



**GENOA TOWNSHIP  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2009-2008**



**Mary Taylor, CPA**  
Auditor of State



**GENOA TOWNSHIP  
DELAWARE COUNTY**

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Mary Taylor, CPA  
Auditor of State

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Township to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

June 15, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of Genoa Township, Delaware County, Ohio (the Township) as of and for the years ended December 31, 2009 and 2008. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio Townships. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, 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 Genoa Township, Delaware County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2010, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 15, 2010



**GENOA TOWNSHIP  
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 1,334,326	\$ 6,723,930	\$ -	\$ -	\$ 8,058,256
Licenses, Permits, and Fees	46,620	3,000	-	-	49,620
Fines and Forfeitures	22,707	910	-	-	23,617
Intergovernmental	429,997	738,718	-	-	1,168,715
Earnings on Investments	248,736	33,628	-	2,202	284,566
Miscellaneous	26,571	18,054	-	29,361	73,986
<b>Total Cash Receipts</b>	<u>2,108,957</u>	<u>7,518,240</u>	<u>-</u>	<u>31,563</u>	<u>9,658,760</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	1,390,060	84,305	-	-	1,474,365
Public Safety	-	5,360,693	-	-	5,360,693
Public Works	-	942,909	-	-	942,909
Health	-	2,426	-	-	2,426
Conservation - Recreation	144,396	-	-	-	144,396
Capital Outlay	300,940	1,323,772	-	-	1,624,712
<b>Total Cash Disbursements</b>	<u>1,835,396</u>	<u>7,714,105</u>	<u>-</u>	<u>-</u>	<u>9,549,501</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>273,561</u>	<u>(195,865)</u>	<u>-</u>	<u>31,563</u>	<u>109,259</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In	-	500,000	-	-	500,000
Transfers-Out	(500,000)	-	-	-	(500,000)
Other Financing Uses	-	(30,728)	-	-	(30,728)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(500,000)</u>	<u>469,272</u>	<u>-</u>	<u>-</u>	<u>(30,728)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(226,439)</u>	<u>273,407</u>	<u>-</u>	<u>31,563</u>	<u>78,531</u>
<b>Fund Cash Balances, January 1, 2009</b>	<u>3,073,804</u>	<u>5,478,685</u>	<u>1,387</u>	<u>2,317,383</u>	<u>10,871,259</u>
<b>Fund Cash Balances, December 31, 2009</b>	<u><u>\$ 2,847,365</u></u>	<u><u>\$ 5,752,092</u></u>	<u><u>\$ 1,387</u></u>	<u><u>\$ 2,348,946</u></u>	<u><u>\$ 10,949,790</u></u>
<b>Reserve for Encumbrances, December 31, 2009</b>	<u><u>\$ 7,012</u></u>	<u><u>\$ 55,017</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 62,029</u></u>

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

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 1,240,659	\$ 6,172,823	\$ -	\$ -	\$ 7,413,482
Licenses, Permits, and Fees	106,436	3,500	-	-	109,936
Fines and Forfeitures	25,728	1,095	-	-	26,823
Intergovernmental	499,368	1,084,295	-	-	1,583,663
Earnings on Investments	407,295	46,988	-	1,433	455,716
Miscellaneous	33,972	60,888	-	-	94,860
<b>Total Cash Receipts</b>	<u>2,313,458</u>	<u>7,369,589</u>	<u>-</u>	<u>1,433</u>	<u>9,684,480</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	1,218,947	75,020	-	-	1,293,967
Public Safety	-	4,992,385	-	-	4,992,385
Public Works	-	976,233	-	-	976,233
Health	863	3,560	-	-	4,423
Conservation - Recreation	54,627	-	-	-	54,627
Capital Outlay	801,869	1,204,864	-	-	2,006,733
<b>Total Cash Disbursements</b>	<u>2,076,306</u>	<u>7,252,062</u>	<u>-</u>	<u>-</u>	<u>9,328,368</u>
<b>Total Receipts Over Disbursements</b>	<u>237,152</u>	<u>117,527</u>	<u>-</u>	<u>1,433</u>	<u>356,112</u>
<b>Other Financing Receipts:</b>					
Other Financing Sources	758	-	-	-	758
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements</b>	<u>237,910</u>	<u>117,527</u>	<u>-</u>	<u>1,433</u>	<u>356,870</u>
Fund Cash Balances, January 1, 2008	<u>2,835,894</u>	<u>5,361,158</u>	<u>1,387</u>	<u>2,315,950</u>	<u>10,514,389</u>
<b>Fund Cash Balances, December 31, 2008</b>	<u><b>\$ 3,073,804</b></u>	<u><b>\$ 5,478,685</b></u>	<u><b>\$ 1,387</b></u>	<u><b>\$ 2,317,383</b></u>	<u><b>\$ 10,871,259</b></u>
Reserve for Encumbrances, December 31, 2008	<u>\$ 47,835</u>	<u>\$ 472,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 519,998</u>

