

GENOA TOWNSHIP
DELAWARE COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**



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

Board of Trustees
Genoa Township
5111 S. Old 3C Highway
Westerville, Ohio 43082

We have reviewed the *Independent Auditor's Report* of Genoa Township, Delaware County, prepared by Julian & Grube, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

August 25, 2021

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**GENOA TOWNSHIP
DELAWARE COUNTY**

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Independent Auditor's Report

Genoa Township
Delaware County
5111 S. Old 3C Highway
Westerville, Ohio 43082

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2020, and related notes of Genoa Township, Delaware County, Ohio.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), as described in Note 1. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Genoa Township's preparation and fair presentation of the financial statements 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 Genoa Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 1, the financial statements are prepared by Genoa Township, on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D).

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Though Genoa Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the "Unmodified Opinion on Regulatory Basis of Accounting" paragraph below.

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" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Genoa Township, as of December 31, 2020, or changes in net position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2020, and related notes of Genoa Township, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) as described in Note 1.

Emphasis of Matters

As described in Note 11 to the financial statements, during 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of Genoa Township. As described in Note 13 to the financial statements, during 2020 the Township adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types. We did not modify our opinions regarding these matters.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Genoa Township's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021 on our consideration of Genoa Township's internal control over financial reporting and on 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 Genoa Township'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 Genoa Township's internal control over financial reporting and compliance.



**GENOA TOWNSHIP
DELAWARE COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Taxes	\$ 1,441,100	\$ 12,958,831	\$ -	\$ 741,222	\$ 15,141,153
Charges for Services	-	313,942	-	-	313,942
Licenses, Permits, and Fees	44,605	2,016	-	-	46,621
Fines, Licenses and Permits	15,904	918	-	-	16,822
Intergovernmental	294,925	2,993,265	-	2,858	3,291,048
Special Assessments	-	-	-	-	-
Earnings on Investments	235,596	4,094	-	51,733	291,423
Miscellaneous	9,593	39,865	-	-	49,458
Total Cash Receipts	<u>2,041,723</u>	<u>16,312,931</u>	<u>-</u>	<u>795,813</u>	<u>19,150,467</u>
Cash Disbursements:					
Current:					
General Government	1,256,749	66,723	-	4,481	1,327,953
Public Safety	-	8,591,760	-	-	8,591,760
Public Works	-	1,723,583	-	-	1,723,583
Health	-	1,295	-	-	1,295
Conservation-Recreation	202,647	-	-	-	202,647
Capital Outlay	145,507	2,878,842	-	6,903,804	9,928,153
Debt Service:					
Principal Retirement	-	-	-	710,000	710,000
Interest and Fiscal Charges	-	-	-	294,500	294,500
Total Cash Disbursements	<u>1,604,903</u>	<u>13,262,203</u>	<u>-</u>	<u>7,912,785</u>	<u>22,779,891</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>436,820</u>	<u>3,050,728</u>	<u>-</u>	<u>(7,116,972)</u>	<u>(3,629,424)</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	-	-	350,000	350,000
Transfers Out	-	(350,000)	-	-	(350,000)
Other Financing Uses	-	(35,108)	-	-	(35,108)
Total Other Financing Receipts (Disbursements)	<u>-</u>	<u>(385,108)</u>	<u>-</u>	<u>350,000</u>	<u>(35,108)</u>
Net Change in Fund Cash Balances	436,820	2,665,620	-	(6,766,972)	(3,664,532)
Fund Cash Balances, January 1, Restated	2,949,499	15,167,560	1,387	9,549,528	27,667,974
Fund Cash Balances, December 31	<u>\$ 3,386,319</u>	<u>\$ 17,833,180</u>	<u>\$ 1,387</u>	<u>\$ 2,782,556</u>	<u>\$ 24,003,442</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**GENOA TOWNSHIP
DELAWARE COUNTY, OHIO**

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
	Internal Service
Operating Cash Receipts:	
Charges for Services	\$ 1,481,303
<i>Total Operating Cash Receipts</i>	1,481,303
Operating Cash Disbursements:	
Purchased Services	489,743
Claims	1,023,997
<i>Total Operating Cash Disbursements</i>	1,513,740
<i>Operating Income (Loss)</i>	(32,437)
Net Change in Fund Cash Balances	(32,437)
Fund Cash Balances, January 1	32,437
Fund Cash Balances, December 31	\$ -

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Genoa Township, Delaware County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees and Township Fiscal Officer directs the Township. The Township provides zoning and development, parks, road and bridge maintenance, cemetery maintenance, police protection, fire protection, emergency medical services and other administrative services.

The Township participates in the Ohio Plan Risk Management, Inc. (OPRM) public entity risk pool. OPRM is an unincorporated non-profit association providing a formalized, jointly administered, self-insurance risk management program and other administrative services to member Ohio governments. Note 7 to the financial statements provides additional information for this entity.

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

B. Accounting Basis

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

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

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

The Township 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 Township are presented below in Item D.

C. Deposits and Investments

The Township'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 Township values federal securities and commercial paper at cost. Money market mutual funds are recorded at share values the mutual funds report. 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.

