



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**GUSTAVUS TOWNSHIP  
TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 .....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Non-Expendable Trust Funds – For the Year Ended December 31, 1999 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998 .....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Non-Expendable Trust Funds – For the Year Ended December 31, 1998 .....	6
Notes to the Financial Statements .....	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center  
242 Federal Plaza West  
Suite 302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Gustavus Township  
Trumbull County  
3139 Wakefield Creek Road  
Farmdale, Ohio 44417

To the Board of Trustees:

We have audited the accompanying financial statements of Gustavus Township, Trumbull County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Township'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 discussed in Note 1, the Township 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 the Township as of December 31, 1999 and December 31, 1998, 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 June 19, 2000 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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

**Jim Petro**  
Auditor of State

June 19, 2000

**This page intentionally left blank.**

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

	<u>Governmental Fund Types</u>			<b>Total (Memorandum Only)</b>
	<b>General Fund</b>	<b>Special Revenue</b>	<b>Debt Service</b>	
<b>Revenue Receipts:</b>				
Taxes	\$7,739	\$57,287	\$6,955	\$71,981
Licenses, Permits, and Fees		1,785		1,785
Intergovernmental	48,591	64,451		113,042
Interest	1,672			1,672
All Other Revenue	2,006			2,006
<b>Total Receipts</b>	<u>60,008</u>	<u>123,523</u>	<u>6,955</u>	<u>190,486</u>
<b>Expenditure Disbursements:</b>				
General Government	16,821	1,837		18,658
Public Safety	3,364	24,389		27,753
Public Works	2,065	87,065		89,130
Health	1,289	9,777		11,066
Conservation / Recreation	858			858
Capital Outlay	26,107			26,107
Debt Service				
Note Principal Payment			6,300	6,300
Interest and Fiscal Charges			492	492
<b>Total Disbursements</b>	<u>50,504</u>	<u>123,068</u>	<u>6,792</u>	<u>180,364</u>
Total Receipts Over /(Under) Disbursements	<u>9,504</u>	<u>455</u>	<u>163</u>	<u>10,122</u>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers-In		4,000		4,000
Operating Transfers-Out	(4,000)			(4,000)
Other Financing Sources		250		250
<b>Total Other Financing Sources (Uses)</b>	<u>(4,000)</u>	<u>4,250</u>		<u>250</u>
Total of Receipts and other Sources Over/ (Under) Disbursements and Other Uses	5,504	4,705	163	10,372
Fund Cash Balances, January 1, 1999	<u>6,831</u>	<u>27,377</u>		<u>34,208</u>
<b>Fund Cash Balance, December 31, 1999</b>	<u><b>\$12,335</b></u>	<u><b>\$32,082</b></u>	<u><b>\$163</b></u>	<u><b>\$44,580</b></u>

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

**GUSTAVUS TOWNSHIP  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES - NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Non-Expendable Trust</b>
<b>Operating Cash Receipts:</b>	
Interest	\$79
Total Operating Cash Receipts	79
<b>Operating Cash Disbursements:</b>	
Personal Services	95
Total Operating Cash Disbursements	95
Operating Income	(16)
<b>Non-Operating Cash Receipts:</b>	
<b>Non-Operating Cash Disbursements:</b>	
Other Financing Uses	
Excess of Receipts under Disbursements before interfund Transfers	(16)
Transfers-In	
Net Receipts under Disbursements	(16)
Fund Cash Balances, January 1, 1999	4,560
<b>Fund Cash Balances, December 31, 1999</b>	<b><u><u>\$4,544</u></u></b>

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



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

	<u>Governmental Fund Types</u>			<b>Total (Memorandum Only)</b>
	<b>General Fund</b>	<b>Special Revenue</b>	<b>Debt Service</b>	
<b>Cash Receipts:</b>				
Taxes	\$6,862	\$55,718	\$7,423	\$62,580
Licenses, Permits, and Fees		2,931		2,931
Intergovernmental Receipts	26,075	60,886		86,961
Interest	932			932
All Other Revenue	4,606			4,606
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	38,475	119,535	7,423	158,010
<b>Cash Disbursements:</b>				
General Government	42,550	1,766		44,316
Public Safety	3,072	24,369		27,441
Public Works	1,655	68,470		70,125
Health	1,254	12,079		13,333
Conservation / Recreation	575			
Capital Outlay	2,274			2,274
Debt Service				
Note Principal Payment			6,825	6,825
Interest and Fiscal Charges			768	768
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	51,380	106,684	7,593	165,082
Total Receipts Over /(Under) Disbursements	<hr/> (12,905)	<hr/> 12,851	<hr/> (170)	<hr/> (224)
<b>Other Financing Sources/(Uses):</b>				
Proceeds of Notes	12,960			12,960
Operating Transfers-In		1,750	170	1,920
Operating Transfers-Out	(1,920)			(1,920)
Other Financing Sources		650		650
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources/(Uses)	11,040	2,400	170	13,610
Total of Receipts and other Sources Over (Under) Disbursements and Other Uses	<hr/> (1,865)	<hr/> 15,251	<hr/>	<hr/> 13,386
Fund Cash Balances, January 1, 1998	<hr/> 8,696	<hr/> 12,126	<hr/>	<hr/> 20,822
<b>Fund Cash Balance, December 31, 1998</b>	<hr/> <b>\$6,831</b>	<hr/> <b>\$27,377</b>	<hr/>	<hr/> <b>\$34,208</b>