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

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

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

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 Auditor of State prescribes or permits.

**C. Deposits and Investments**

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

The Township values certificates of deposit and federal securities at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**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 reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

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

Police Fund – This fund receives local real estate, property tax and other revenues collected to fund the Township’s fire department

Fire District Fund – This fund receives local real estate, property tax, and other revenues collected to fund the Township’s fire department.

**3. Debt Service Funds**

This fund accounts for resources the Township accumulates to pay bond and note debt.

**4. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects. The Township had the following significant capital project funds:

Police Capital Projects Fund – This fund is to account for transfers of excess funds from the Police Special Revenue Fund which is being set aside by the Township for future equipment purchases for the department.

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

**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. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Process (Continued)**

**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 2009 and 2008 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

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

**G. 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.

**2. Equity in Pooled Deposits and Investments**

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

	2009	2008
Demand deposits	\$275,240	\$550,210
Other time deposits	21,654	1,456,217
Total deposits	296,894	2,006,427
STAR Ohio	2,214,686	1,026,805
Negotiable CD's	4,036,000	3,827,000
FHLMC	500,000	500,000
FNMA	502,210	2,006,710
FHLB	3,400,000	1,504,316
Total investments	10,652,896	8,864,831
Total deposits and investments	\$10,949,790	\$10,871,258

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**Investments:** A financial institution's trust department holds the Township's federal equity securities in book entry form in the Township's name.

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

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,161,193	\$2,108,957	(\$52,236)
Special Revenue	7,377,956	8,018,240	640,284
Capital Projects	1,000	31,563	30,563
Total	\$9,540,149	\$10,158,760	\$618,611

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,253,289	\$2,342,408	\$910,881
Special Revenue	9,157,646	7,799,850	1,357,796
Capital Projects	375,000	0	375,000
Total	\$12,785,935	\$10,142,258	\$2,643,677

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,778,417	\$2,314,216	\$535,799
Special Revenue	7,124,189	7,369,589	245,400
Capital Projects	0	1,433	1,433
Total	\$8,902,606	\$9,685,238	\$782,632

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,636,200	\$2,124,141	\$2,512,059
Special Revenue	10,811,400	7,724,225	3,087,175
Capital Projects	1,050,000	0	1,050,000
Total	\$16,497,600	\$9,848,366	\$6,649,234

Contrary to Ohio law, for 2008, there was no evidence in the Board of Trustees minutes to indicate the passage of the original appropriations and no appropriation measure was filed with the County Budget Commission. Also contrary to Ohio law, for 2008 and 2009, there was no evidence in the Board of Trustees minutes to indicate the authorization of the tax levy and the tax levy was not certified to the county auditor by the required date.

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**4. Property Tax**

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

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. Tangible personal property tax is being phased out and was reduced to zero for 2009.