A summary of 2020 deposits and investments appears below in Note 2.

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. 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 Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

2. Special Revenue Funds

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

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Police Fund - This fund receives property tax money and other revenues collected to fund the Township's police department.

Fire District Fund - This fund receives property tax money and other revenues collected to fund the Township's fire department.

3. Debt Service Funds

These funds account for and report financial resources that are restricted to expenditure for principal and interest.

4. Capital Project Funds

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

Police Capital Projects Fund - This fund is to account for transfers of excess funds from the Police Special Revenue Fund which are being set aside by the township for future purchases for the police department.

Fire Capital Projects Fund - This fund is to account for transfers of excess funds from the Fire District Special Revenue Fund which are being set aside by the township for future purchases for the fire department.

Police Station-Capital Projects - This fund is to account for the construction of a new police station for the police department.

Road & Bridge Projects Fund - This fund is to account for transfers of excess funds from the Road & Bridge Special Revenue Fund which are being set aside by the township for future purchases for the road department.

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Bond-Police Station - This fund received property tax money from a \$7 million bond approved by the residents in November 2018 for the construction of a new police facility. The money will be used to make principal and interest payments on the outstanding Police Station General Obligation Bonds.

5. Internal Service Fund

This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

Self-funded Insurance Medical Fund - The self-funded insurance medical fund accounts for insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (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 Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. 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.

3. Encumbrances

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

A summary of 2020 budgetary activity appears below in Note 3.

F. Fund Balance

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

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. Non-spendable

The Township classifies assets as *non-spendable* 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 Township and the nonspendable portion of the corpus in permanent funds.

2. 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.

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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.

4. Assigned

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

5. 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 Township 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 12.

G. Property, Plant, and Equipment

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

H. 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.

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

		2020
Demand Deposits		\$291,307
Certificates of Deposit		\$8,048,000
	Total Deposits	\$8,339,307
Commercial Paper		\$2,984,880
Federal Securities		\$4,200,000
Muni		\$1,221,064
Money Market		\$1,006,257
STAR Ohio		\$6,251,934
	Total Investments	\$15,664,135
Total Deposits and Investments		\$24,003,442

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: A financial institution's trust department holds the Township's commercial paper and Federal securities in book entry form in the Township's name.

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2020 as follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,992,629	\$2,041,723	49,094
Special Revenue	\$15,889,111	\$16,312,927	423,816
Capital Projects	\$1,856,719	\$1,145,813	(710,906)
Internal Service Fund	\$1,593,200	\$1,481,303	(111,897)
Total	\$21,331,659	\$20,981,766	(349,893)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,294,216	\$1,655,879	\$638,337
Special Revenue	\$16,146,778	\$13,946,870	\$2,199,908
Capital Projects	\$8,868,029	\$8,589,945	\$278,084
Internal Service Fund	\$1,593,200	\$1,513,740	\$79,460
Total	\$28,902,223	\$25,706,434	\$3,195,789

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

4. PROPERTY TAX

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

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

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

5. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Township employees, other than full-time firefighters, 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 postemployment 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 Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Retirement Rates	Year	Member Rate	Employer Rate
OPERS – Local	2012-2020	10.00%	14.00%
OPERS – Public Safety	2014-2020	12.00%	18.10%
OPERS – Law Enforcement	2014-2020	13.00%	18.10%

Ohio Police and Fire Retirement System

Township full-time firefighters 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 Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2020.

Retirement Rates	Year	Member Rate	Employer Rate
OP&F- full time firefighters	2020	12.25%	24%

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

6. 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. 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.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Risk Pool Membership

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

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

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM’s property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019 (the latest information available).

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

7. RISK MANAGEMENT- (Continued)

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020:

2020	
Assets	\$18,826,974
Liabilities	(\$13,530,267)
Members' Equity	\$5,296,707

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

8. SELF-INSURANCE MEDICAL INSURANCE

The Township is self-insured for employee's medical health insurance. The Self Insurance Fund pays covered claims to service providers and recovers these costs from charges to other funds based on claims approved by the claims administrator. A comparison of Self Insurance Fund cash and investments to the actuarially measured liability as of December 31, 2020 follows:

2020	
Cash & Investments	\$0
Actuarial Liabilities	\$139,500

9. CONTINGENT LIABILITIES

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

Amounts grantor agencies pay to the township 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.

10. DEBT

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$5,510,000	5%
Total	\$5,510,000	

The Township issued general obligation bonds in 2019 to finance the construction of a new police facility to house Genoa Township Police Department. The Township's taxing authority collateralized the bonds. This bond will be paid from the bond-police station fund, a capital projects fund, in annual installments for 10 years with interest at 5%.

