

VILLAGE OF LODI

MEDINA COUNTY

Regular Audit

For the Years Ended December 31, 2023 and 2022



OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Lodi
110 Ainsworth Street
Lodi, Ohio 44254

We have reviewed the *Independent Auditor's Report* of the Village of Lodi, Medina County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 22, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Lodi 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

July 02, 2024

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Village of Lodi
Medina County
For the Years Ended December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

Village of Lodi
Medina County
110 Ainsworth Street
Lodi, Ohio 44254

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 Lodi, Medina County, Ohio (the Village), which comprise the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the years ended December 31, 2023 and 2022, 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 as of and for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, or the changes in financial position or its 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 Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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


- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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 May 10, 2024 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.



Charles E. Harris & Associates, Inc.
May 10, 2024

**Village of Lodi, Ohio
Medina County
Combined Statements of Receipts, Disbursements
and Changes in Fund Balances - Regulatory Cash Basis
All Governmental Fund Types
For the Year Ended December 31, 2023**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$ 608,008	\$ 139,579	\$ -	\$ 747,587
Municipal Income Tax	1,049,035	-	-	1,049,035
Intergovernmental	263,194	2,297,371	-	2,560,565
Charges for Services	733,287	-	-	733,287
Fines, Licenses and Permits	10,125	318	-	10,443
Earnings on Investments	124,662	2,445	-	127,107
Miscellaneous	33,110	1,256	-	34,366
<i>Total Cash Receipts</i>	<u>2,821,421</u>	<u>2,440,969</u>	<u>-</u>	<u>5,262,390</u>
Cash Disbursements				
Current:				
Security of Persons & Property	1,209,049	511,331	-	1,720,380
Leisure Time Activities	13,153	-	-	13,153
Community Environment	26,432	-	-	26,432
Transportation	187,016	185,467	-	372,483
General Government	329,190	2,366	-	331,556
Capital Outlay	690,604	2,084,335	4,888	2,779,827
Debt Service:				
Principal Retirement	186,322	1,420	-	187,742
Interest & Fiscal Charges	12,898	-	-	12,898
<i>Total Cash Disbursements</i>	<u>2,654,664</u>	<u>2,784,919</u>	<u>4,888</u>	<u>5,444,471</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	166,757	(343,950)	(4,888)	(182,081)
Other Financing Receipts (Disbursements)				
Other Financing Sources	2,576	-	-	2,576
Other Financing Uses	(419)	-	-	(419)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>2,157</u>	<u>-</u>	<u>-</u>	<u>2,157</u>
<i>Net Change in Fund Cash Balances</i>	168,914	(343,950)	(4,888)	(179,924)
<i>Fund Cash Balances, January 1</i>	<u>360,117</u>	<u>463,619</u>	<u>14,550</u>	<u>838,286</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 529,031</u>	<u>\$ 119,669</u>	<u>\$ 9,662</u>	<u>\$ 658,362</u>

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

Village of Lodi, Ohio
Medina County
Statement of Receipts, Disbursements
and Changes in Fund Balances - Regulatory Cash Basis
Proprietary Fund Type
For the Year Ended December 31, 2023

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 5,745,584
Fines, Licenses and Permits	6,000
	5,751,584
<i>Total Operating Cash Receipts</i>	<i>5,751,584</i>
Operating Cash Disbursements	
Personal Services	997,440
Fringe Benefits	385,785
Contractual Services	537,493
Supplies and Materials	2,657,079
	4,577,797
<i>Total Operating Cash Disbursements</i>	<i>4,577,797</i>
<i>Operating Income (Loss)</i>	<i>1,173,787</i>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	393,000
Loans Issued	1,415,567
Miscellaneous Receipts	103,015
Capital Outlay	(3,035,925)
Principal Retirement	(6,601)
Interest and Other Fiscal Charges	(3,575)
	(1,134,519)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(1,134,519)</i>
<i>Net Change in Fund Cash Balance</i>	<i>39,268</i>
<i>Fund Cash Balances, January 1</i>	<i>4,816,728</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 4,855,996</i>

