

GENOA TOWNSHIP
DELAWARE COUNTY, OHIO

Financial Statements
December 31, 2006 and 2005

Wolf, Rogers, Dickey & Co.
Certified Public Accountants



Mary Taylor, CPA

Auditor of State

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

We have reviewed the *Independent Auditors' Report* of Genoa Township, Delaware County, prepared by Wolf, Rogers, Dickey & Co., for the audit period January 1, 2005 through December 31, 2006. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 30, 2007

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Genoa Township
Delaware County, Ohio

For the Years Ended
December 31, 2006 and 2005

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Independent Auditors' Report

Genoa Township
Delaware County, Ohio

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, 2006 and 2005. 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. We believe that 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 of Ohio 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.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity-wide statements and also to present larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the GAAP presentation requirements. The Auditor of State of Ohio permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State of Ohio 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, 2006 and 2005 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, 2006 and 2005, or their 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, Ohio as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2006 and 2005. 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 August 31, 2007, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, 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* and should be read in conjunction with this report in considering the results of our audit.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

August 31, 2007

Genoa Township
Delaware County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2006

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:					
Local taxes	\$ 1,157,777	5,883,372	-	-	7,041,149
Intergovernmental	704,023	985,379	-	-	1,689,402
License, permits and fees	145,960	3,578	-	-	149,538
Earnings on investments	423,068	38,261	-	-	461,329
Fines and forfeitures	16,857	1,564	-	-	18,421
Other revenue	<u>145,107</u>	<u>128,971</u>	<u>-</u>	<u>-</u>	<u>274,078</u>
Total cash receipts	<u>2,592,792</u>	<u>7,041,125</u>	<u>-</u>	<u>-</u>	<u>9,633,917</u>
Cash disbursements:					
Current:					
General government	996,755	-	-	-	996,755
Public safety	-	4,423,025	-	-	4,423,025
Public works	623,270	819,382	-	-	1,442,652
Health	1,224	1,705	-	-	2,929
Conservation/recreation	59,163	-	-	-	59,163
Capital outlay	<u>368,146</u>	<u>543,070</u>	<u>-</u>	<u>-</u>	<u>911,216</u>
Total cash disbursements	<u>2,048,558</u>	<u>5,787,182</u>	<u>-</u>	<u>-</u>	<u>7,835,740</u>
Total receipts over disbursements	544,234	1,253,943	-	-	1,798,177
Other financing receipts (disbursements):					
Other financing uses	<u>-</u>	<u>(92,457)</u>	<u>-</u>	<u>-</u>	<u>(92,457)</u>
Total receipts over disbursements	544,234	1,161,486	-	-	1,705,720
Fund cash balances, January 1	<u>1,686,013</u>	<u>4,338,222</u>	<u>2,250,000</u>	<u>1,387</u>	<u>8,275,622</u>
Fund cash balances, December 31	\$ <u>2,230,247</u>	<u>5,499,708</u>	<u>2,250,000</u>	<u>1,387</u>	<u>9,981,342</u>
Reserve for encumbrances	\$ <u>19,134</u>	<u>1,250,369</u>	<u>-</u>	<u>-</u>	<u>1,269,503</u>

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

Genoa Township
Delaware County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2005

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:					
Local taxes	\$ 941,984	5,800,905	-	-	6,742,889
Intergovernmental	364,137	1,002,951	-	-	1,367,088
Licenses, permits and fees	185,252	5,401	-	-	190,653
Earnings on investments	209,757	16,749	-	-	226,506
Fines and forfeitures	20,424	3,105	-	-	23,529
Other revenue	<u>134,796</u>	<u>85,802</u>	<u>-</u>	<u>-</u>	<u>220,598</u>
Total cash receipts	<u>1,856,350</u>	<u>6,914,913</u>	<u>-</u>	<u>-</u>	<u>8,771,263</u>
Cash disbursements:					
Current:					
General government	974,944	-	-	-	974,944
Public safety	-	4,034,838	-	-	4,034,838
Public works	-	987,451	-	-	987,451
Health	1,418	2,014	-	-	3,432
Conservation/recreation	33,403	-	-	-	33,403
Capital outlay	<u>233,572</u>	<u>93,334</u>	<u>-</u>	<u>-</u>	<u>326,906</u>
Total cash disbursements	<u>1,243,337</u>	<u>5,117,637</u>	<u>-</u>	<u>-</u>	<u>6,360,974</u>
Total receipts over disbursements	613,013	1,797,276	-	-	2,410,289
Other financing receipts (disbursements):					
Transfers in	-	-	1,250,000	-	1,250,000
Transfers out	-	(1,250,000)	-	-	(1,250,000)
Other financing uses	<u>-</u>	<u>(391,274)</u>	<u>-</u>	<u>-</u>	<u>(391,274)</u>
Net other financing receipts (disbursements)	<u>-</u>	<u>(1,641,274)</u>	<u>1,250,000</u>	<u>-</u>	<u>(391,274)</u>
Total receipts over disbursements	613,013	156,002	1,250,000	-	2,019,015
Fund cash balances, January 1	<u>1,073,000</u>	<u>4,182,220</u>	<u>1,000,000</u>	<u>1,387</u>	<u>6,256,607</u>
Fund cash balances, December 31	\$ <u>1,686,013</u>	<u>4,338,222</u>	<u>2,250,000</u>	<u>1,387</u>	<u>8,275,622</u>
Reserve for encumbrances	\$ <u>25,834</u>	<u>137,584</u>	<u>-</u>	<u>-</u>	<u>163,418</u>

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

Genoa Township
Delaware County, Ohio
Notes to the Financial Statements
December 31, 2006 and 2005

(1) Summary of Significant Accounting Policies

Description of the Entity

Genoa Township, Delaware County, Ohio (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 is responsible for road and bridge maintenance and cemetery maintenance.

