompanying financial statements have been adjusted to reflect these changes. In addition to the adjustments noted above, we also identified additional immaterial misstatements ranging from \$1,223 to \$35,883 that we have brought to the Village's attention.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate and to help identify and correct errors and omissions, the Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Village Council. The Fiscal Officer can refer to the Village Officer's Handbook at the following website address for guidance on the recording of transactions:
<https://ohioauditor.gov/publications/docs/Village%20Officers%20Manual.pdf>.

Officials' Response:

The Fiscal Officer will review the posting errors indicated and take them into consideration for future audits.

FINDING NUMBER 2021-002

Noncompliance Citation and Material Weakness

Ohio Rev. Code §§ 5705.15 and 5705.16 provide, in addition to the transfers **Ohio Rev. Code § 5705.14** authorizes, the taxing authority of any political subdivision, with the approval of the Tax Commissioner, may transfer from one fund to another any public funds under its supervision, except the proceeds or balances of loans, bond issues, special levies for the payment of loans or bond issues, the proceeds or balances of funds derived from any excise tax levied by law for a specified purpose, and the proceeds or balances of any license fees imposed by law for a specified purpose.

During 2021 the Village transferred \$75,000 from the State Highway Fund, \$10,000 from the Special Projects Fund, and \$73,887 from the Utility Deposit Fund to the Street Operating Fund (\$158,887 total), which were not permitted, in the case of the transfer from the State Highway Fund, nor approved by the Tax Commissioner, in the case of the transfers from the Special Projects Fund and Utility Deposit Fund, pursuant to Ohio Rev. Code §§ 5705.15 and 5705.16. These matters occurred due to deficiencies in the Village's internal controls over compliance. The lack of controls over the transfer of funds decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The financial statements and Village accounting records have subsequently been adjusted to correct these errors.

The Village should develop policies and procedures to help ensure transfers are made in accordance with the provisions outlined above.

Officials' Response:

Transfers were done under the legal guidance of Village Solicitor Brian Ballenger. All documentation was legally submitted to, reviewed by and filed in Ottawa County Courts and approved by Ottawa County Judge Bruce Winters. Transfers have been reversed - see Ordinance #27-2023.



Where friends become family, moments become memories, and hard work is handed down.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 DECEMBER 31, 2021 AND 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Material weakness for errors in financial reporting initially reported as Finding 2013-001.	Not corrected and reissued as Finding 2021-001 in this report.	This matter was not corrected due to deficiencies in the Village's internal controls over financial reporting. The Fiscal Officer will review the posting errors in question and take them into consideration for future audits.
2019-002	Ohio Rev. Code § 5705.39 for appropriations exceeding certified resources.	Fully corrected.	
2019-003	Ohio Rev. Code § 5705.41(B) for expenditures exceeding appropriations.	Fully corrected.	

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF GENOA

OTTAWA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 5/11/2023

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

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