

VILLAGE OF GENEVA ON THE LAKE, OHIO
ASHTABULA COUNTY

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 1998 AND 1999**

J. E. Slaybaugh & Associates, Inc.
Certified Public Accountant
12 East Main Street
Lexington, Ohio 44904



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Mayor and Members of Council
Village of Geneva on the Lake

We have reviewed the Independent Auditor's Report of the Village of Geneva on the Lake, Ashtabula County, prepared by J.E. Slaybaugh & Associates, Inc. for the audit period January 1, 1998 through December 31, 1999. 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 Geneva on the Lake is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

September 8, 2000

**VILLAGE OF GENEVA ON THE LAKE, OHIO
ASHTABULA COUNTY**

4964 S. Spencer Drive
Geneva On The Lake, Ohio

**ELECTED OFFICIALS
AS OF DECEMBER 31, 1999**

NAME	TITLE	TERM OF OFFICE	SURETY	AMOUNT	PERIOD
Georgette Allison	Mayor Geneva On The Lake, Ohio	1/1/96 - 12/31/99	(A)	\$ 5,000	(B)
Donald Woodward	Council President	1/1/98 - 12/31/01			
Wendy Fowler	Council Member	1/1/96 - 12/31/99			
Barbara McHarg	Council Member	1/1/96 - 12/31/99			
Wilma Reppert	Council Member	1/1/98 - 12/31/01			
Steve Cervas	Council Member	* - 12/31/01			
Robert Silleck	Council Member	1/1/98 - 12/31/01			
Margaret Bliss	Clerk/Treasurer	1/1/96 - 12/31/99	(A)	\$ 50,000	(B)

* appointed to complete term

Statutory Legal Counsel

Louis A DiFabio, Atty
299 S. Broadway
Geneva, Ohio 44041

(A) Ohio Government Risk Management Plan
(B) Concurrent With Term

VILLAGE OF GENEVA ON THE LAKE, OHIO
ASHTABULA COUNTY

FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1999

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Certified Public Accountant

Village of Geneva On The Lake, Ashtabula County
4964 S. Spencer Drive
Geneva On The Lake, Ohio 44041

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Village of Geneva On The Lake, Ashtabula County, Ohio, as of and for the years ended December 31, 1998 and 1999. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

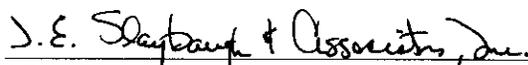
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Village of Geneva On The Lake, Ashtabula County, Ohio, as of December 31, 1998 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2000 on our consideration of the Village's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.



J.E. Slaybaugh & Associates, Inc.
Lexington, Ohio
August 10, 2000

VILLAGE OF GENEVA ON THE LAKE, OHIO
ASHTABULA COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES -
ALL GOVERNMENT FUND TYPES - FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental			(Memorandum Only)
	General	Special Revenue	Capital Projects	
CASH RECEIPTS:				
Local Taxes	\$ 254,943	\$ 139,607		394,550
Intergovernmental	131,223	45,649		176,872
Charges for Services	120,393			120,393
Fines, Licenses, and Permits	32,120			32,120
Interest	3,469			3,469
Miscellaneous	20,298	2,011		22,309
Total Cash Receipts	562,446	187,267	0	749,713
CASH DISBURSEMENTS:				
Current:				
Security of Persons and Property	245,427	76,997		322,424
Leisure Time Activities	53,727			53,727
Transportation	1,090	78,066		79,156
General Government	136,450			136,450
Capital Outlay	2,970	36,731		39,701
Debt Service		5,000		5,000
Total Program Disbursements	439,664	196,794	0	636,458
Total receipts over/(under) program disbursements	122,782	(9,527)	0	113,255