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

**5. Retirement Systems**

The Township's certified Fire Fighters and full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OP&F participants contributed 10% of their wages. For 2009 and 2008, the Township contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages. For 2009 and 2008, OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

**6. Risk Management**

**Risk Pool Membership**

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

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retain 15% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had over 650 members as of December 31, 2008. The Township participates in this coverage.

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**6. Risk Management (Continued)**

In August, 2007, OGRMP formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 40 members as of December 31, 2008. The Township does not participate participates in this coverage.

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

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

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2008 and 2007 (the latest information available), and include amounts for both OPRRM and OPHC:

	<b>2008</b>	<b>2007</b>
Assets	\$10,471,114	\$11,136,455
Liabilities	(5,286,781)	(4,273,553)
Members’ Equity	\$5,184,333	\$6,862,902

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan’s website, [www.ohioplan.org](http://www.ohioplan.org).





# Mary Taylor, CPA

Auditor of State

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

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

To the Board of Trustees:

We have audited the financial statements of Genoa Township, Franklin County, Ohio (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 15, 2010, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio Townships. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2009-001 and 2009-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 15, 2010.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the audit committee, the Board of Trustees, and others within the Township. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

June 15, 2010

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2009 AND 2008**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	<b>2009-001</b>
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**Appropriation Measures – Noncompliance Finding**

Ohio Revised Code Section 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1. The original appropriations should be filed with the County Auditor after being passed by the Board of Trustees.

Additionally Ohio Revised Code section 5705.40 allows entities to amend or supplement the original appropriations. These amendments and supplements should also be filed with the County Auditor's office after being passed by the Board of Trustees.

For fiscal year 2008, there was no evidence in the Board of Trustees meeting minutes to indicate the passage of the original appropriations, although there was evidence of the Township using an expenditure budget, based on the passage of amended or supplemental appropriations. Additionally, there was no evidence that the Board filed the appropriations with the County Budget Commission.

We recommend the Board of Trustee pass the original appropriations by the required date. We further recommend that the Township file these appropriations and all amended and supplemental appropriation with the County Auditor.

**Officials Response:**

While the 2008 Appropriations were not filed in a timely manner, these Appropriations would have been the responsibility of the previous Fiscal Office (term ending 3/31/2008). The current Fiscal Office began responsibility on 4/1/2008, and as noted in this audit; the 2009 Appropriation measure was passed within the required timeframes.

<b>Finding Number</b>	<b>2009-002</b>
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**Certification of Tax Levies – Noncompliance Finding**

Ohio Revised Code Section 5705.34 states that each taxing authority is to pass an ordinance or resolution to authorize the necessary tax levies. Each such authority is to certify the levies to the county auditor before October 1st, unless a later date is approved by the tax commissioner.

There was no evidence in the Board of Trustees meeting minutes to indicate that the Board passed an ordinance or resolution authorizing the necessary tax levies, nor is there evidence that the Board certified the levies to the county auditor before the required date.

We recommend the Board pass an ordinance or resolution authorizing the rates and to certify the levies to the county auditor. We also recommend the Board of Trustees meeting minutes record this action.

**Officials Response:**

As it relates to Certification of Tax Levies, the current Fiscal Office was unaware of the need to certify existing levies. It was the understanding of this office that certification was for new levies only. We now understand the proper procedure, and will adhere to those procedures in the future.

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Payroll Expenditures - ORC 507.021 Citation and Finding for Recovery for an employee being paid more than the Board Approved rate.	Yes	
2007-002	Certification of Funds - ORC 5705.41(D) Citation for expenditures not being properly certified prior to obligation	Yes	
2007-003	Bank Reconciliations – Recommendation due to inaccurately prepared bank reconciliations	Yes	
2007-004	Financial Reporting – Recommendation for inaccurate financial reporting	No	Partially Corrected – Re-issued in Management Letter



**Mary Taylor, CPA**  
Auditor of State

**GENOA TOWNSHIP**

**DELAWARE 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 22, 2010**