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

Village of Lodi, Ohio
Medina County
Statement of Additions, Deductions
and Changes in Fund Balances - Regulatory Cash Basis
All Fiduciary Fund Types
For the Year Ended December 31, 2023

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Private Purpose Trust</u>	<u>Custodial</u>	
Additions			
Deposits Received	\$ -	\$ 61,975	\$ 61,975
Deductions			
Distributions of Deposits	-	24,052	24,052
Other	45	-	45
<i>Total Deductions</i>	45	24,052	24,097
<i>Net Change in Fund Cash Balance</i>	(45)	37,923	37,878
<i>Fund Cash Balances, January 1</i>	45	367,839	367,884
<i>Fund Cash Balances, December 31</i>	\$ -	\$ 405,762	\$ 405,762

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

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Lodi (the Village), Medina County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides general government services, water, wastewater treatment, electric, storm, sewers, maintenance of Village roads, parks, police and fire and rescue service.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

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

Joint Ventures:

Ohio Municipal Electric Generation Agency (OMEGA JV1)
Ohio Municipal Electric Generation Agency (OMEGA JV2)
Ohio Municipal Electric Generation Agency Joint Venture (OMEGA JV5)

Jointly Governed Organization:

Harrisville-Lodi Union Cemetery District

Public Entity Risk Pool:

Public Entities Pool of Ohio (PEP)

The Village’s management believes these financial statements present all activities for which the Village is financially accountable, except the financial statements do not include debt service funds external custodians maintain. Note 13 to the financial statements describes these assets.

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 statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

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

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

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

Fire and EMS Fund The fund accounts for and reports tax levy transactions restricted for operation of the Fire and EMS Department.

Issue II Fund The Village received a loan from the State of Ohio for the reconstruction of Grandview Drive.

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

Sidewalk Fund This fund receives special assessments levied on Village residents to pay for the repair of Village sidewalks.

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

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

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

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. Private Purpose Trust Fund receives donations to pay for fire supplies etc. 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 utility deposits and unclaimed funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 expenditures when a commitment is made (i.e., when an encumbrance is approved).

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

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

Budgetary Process

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

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

Deposits and Investments

The Village values U.S. Treasury Notes 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.

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.

SBITAs

The Village has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription disbursements are recognized when they are paid.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$1,256 are reflected as miscellaneous revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

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.

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 or ordinance). The Village must adhere to these commitments unless the Council amends the resolution or ordinance. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

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

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,688,792	\$2,823,997	\$135,205
Special Revenue	2,596,219	2,440,969	(155,250)
Capital Projects	500	-	(500)
Enterprise	8,426,600	7,663,166	(763,434)
Private Purpose Trust	-	-	-

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$2,861,000	\$2,655,083	\$205,917
Special Revenue	3,046,416	2,784,919	261,497
Capital Projects	13,888	4,888	9,000
Enterprise	12,201,800	7,623,898	4,577,902
Private Purpose Trust	-	45	-

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. A summary of the Village’s deposit and investment accounts are as follows:

	2023
Demand deposits	\$967,552
Certificates of deposit	3,483,000
Total deposits	4,450,552
STAR Ohio	1,218,239
Money Market Funds	251,329
Total investments	1,469,568
Total deposits and investments	\$5,920,120

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village does not have any unremitted employee 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.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (continued)

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village. The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Village.

Income Taxes

The Village levies a municipal income tax of one percent (1%) on substantially all earned income arising from employment, residency, or business activities within the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village's tax collection agent, the Regional Income Tax Agency (RITA) either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

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 Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 – Risk Management (continued)

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

	<u>2022</u>
Cash and investments	\$ 32,288,098
Actuarial liabilities	9,146,434

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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

Social Security

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

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

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5% to fund these benefits.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt

Debt outstanding at December 31, 2023 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$ 9,941	0%
Ohio Water Development Authority Loan - Water Line Project	173,788	2%
Ohio Water Development Authority Loan - Water System Improvements	1,415,567	1.91%
Huntington Public Capital Corp Fire Truck Lease Purchase	217,206	2.23%
Huntington Public Capital Corp Ambulance Chassis Lease Purchase	168,145	2.29%
Total	\$ 1,984,647	

The Ohio Public Works Commission (OPWC) Loan #CI16L was issued in 2010 for the reconstruction of Grandview Drive. The loan was approved in the amount of \$28,399 which will be repaid in semiannual installments of \$709.98 of principal only, no interest over a period of 20 years.