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

10. DEBT- (Continued)

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

Year Ending December 31:	General Obligation Bonds
2021	\$ 989,000
2022	847,500
2023	751,250
2024	783,250
2025	797,250
2026 - 2030	2,497,000
Total	<u><u>\$6,665,250</u></u>

11. 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. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

12. FUND BALANCE

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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 facilities effective cash planning and control. At year end the balances of these amounts were as follows:

At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Total
Outstanding Encumbrances	50,976	299,562	-	677,160	1,027,698
Total	<u>\$50,976</u>	<u>\$299,562</u>	<u>\$ -</u>	<u>\$ 677,160</u>	<u>\$1,027,698</u>

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. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

13. CHANGE IN ACCOUNTING PRINCIPLE

For 2020, the Township has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types. However, the Township did not have any fiduciary funds to report for 2020. Therefore, there was no effect of this change to beginning cash balances.

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

14. FUND BALANCE RESTATEMENT

For 2020, the Township restated the beginning General, Police, and Fire fund balances due to voiding of checks issued in error during a prior year. Below are the restated fund amounts:

	Balance January 1, 2020	Adjustment	Restated Balance
General Fund	\$2,949,486	\$13	\$2,949,499
Police Fund	\$6,678,035	\$7,040	\$6,685,075
Fire Fund	\$5,750,145	\$675	\$5,750,820

SUPPLEMENTARY INFORMATION

**GENOA TOWNSHIP
DELAWARE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed Through N/A:</i>			
Bulletproof Vest Partnership Program	16.607	N/A	<u>3,187</u>
Total U.S. Department of Justice			<u>3,187</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>			
<i>Passed Through Ohio Office of Budget and Management:</i>			
COVID-19 - Coronavirus Relief Fund	21.019	HB481-CRF-Local	<u>995,533</u>
Total U.S. Department of the Treasury			<u>995,533</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through N/A:</i>			
COVID-19 - Provider Relief Fund	93.498	N/A	<u>5,259</u>
Total U.S. Department of Health and Human Services			<u>5,259</u>
Total Federal Financial Assistance			<u>\$ 1,003,979</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) This schedule includes the federal award activity of Genoa Township under programs of the federal government for the year ended December 31, 2020 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Genoa Township, it is not intended to and does not present the financial position, or changes in fund balances of Genoa Township.
- (B) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The Township has not elected to use the 10% de minimis indirect cost rate.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

Genoa Township
Delaware County
5111 S. Old 3C Highway
Westerville, Ohio 43082

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type of Genoa Township, Delaware County, Ohio, as of and for the year ended December 31, 2020, and the related notes to the financial statements and have issued our report thereon dated June 25, 2021, wherein we noted as described in Note 1 to the financial statements, Genoa Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. As described in Note 11 to the financial statements, during 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of Genoa Township. As described in Note 13 to the financial statements, during 2020 the Township adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Genoa Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Genoa Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Genoa Township'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 Genoa Township'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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Genoa Township's Response to Finding

Genoa Township's response to the finding identified in our audit is described in the accompanying corrective action plan. Genoa Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Julian & Grube, Inc.

Julian & Grube, Inc.
June 25, 2021

**Independent Auditor's Report on Compliance for the Major Program
and on Internal Control Over Compliance Required by
the Uniform Guidance**

Genoa Township
Delaware County
5111 S. Old 3C Highway
Westerville, Ohio 43082

To the Board of Trustees:

Report on Compliance for the Major Federal Program

We have audited Genoa Township's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Genoa Township's major federal program for the year ended December 31, 2020. Genoa Township's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Genoa Township's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) as described in Note 1; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Genoa Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Genoa Township's compliance.

Opinion on the Major Federal Program

In our opinion, Genoa Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of Genoa Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Genoa Township's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Genoa Township's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
June 25, 2021

**GENOA TOWNSHIP
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	COVID-19 – Coronavirus Relief Fund; #21.019
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**GENOA TOWNSHIP
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2020-001

Significant Deficiency - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made.

Certain adjustments were made to the financial statements and note disclosures for the year ended December 31, 2020 to properly state amounts. The audited financial statements, note disclosures, and Township records have been adjusted for the misstatements identified during the audit.

Control procedures not properly developed related to the financial reporting process limit management’s ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

We recommend Genoa Township implement additional control procedures that enable management to more-timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors. The Township should consider having an outside third-party or Board member with financial experience review the financial report prior to filing through the Hinkle System. Further, the Township should reach out to its auditor throughout the year if questions arise on how to properly account for receipts or disbursements.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

**GENOA TOWNSHIP
DELAWARE COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2020**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2019-001	2018	<u>Significant Deficiency – Financial Statement Reporting</u> - The presentation of a materially correct financial statement and related notes is the responsibility of management and is an important part of the Township’s overall purpose. Financial reporting requires internal controls to help ensure the accuracy of the activity reported. Certain adjustments were posted to the audited financial statement to make them materially correct.	Not Corrected	Repeated as finding 2020-001



KARL R. GEBHARDT
RENEE VAUGHAN
CONNIE M. GOODMAN
BOARD OF TRUSTEES

PATRICK MYERS
FISCAL OFFICER

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2020

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	The Township will work to provide a sound fiscal environment and has implemented additional policies and procedures to help with financial statement presentation.	2021	Patrick Myers, Fiscal Officer

OHIO AUDITOR OF STATE KEITH FABER



GENOA TOWNSHIP

DELAWARE 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 9/7/2021

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