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

**GUSTAVUS TOWNSHIP  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES - NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Non-Expendable Trust</b>
<b>Operating Cash Receipts:</b>	
Interest	\$87
Total Operating Cash Receipts	87
<b>Operating Cash Disbursements:</b>	
Total Operating Cash Disbursements	
Operating Income	87
<b>Non-Operating Cash Receipts:</b>	
<b>Non-Operating Cash Disbursements:</b>	
Other Financing Uses	
Excess of Receipts under Disbursements before interfund Transfers	87
Transfers-In	
Net Receipts under Disbursements	87
Fund Cash Balances, January 1, 1998	4,473
<b>Fund Cash Balances, December 31, 1998</b>	<b>\$4,560</b>

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

**GUSTAVUS TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Gustavus Township, Trumbull County, (the Township) 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 Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Gustavus Township Volunteer Firefighters Association to provide fire services.

The Township's management believes these financial statements present all activities for which the Township 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 include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

The Township maintains a NOW checking account and a money market account with Cortland Savings and Banking.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. 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 Township had the following significant Special Revenue Funds:

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

*Gasoline Tax Fund* - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

**GUSTAVUS TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 1999 AND 1998  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fire Special Levy Fund* - This fund is used to pay for the contract with the Gustavus Volunteer Fire Fighters Association.

**3. Debt Service Funds**

The debt service fund is used to accumulate resources for the payment of note indebtedness.

**4. Fiduciary Funds (Non-expendable Trust Fund)**

This fund accounts for assets held by the Township in a trust capacity for an individual, private organization, or other governmental unit, and/or other funds where the principal must be kept intact, but the interest or income may be expended.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

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

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

**F. 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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$49,124</u>	<u>\$38,768</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**GUSTAVUS TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$63,884	\$60,008	(\$3,876)
Special Revenue	129,686	127,773	(1,913)
Debt Service	6,955	6,955	0
Fiduciary	300	79	(221)
Total	\$200,825	\$194,815	(\$6,010)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$70,715	\$54,505	\$16,210
Special Revenue	157,064	123,068	33,996
Debt Service	6,955	6,792	163
Fiduciary	300	95	205
Total	\$235,034	\$184,460	\$50,574

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$48,671	\$51,435	\$2,764
Special Revenue	128,640	121,935	(6,705)
Debt Service	7,423	7,593	170
Fiduciary	300	87	(213)
Total	\$185,034	\$181,050	(\$3,984)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$57,367	\$53,300	\$4,067
Special Revenue	140,767	106,684	34,083
Debt Service	7,423	7,593	(170)
Fiduciary	300	0	300
Total	\$205,857	\$167,577	\$38,280

**GUSTAVUS TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 1999 AND 1998  
(Continued)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. 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 payment is due the following June 20.

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 Township.

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Township Hall Note	\$5,610	5.5%

The general obligation notes were issued to finance repairs to the Township Hall. The notes are collateralized solely by the Township's taxing authority.

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

Year Ending December 31	Township Hall Note
2000	\$5,760

**6. RETIREMENT SYSTEMS**

Township Officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. These plans provide retirement benefits, including post-retirement 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 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

The Township also provides limited health insurance coverage to Township Officials through a private carrier.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center  
242 Federal Plaza West  
Suite 302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Gustavus Township  
Trumbull County  
3139 Wakefield Creek Road  
Farmdale, Ohio 44417

To the Board of Trustees:

We have audited the accompanying financial statements of Gustavus Township, Trumbull County, Ohio (the Township), as of and for the years ended as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated June 19, 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 the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 Over Financial Reporting**

In planning and performing our audit, we considered Township'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 over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 19, 2000.

Gustavus Township  
Trumbull County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

June 19, 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  
800-282-0370

Facsimile 614-466-4490

**GUSTAVUS TOWNSHIP**

**TRUMBULL 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  
JULY 25, 2000**