The OWDA Loan – Water Line Project Loan #6787 relates to a new water line construction project. The Village will repay the loan in semi-annual installments of principal and interest of \$5,088 over a period of 30 years. The loan will be repaid by January 2045. The loan is secured by water receipts. The Village agreed to set utility rates sufficient to cover OWDA debt service requirements.

The OWDA Loan – Water System Improvement Loan #10015 relates to new water system improvements. There is no amortization available yet. The loan will be repaid by January 2044. The loan is secured by water receipts. The Village agreed to set utility rates sufficient to cover OWDA debt service requirements.

Financed Purchases

The Village entered into financed purchase agreements for fire and EMS vehicles in 2020 where ownership of the underlying asset transfers to the Village by the end of the contract (described below). The Village disbursed \$199,220 to pay these costs for the fiscal year ending December 31, 2023.

On July 22, 2020, the Village entered into a finance purchase agreement with Huntington Public Capital Corporation to purchase a fire truck in the amount of \$525,728. Payments are due annually in the amount of \$112,249 with a maturity date of 7/1/2025. Payments are made the General Fund.

On October 13, 2020, the Village entered into a finance purchase agreement with Huntington Public Capital Corporation to purchase chassis for two ambulance vehicles in the amount of \$406,659. Payments are due annually in the amount of \$86,971 with a maturity date of 10/1/2025. Payments are made from the General Fund.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (continued)

Amortization

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

Year Ending December 31:	Fire Truck	Ambulance	OPWC Loan	OWDA Loan
	Finance Purchase Agreement	Chassis Finance Purchase Agreement		Water Line Project Plan
2024	\$112,249	\$86,971	\$711	\$10,176
2025	112,249	86,971	1,420	10,176
2026	-	-	1,420	10,175
2027	-	-	1,420	10,175
2028	-	-	1,420	10,175
2029-2033	-	-	3,550	50,878
2034-2038	-	-	-	50,880
2039-2043	-	-	-	50,880
2044-2048	-	-	-	10,170
Total	<u>\$224,498</u>	<u>\$173,942</u>	<u>\$9,941</u>	<u>\$213,685</u>

Note 10 – Contingent Liabilities

The Village is a 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.

Note 11 – Joint Ventures

OMEGA JV2

This is the most current information available.

The Village of Lodi is a Financing Participant and an Owner Participant with percentages of liability and ownership of 0.21% and 0.16%, respectively and shares participation with thirty-six 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 or 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.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Joint Ventures (continued)

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

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

As of December 31, 2022, the outstanding debt was \$0. The Village's net obligation for this amount at December 31, 2023 was \$0. The Village's net investment in OMEGA JV2 was (\$1,652) at December 31, 2022. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Joint Ventures (continued)

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

OMEGA JV2					
Municipality	Project kW Entitlement	Percent Project Ownership and Entitlement	Municipality	Project 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%
	127,640	95.20%		6,441	4.80%
			Grand Total	134,081	100.00%

OMEGA JV5

This is the most current information available.

The Village of Lodi is a Financing Participant with an ownership percentage of 0.94%, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

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

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

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Joint Ventures (continued)

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (“Certificates”) from the revenue of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant’s system, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees, and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2022, the Village has met their debt obligation.

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

OMEGA JV5 is managed by AMP, which acts as the joint venture’s agent. During 1993 and 2001, AMP issued \$153,415,000 and \$13,899,981 respectively of 30-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004, the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP’s revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014.

Due to scheduled principal repayments, the resulting note receivable has been reduced at December 31, 2015 to \$49,803,187. AMP will continue to collect debt service from the OMEGA JV5 participants until the note is paid in full.

The Village’s net investment to date in OMEGA JV5 was \$28,100 at December 31, 2022. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor’s website at www.ohioauditor.gov.