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

VILLAGE OF GENEVA ON THE LAKE, OHIO
ASHTABULA COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES -
 ALL GOVERNMENT FUND TYPES - FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental		Capital Projects	(Memorandum Only)
	General	Special Revenue		Total
OTHER FINANCING RECEIPTS/(DISBURSEMENTS):				
Transfers-In	16,090	4,085		20,175
Transfers-Out	(125,037)	(3,300)		(128,337)
Other Financing Uses	(237)			(237)
Total other financing receipts/(disbursements)	(109,184)	785	0	(108,399)
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	13,598	(8,742)	0	4,856
Fund Cash Balances - January 1, 1999	5,808	60,330	28,336	94,474
Fund Cash Balances - December 31, 1999	\$ 19,406	\$ 51,588	\$ 28,336	\$ 99,330

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

**VILLAGE OF GENEVA ON THE LAKE, OHIO
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES -
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Enterprise	(Memorandum Only) Total
OPERATING CASH RECEIPTS:		
Charges for Services	\$ 385,817	\$ 385,817
Interest	108,187	108,187
Miscellaneous	736	736
Total Cash Receipts	494,740	494,740
OPERATING CASH DISBURSEMENTS:		
Personal Services	194,962	194,962
Contractual Services	161,741	161,741
Supplies and Materials	56,661	56,661
Capital Outlay	14,659	14,659
Miscellaneous	12,655	12,655
Total Program Disbursements	440,678	440,678
Total receipts over/(under) program disbursements	54,062	54,062
NON-OPERATING RECEIPTS AND DISBURSEMENTS:		
Special Assessments	35,085	35,085
Debt Service	(207,205)	(207,205)
Total Non-Operating Receipts and Disbursements	(172,120)	(172,120)
OTHER FINANCING RECEIPTS/(DISBURSEMENTS):		
Transfers-In	120,952	120,952
Transfers-Out	(12,790)	(12,790)
Total other financing receipts/(disbursements)	108,162	108,162
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(9,896)	(9,896)
Fund Cash Balances - January 1, 1999	58,253	58,253
Fund Cash Balances - December 31, 1999	\$ 48,357	\$ 48,357

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

VILLAGE OF GENEVA ON THE LAKE, OHIO
ASHTABULA COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES -
ALL GOVERNMENT FUND TYPES - FOR THE YEAR ENDED DECEMBER 31, 1998

	Governmental			(Memorandum Only)
	General	Special Revenue	Capital Projects	Total
CASH RECEIPTS:				
Local Taxes	\$ 194,820	\$ 114,353		309,173
Intergovernmental	45,213	60,741		105,954
Charges for Services	120,372			120,372
Fines, Licenses, and Permits	40,789			40,789
Interest	4,056			4,056
Miscellaneous	41,028		\$ 5,761	46,789
Total Cash Receipts	446,278	175,094	5,761	627,133
CASH DISBURSEMENTS:				
Current:				
Security of Persons and Property	249,770	41,913		291,683
Leisure Time Activities	53,980			53,980
Transportation	1,894	96,999		98,893
General Government	126,243			126,243
Capital Outlay	1,434	5,535		6,969
Debt Service	4,982	3,782		8,764
Total Program Disbursements	438,303	148,229	0	586,532
Total receipts over/(under) program disbursements	7,975	26,865	5,761	40,601

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

VILLAGE OF GENEVA ON THE LAKE, OHIO
RICHLAND COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES -
 ALL GOVERNMENT FUND TYPES - FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental		Capital Projects	(Memorandum Only)
	General	Special Revenue		
OTHER FINANCING RECEIPTS/(DISBURSEMENTS):				
Transfers-In	14,500			14,500
Transfers-Out	(61,830)	(5,000)		(66,830)
Other Sources				
Other Uses				
Total other financing receipts/(disbursements)	(47,330)	(5,000)		(52,330)
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements				
	(39,355)	21,865	5,761	(11,729)
Fund Cash Balances - January 1, 1998	45,159	37,922	22,575	105,656
Adjustment to beginning cash balance	4	543		547
Fund Cash Balances - December 31, 1998	\$ 5,808	\$ 60,330	\$ 28,336	\$ 94,474