OMEGA JV5 issued \$49,745,000 Beneficial Interest Refunding Certificates, Series 2015 (“2016 Certificates”) to refund the promissory note to AMP in full on January 19, 2017. The outstanding amount of the promissory note had been reduced to \$49,243,377 at the time of refunding.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 12 – Jointly Governed Organizations

The constitution and laws of the State of Ohio establish the rights and privileges for the Harrisville-Lodi Union Cemetery District, (the Cemetery) as a body corporate and politic. The Village of Lodi and Harrisville Township appoint a three-member Board of Trustees to direct Cemetery operations. These entities also provide funding to meet the Cemetery’s operating costs under the agreement which established the Cemetery. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

Note 13 – 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.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 13 – AMP Revenue Coverage (continued)

Summary financial information for the Electric Fund is presented below:

	<u>2023</u>
Total Fund Cash Balance	\$3,169,849
Total Long-Term Debt	\$398,191
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	3,882,514
Operating Expenses	
Personal Services	397,956
Employee Fringe Benefits	166,023
Contractual Services	343,967
Supplies and Materials	<u>2,384,838</u>
Total Operating Expenses	3,292,784
Operating Income (Loss)	589,730
Nonoperating Receipts (Disbursements)	51,232
Other Nonoperating Receipts (Disbursements)	(237,279)
Change in Fund Cash Balance	403,683
Beginning Fund Cash Balance	<u>2,760,167</u>
Ending Fund Cash Balance	<u><u>3,163,850</u></u>
 Condensed Cash Flows Information:	
	<u>2023</u>
Net Cash Provided (Used) by:	
Operating Activities	<u>\$589,730</u>
Noncapital Financing Activities	
Other Noncapital Financing Activities	<u>51,232</u>
Capital and Related Financing Activities	
Other Capital and Related Financing Activities	<u>(237,279)</u>
Net Increase (Decrease)	403,683
Beginning Fund Cash Balance	<u>2,760,167</u>
Ending Fund Cash Balance	<u><u>\$3,163,850</u></u>

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

<u>Fund Balances</u>	<u>General</u>
Nonspendable:	
Unclaimed Monies	\$7,920

The fund balance of special revenue funds is either restricted or committed. The fund balance of 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 would be considered assigned. The Village had no outstanding encumbrances at year end.

**Village of Lodi, Ohio
Medina County
Combined Statements of Receipts, Disbursements
and Changes in Fund Balances - Regulatory Cash Basis
All Governmental Fund Types
For the Year Ended December 31, 2022**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$ 591,643	\$ 137,529	\$ -	\$ -	\$ 729,172
Municipal Income Tax	851,155	-	-	-	851,155
Intergovernmental	189,104	1,155,099	-	-	1,344,203
Charges for Services	324,347	-	-	-	324,347
Fines, Licenses and Permits	11,683	926	-	-	12,609
Earnings on Investments	78,016	1,903	-	-	79,919
Miscellaneous	53,782	-	-	-	53,782
<i>Total Cash Receipts</i>	<u>2,099,730</u>	<u>1,295,457</u>	<u>-</u>	<u>-</u>	<u>3,395,187</u>
Cash Disbursements					
Current:					
Security of Persons & Property	1,502,661	117,279	-	-	1,619,940
Leisure Time Activities	14,413	-	-	-	14,413
Community Environment	22,020	-	-	-	22,020
Transportation	178,548	218,205	-	-	396,753
General Government	315,265	3,727	-	-	318,992
Capital Outlay	375,730	822,147	-	9,517	1,207,394
Debt Service:					
Principal Retirement	182,211	1,420	-	-	183,631
Interest & Fiscal Charges	17,009	-	-	-	17,009
<i>Total Cash Disbursements</i>	<u>2,607,857</u>	<u>1,162,778</u>	<u>-</u>	<u>9,517</u>	<u>3,780,152</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(508,127)	132,679	-	(9,517)	(384,965)
Other Financing Receipts (Disbursements)					
Transfers In	16,981	-	-	-	16,981
Transfers Out	-	-	(16,981)	-	(16,981)
Other Financing Sources	13,023	595	-	-	13,618
Other Financing Uses	(626)	-	-	-	(626)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>29,378</u>	<u>595</u>	<u>(16,981)</u>	<u>-</u>	<u>12,992</u>
<i>Net Change in Fund Cash Balances</i>	(478,749)	133,274	(16,981)	(9,517)	(371,973)
<i>Fund Cash Balances, January 1</i>	<u>838,866</u>	<u>330,345</u>	<u>16,981</u>	<u>24,067</u>	<u>1,210,259</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 360,117</u>	<u>\$ 463,619</u>	<u>\$ -</u>	<u>\$ 14,550</u>	<u>\$ 838,286</u>

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

Village of Lodi, Ohio
Medina County
Statement of Receipts, Disbursements
and Changes in Fund Balances - Regulatory Cash Basis
Proprietary Fund Type
For the Year Ended December 31, 2022

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 6,126,362
Fines, Licenses and Permits	13,500
	6,139,862
<i>Total Operating Cash Receipts</i>	<i>6,139,862</i>
Operating Cash Disbursements	
Personal Services	892,314
Fringe Benefits	372,371
Contractual Services	495,186
Supplies and Materials	3,137,083
	4,896,954
<i>Total Operating Cash Disbursements</i>	<i>4,896,954</i>
<i>Operating Income (Loss)</i>	<i>1,242,908</i>
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	83,129
Capital Outlay	(479,890)
Principal Retirement	(210,275)
Interest and Other Fiscal Charges	(3,705)
	(610,741)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(610,741)</i>
<i>Net Change in Fund Cash Balance</i>	<i>632,167</i>
<i>Fund Cash Balances, January 1</i>	<i>4,184,559</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 4,816,726</i>

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

Village of Lodi, Ohio
Medina County
Statement of Additions, Deductions
and Changes in Fund Balances - Regulatory Cash Basis
All Fiduciary Fund Types
For the Year Ended December 31, 2022

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Private Purpose Trust</u>	<u>Custodial</u>	
Additions			
Deposit Received	\$ -	\$ 92,196	\$ 92,196
Deductions			
Distributions of Deposits	-	35,379	35,379
<i>Net Change in Fund Cash Balance</i>	-	56,817	56,817
<i>Fund Cash Balances, January 1, Restated</i>	45	311,022	311,067
<i>Fund Cash Balances, December 31</i>	\$ 45	\$ 367,839	\$ 367,884

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

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Lodi, Medina 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 government services, water, wastewater treatment, electric, storm, sewers, maintenance of Village roads, parks, police and fire and rescue service.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

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

Joint Ventures:

Ohio Municipal Electric Generation Agency (OMEGA JV1)
Ohio Municipal Electric Generation Agency (OMEGA JV2)
Ohio Municipal Electric Generation Agency Joint Venture (OMEGA JV5)

Jointly Governed Organization:

Harrisville-Lodi Union Cemetery District

Public Entity Risk Pool:

Public Entities Pool of Ohio (PEP)

The Village's management believes these financial statements present all activities for which the Village is financially accountable, except the financial statements do not include debt service funds external custodians maintain. Note 13 to the financial statements describes these assets.

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 statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

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

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

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

Fire and EMS Fund The fund accounts for and reports tax levy transactions restricted for operation of the Fire and EMS Department.

Issue II Fund - The Village received a loan from the State of Ohio for the reconstruction of Grandview Drive.

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:

Debt Service Fund This fund receives special assessments, which the Village uses to retire special assessment bond debt.

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

Sidewalk Fund This fund receives special assessments levied on Village residents to pay for the repair of Village sidewalks.

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

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

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

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

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Private Purpose Trust Fund receives donations to pay for fire supplies etc. 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 utility deposits and unclaimed funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Deposits and Investments

The Village values U.S. Treasury Notes 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.

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.