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

**VILLAGE OF GENEVA ON THE LAKE, OHIO
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES -
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Enterprise	(Memorandum Only) Total
OPERATING CASH RECEIPTS:		
Charges for Services	\$ 463,919	463,919
Interest	50,390	50,390
Miscellaneous	57,483	57,483
 Total Cash Receipts	 571,792	 57,483
 OPERATING CASH DISBURSEMENTS:		
Personal Services	198,814	198,814
Contractual Services	132,537	132,537
Supplies and Materials	100,533	100,533
Capital Outlay	58,751	58,751
Miscellaneous	13,645	13,645
 Total Program Disbursements	 504,280	 504,280
 Total receipts over/(under) program disbursements	 67,512	 (446,797)
 NON-OPERATING RECEIPTS AND DISBURSEMENTS:		
Special Assessments	24,679	24,679
Fines, Licenses and Permits	150	150
Debt Service	(166,670)	(166,670)
 Total Non-Operating Receipts and Disbursements	 (141,841)	 (141,841)
 OTHER FINANCING RECEIPTS/(DISBURSEMENTS):		
Transfers-In	61,830	61,830
Transfers-Out	(9,500)	(9,500)
 Total other financing receipts/(disbursements)	 52,330	 52,330
 Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	 (21,999)	 (21,999)
 Fund Cash Balances - January 1, 1998	 79,726	 79,726
Adjustment to beginning cash balance	526	526
 Fund Cash Balances - December 31, 1998	 \$ 58,253	 \$ 58,253

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

**VILLAGE OF GENEVA ON THE LAKE, OHIO
ASHTABULA COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Village of Geneva On The Lake, Ashtabula County is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected mayor and six member council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), fire protection, ambulance service, and police services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 make adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of Deposit are valued at cost.

D. Fund Accounting

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

General Fund

The general fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Police Levy Fund - This fund receives general and tangible personal property tax money for operating the Village police department.

D. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through the enterprise or trust funds).

E. Enterprise Funds

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

Sewer Fund - Receives charges for services from residents to cover the cost of providing this utility.

Sanitation Fund - Receives charges for services from residents to cover the cost of providing this utility.

F. Budgetary Process

The Ohio Revised Code requires that each fund 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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village had no outstanding encumbrances at the years ended 1999 and 1998.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

G. Property, Plant and Equipment

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

H. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. Equity in Pooled Cash and Investments

The Village maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at the years ended December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand Deposits	\$ 107,533	\$ 152,727
Certificates of Deposit	<u>40,154</u>	<u> </u>
Total deposits	<u>\$ 147,687</u>	<u>\$ 152,727</u>

Deposits

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. Budgetary Activity

Budgetary activity for the years ending December 31 was as follows:

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 347,660	\$ 578,536	\$230,876
Special Revenue	169,000	191,352	22,352
Capital Projects	0	0	0
Enterprise	<u>595,000</u>	<u>650,777</u>	<u>55,777</u>
Total	<u>\$ 1,111,660</u>	<u>\$ 1,420,665</u>	<u>\$309,005</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 611,084	\$ 564,938	\$ 46,146
Special Revenue	238,597	200,094	38,503
Capital Projects	0	0	0
Enterprise	<u>744,384</u>	<u>660,673</u>	<u>83,711</u>
Total	<u>\$ 1,594,065</u>	<u>\$ 1,425,705</u>	<u>\$168,360</u>

1998 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 330,036	\$ 460,778	\$130,742
Special Revenue	133,010	175,094	42,084
Capital Projects	0	5,761	5,761
Enterprise	<u>524,000</u>	<u>658,451</u>	<u>134,451</u>
Total	<u>\$ 987,046</u>	<u>\$ 1,300,084</u>	<u>\$313,038</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 534,093	\$ 500,133	\$ 33,960
Special Revenue	167,578	153,229	14,349
Capital Projects	0	0	0
Enterprise	<u>706,490</u>	<u>680,450</u>	<u>26,040</u>
Total	<u>\$ 1,408,161</u>	<u>\$ 1,333,812</u>	<u>\$ 74,349</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half is due the following June 20.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. Debt

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loans	\$ 849,709	4.37%
OPWC Loan	4,122	3.00%
Golf Course Improvement	910,000	4.10%
Note Payable - Backhoe	<u>31,000</u>	6.00%
Total	<u>\$ 1,794,831</u>	

The Ohio Water Development Authority (OWDA) sewer plant project loan was for utility of the sewer plant originated in 1972. The OWDA Sewer Upgrade construction loans are for improvements mandated by the Environmental Protection Agency (EPA), to be completed for the Village sewer system.