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 or ordinance). The Village must adhere to these commitments unless the Council amends the resolution or ordinance. 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.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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 ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,016,352	\$2,129,734	\$113,382
Special Revenue	1,700,883	1,296,052	(404,831)
Capital Projects	500	-	(500)
Enterprise	6,273,800	6,222,991	(50,809)

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$2,848,021	\$2,608,483	\$239,538
Special Revenue	1,583,316	1,162,778	420,538
Debt Service	16,981	16,981	-
Capital Projects	23,400	9,517	13,883
Enterprise	9,805,200	5,590,824	4,214,376

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:

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (continued)

	<u>2022</u>
Demand deposits	\$1,192,529
Certificates of deposit	<u>3,655,000</u>
Total deposits	<u>4,847,529</u>
STAR Ohio	1,156,322
Money Market Funds	<u>19,045</u>
Total investments	<u>1,175,367</u>
Total deposits and investments	<u><u>\$6,022,896</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village does not have any unremitted employee 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20. Public utilities are also taxed on personal and real property located within the Village.

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

Income Taxes

The Village levies a municipal income tax of one percent (1%) on substantially all earned income arising from employment, residency, or business activities within the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village's tax collection agent, the Regional Income Tax Agency (RITA) either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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>2022</u>
Cash and investments	\$ 32,288,098
Actuarial liabilities	9,146,434

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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

Social Security

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

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

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4% during calendar year 2022. OP&F contributes 0.5% to fund these benefits.

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

Note 9 – Debt

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$ 11,361	0%
Ohio Water Development Authority Loan - Water Line Project	180,388	2%
Huntington Public Capital Corp Fire Truck Lease Purchase	322,269	2.23%
Huntington Public Capital Corp Ambulance Chassis Lease Purchase	249,405	2.29%
Total	\$ 763,423	

The Ohio Public Works Commission (OPWC) Loan #CI16L was issued in 2010 for the reconstruction of Grandview Drive. The loan was approved in the amount of \$28,399 which will be repaid in semiannual installments of \$709.98 of principal only, no interest over a period of 20 years.

The OWDA Loan – Water Line Project Loan #6787 relates to a new water line construction project. The Village will repay the loan in semi-annual installments of principal and interest of \$5,088 over a period of 30 years. The loan will be repaid by January 2045. The loan is secured by water receipts. The Village agreed to set utility rates sufficient to cover OWDA debt service requirements.

Financed Purchases

The Village entered into financed purchase agreements for fire and EMS vehicles in 2020 where ownership of the underlying asset transfers to the Village by the end of the contract (described below). The Village disbursed \$199,220 to pay these costs for the fiscal year ending December 31, 2022.

On July 22, 2020, the Village entered into a finance purchase agreement with Huntington Public Capital Corporation to purchase a fire truck in the amount of \$525,728. Payments are due annually in the amount of \$112,249 with a maturity date of 7/1/2025. Payments are made from the General Fund.

On October 13, 2020, the Village entered into a finance purchase agreement with Huntington Public Capital Corporation to purchase chassis for two ambulance vehicles in the amount of \$406,659. Payments are due annually in the amount of \$86,971 with a maturity date of 10/1/2025. Payments are made from the General Fund.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (continued)

Amortization

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

Year Ending December 31:	Fire Truck Finance Purchase Agreement	Ambulance Chassis Finance Purchase Agreement	OPWC Loan	OWDA Loan Water Line Project Plan
2023	\$112,249	\$86,972	\$711	\$10,175
2024	112,249	86,971	1,420	10,176
2025	112,249	86,971	1,420	10,176
2026	-	-	1,420	10,175
2027	-	-	1,420	10,176
2028-2032	-	-	4,970	50,878
2033-2037	-	-	-	50,880
2038-2042	-	-	-	50,880
2043-2047	-	-	-	20,344
Total	<u>\$336,747</u>	<u>\$260,914</u>	<u>\$11,361</u>	<u>\$223,860</u>

Note 10 – Contingent Liabilities

The Village is a 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.

Note 11 – Joint Ventures

OMEGA JV2

This is the most current information available.

The Village of Lodi is a Financing Participant and an Owner Participant with percentages of liability and ownership of 0.21% and 0.16%, respectively and shares participation with thirty-six 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 or 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.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Joint Ventures (continued)

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

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

As of December 31, 2022, the outstanding debt was \$0. The Village's net obligation for this amount at December 31, 2023 was \$0. The Village's net investment in OMEGA JV2 was (\$1,652) at December 31, 2022. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Joint Ventures (continued)

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

OMEGA JV2					
Municipality	Project kW Entitlement	Percent Project Ownership and Entitlement	Municipality	Project 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%
	127,640	95.20%		6,441	4.80%
			Grand Total	134,081	100.00%

OMEGA JV5

This is the most current information available.