The Ohio Public Works Commission (OWPC) Street Improvement loan is for the reconstruction of a village street.

The golf course improvement bonds are payable in annual principal and semi-annual interest installments per the amortization schedule issued by Huntington Bank, the bondholder. Interest on payable on the bonds is set by the schedule, starting at 4.10%, increasing to 6.25% in the eleventh year. The bonds mature on in 2022.

The installment loan is for a backhoe. The issue is a direct obligation of the Village for which its full faith credit and resources are pledged.

Amortization of the above debt is scheduled as follows:

Year ending December 31:	OWDA Loans	Golf Course Improvement	OPWC Loan	Installment Loan
2000	\$ 50,000	\$ 20,000	\$ 1,282	\$ 6,500
2001	55,000	20,000	1,322	6,800
2002	60,000	20,000	1,361	7,200
2003	65,000	25,000	157	7,700
2004	70,000	25,000		2,800
later years	<u>549,749</u>	<u>800,000</u>	<u> </u>	
Totals	<u>\$ 849,749</u>	<u>\$ 910,000</u>	<u>\$ 4,122</u>	<u>\$ 31,000</u>

6. Retirement System

The Village's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1998 and 1999, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55 % of participant's gross salaries. The Village has paid all contributions required through December 31, 1999 as follows:

	<u>Payroll</u>	<u>Contribution</u>
1998	\$ 362,077	\$ 49,052
1999	\$ 351,468	\$ 48,019

The policemen of the Village are covered by the Police and Firemen's Disability Pension Fund, also accounted for by the State of Ohio. For 1998 and 1999, policemen contributed 10% of their gross salaries. The Village contributed an amount equal to 19.5% of the participant's gross salaries. The Village has paid all contributions required through December 31, 1999 as follows:

	<u>Payroll</u>	<u>Contribution</u>
1998	\$ 27,333	\$ 5,330
1999	\$ 28,483	\$ 5,554

7. Risk Management

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public official's liability

Coverage is provided by Ohio Government Risk Management Plan.

The Village also provides health insurance to its full-time employee through a private carrier.

8. Basis of Accounting - Mayor's Court

Financial accountability for the Mayor's Court is that of an agent, acting in a fiduciary capacity for others. The court has no equity or ownership over the monies it controls. By virtue of Ohio law, the monies collected are distributed within a specific period of time to specific recipients. The records are kept on a cash basis and combined monthly into the general fund. The receipts and disbursements for the years 1998 and 1999 were as follows:

	<u>1998</u>	<u>1999</u>
Beginning Balance	\$ -	\$ -
Receipts	21,036	19,289
Disbursements	<u>(21,036)</u>	<u>(19,289)</u>
Ending Balance	<u>\$ -</u>	<u>\$ -</u>

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
Member OSCP*

*John E. Slaybaugh III
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Village of Geneva On The Lake, Ashtabula County
4964 S. Spencer Drive
Geneva On The Lake, Ohio 44041

We have audited the financial statements of Village of Geneva On The Lake, Ashtabula County, as of and for the years ended December 31, 1998 and 1999, and have issued our report thereon dated August 10, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Village of Geneva On The Lake's financial statements are free of material misstatement, we performed tests of its compliance with certain laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

Internal Control

In planning and performing our audit, we considered Village of Geneva On The Lake's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

J. E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.
Lexington, Ohio
August 10, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
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Facsimile 614-466-4490

VILLAGE OF GENEVA ON THE LAKE

ASHTABULA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 26, 2000**