The Village of Lodi is a Financing Participant with an ownership percentage of 0.94%, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

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

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

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Joint Ventures (continued)

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (“Certificates”) from the revenue of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant’s system, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees, and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2022, the Village has met their debt obligation.

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

OMEGA JV5 is managed by AMP, which acts as the joint venture’s agent. During 1993 and 2001, AMP issued \$153,415,000 and \$13,899,981 respectively of 30-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004, the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP’s revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014.

Due to scheduled principal repayments, the resulting note receivable has been reduced at December 31, 2015 to \$49,803,187. AMP will continue to collect debt service from the OMEGA JV5 participants until the note is paid in full.

The Village’s net investment to date in OMEGA JV5 was \$28,100 at December 31, 2022. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor’s website at www.ohioauditor.gov.

OMEGA JV5 issued \$49,745,000 Beneficial Interest Refunding Certificates, Series 2015 (“2016 Certificates”) to refund the promissory note to AMP in full on January 19, 2017. The outstanding amount of the promissory note had been reduced to \$49,243,377 at the time of refunding.

Note 12 – Jointly Governed Organizations

The constitution and laws of the State of Ohio establish the rights and privileges for the Harrisville-Lodi Union Cemetery District, (the Cemetery) as a body corporate and politic. The Village of Lodi and Harrisville Township appoint a three-member Board of Trustees to direct Cemetery operations. These entities also provide funding to meet the Cemetery’s operating costs under the agreement which established the Cemetery. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 13 – 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:

	<u>2022</u>
Total Fund Cash Balance	\$2,760,167
Total Long-Term Debt	\$398,191
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	4,001,846
Operating Expenses	
Personal Services	351,926
Employee Fringe Benefits	146,463
Contractual Services	298,877
Supplies and Materials	<u>2,794,435</u>
Total Operating Expenses	3,591,701
Operating Income (Loss)	410,145
Nonoperating Receipts (Disbursements)	
Other Nonoperating Receipts (Disbursements)	(140,375)
Change in Fund Cash Balance	269,770
Beginning Fund Cash Balance	<u>2,490,397</u>
Ending Fund Cash Balance	<u><u>2,760,167</u></u>
 Condensed Cash Flows Information:	
	<u>2022</u>
Net Cash Provided (Used) by:	
Operating Activities	<u>\$410,145</u>
Noncapital Financing Activities	
Other Noncapital Financing Activities	<u>47,258</u>
Net Cash Provided (Used) by Noncapital Financing Activities	47,258
Capital and Related Financing Activities	
Other Capital and Related Financing Activities	<u>(187,633)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	(187,633)
Net Increase (Decrease)	269,770
Beginning Fund Cash Balance	<u>2,490,397</u>
Ending Fund Cash Balance	<u><u>\$2,760,167</u></u>

Village of Lodi, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 14 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years.

<u>Fund Balances</u>	<u>General</u>
Nonspendable:	
Unclaimed Monies	\$6,892

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted, committed or assigned. These restricted, committed and assigned amounts in the special revenue, debt service and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned. The Village had no outstanding encumbrances at year end.

Note 15 – 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 ended in April 2023. During 2022, the Village did not receive COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 16 – Prior Period Adjustment

The Private Purpose Trust fund increased by \$45 due to incorrect beginning balance.

Charles E. Harris & Associates, Inc.

Certified Public Accountants

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

Village of Lodi
Medina County
110 Ainsworth Street
Lodi, Ohio. 44254

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Lodi, Medina County, (the Village) and have issued our report thereon dated May 10, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

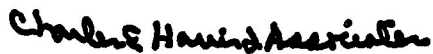
Report on Compliance and Other Matters

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

However, we noted a certain other matter not requiring inclusion in this report that we reported to the Village's management in a separate letter dated May 10, 2024.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
May 10, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF LODI

MEDINA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/16/2024

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

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