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

Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State of Ohio, 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 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 of Ohio.

Cash and Investments

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. Certificates of deposit are valued at cost.

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:

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.

Genoa Township
Delaware County, Ohio
Notes to the Financial Statements, continued
December 31, 2006 and 2005

(1) Summary of Significant Accounting Policies, continued

Fund Accounting, continued

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:

Motor Vehicle License – This fund receives vehicle registration tax money.

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

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

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

Capital Project Funds

These funds account for funds set aside by the Township for acquiring or constructing major capital projects (except those financed through enterprise or Trust funds). 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.

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 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.

Genoa Township
 Delaware County, Ohio
 Notes to the Financial Statements, continued
 December 31, 2006 and 2005

(1) Summary of Significant Accounting Policies, continued

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.

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. The Township did not encumber all commitments required by Ohio law.

A summary of 2006 and 2005 budgetary activity appears in Note 3.

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.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

(2) Equity in Pooled Cash and Investments

The Township maintains a cash and investment 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>2006</u>	<u>2005</u>
Demand deposits	\$ 4,393,172	3,905,022
Certificates of deposit	1,003,854	-
STAR Ohio	<u>4,584,316</u>	<u>4,370,600</u>
Total deposits and investments	\$ <u>9,981,342</u>	<u>8,275,622</u>

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool. The Township has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes.

Genoa Township
 Delaware County, Ohio
 Notes to the Financial Statements, continued
 December 31, 2006 and 2005

(3) Budgetary Activity

Budgetary activity for the years ended December 31, 2006 and 2005 follows:

<u>2006 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
	<u>Receipts</u>	<u>Receipts</u>	
General	\$ 1,434,003	2,592,792	1,158,789
Special Revenue	<u>6,515,448</u>	<u>7,041,125</u>	<u>525,677</u>
Total	\$ <u>7,949,451</u>	<u>9,633,917</u>	<u>1,684,466</u>

<u>2006 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation</u>	<u>Budgetary</u>	<u>Variance</u>
	<u>Authority</u>	<u>Expenditures</u>	
General	\$ 2,764,750	2,067,692	697,058
Special Revenue	9,373,702	7,130,008	2,243,694
Capital Projects	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Total	\$ <u>12,438,452</u>	<u>9,197,700</u>	<u>3,240,752</u>

<u>2005 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
	<u>Receipts</u>	<u>Receipts</u>	
General	\$ 1,269,515	1,856,350	586,835
Special Revenue	6,610,153	6,914,913	304,760
Capital Projects	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>
Total	\$ <u>9,129,668</u>	<u>10,021,263</u>	<u>891,595</u>

<u>2005 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation</u>	<u>Budgetary</u>	<u>Variance</u>
	<u>Authority</u>	<u>Expenditures</u>	
General	\$ 1,874,050	1,269,171	604,879
Special Revenue	<u>8,241,324</u>	<u>6,896,495</u>	<u>1,344,829</u>
Total	\$ <u>10,115,374</u>	<u>8,165,666</u>	<u>1,949,708</u>

Genoa Township
Delaware County, Ohio
Notes to the Financial Statements, continued
December 31, 2006 and 2005

(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 of Ohio, 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) Retirement Systems

The Township's certified fire fighters belong to the Police and Fire Pension Fund (OP&F). Other employees and elected officials belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide 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 2006 and 2005, OP&F members contributed 10% of their wages, while the Township contributed 24% of participants' gross wages. PERS members contributed 9% and 8.5% of their gross salaries, respectively, while the Township contributed 13.7% and 13.55% of participants' gross salaries, respectively. The Township has paid all contributions required through December 31, 2006, except a \$70,070 employer contribution to OP&F which was paid in January 2007 and is included in the reserve for encumbrances.

(6) Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 460 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

Genoa Township
 Delaware County, Ohio
 Notes to the Financial Statements, continued
 December 31, 2006 and 2005

(6) Risk Management, continued

The Plan issues its own policies and reinsures the Plan with A-VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan pays the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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

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 obligation to the Plan. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004 (the latest information available):

	<u>2005</u>	<u>2004</u>
Assets	\$ 8,219,430	\$ 6,685,522
Liabilities	<u>(2,748,639)</u>	<u>(2,227,808)</u>
Members' equity	\$ <u>5,470,791</u>	\$ <u>4,457,714</u>

The complete audited financial statements for The Ohio Government Risk Management Plan are available at the Plan's website, www.ohioplan.org.

(7) Commitments

The Township has received funds at various times from local builders to be used for specific projects. These funds have been deposited into the General Fund, however, the Township has not adequately tracked the expenditure of these funds, and we were therefore unable to evaluate the status of any remaining commitments related to the funds. Due to the significant cash balance in the General Fund at December 31, 2006, we believe that the Township has the ability to honor remaining commitments related to designated funds that have yet to be expended, if any.

(8) Litigation

The Township is involved in litigation proceedings which are in the ordinary course of the Township's activities. The amount of liability, if any, cannot be determined with certainty; however, management is of the opinion that the outcome of the claims will not have a material adverse impact on financial position. Due to uncertainties in the settlement process, it is at least reasonably possible that management's estimate of the outcome will change within the next year.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants
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**Independent Accountants' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Based On An Audit Of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Genoa Township
Delaware County, Ohio

To the Board of Trustees:

We have audited the financial statements of Genoa Township, Delaware County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated August 31, 2007, wherein we noted the Township followed accounting practices the Auditor of State of Ohio prescribes rather than accounting principles generally accepted in the United States of America. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be considered significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the

Internal Control Over Financial Reporting, continued

Township's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

We consider the following deficiencies in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2006-01 and 2006-02. In a separate letter to the Township's management dated August 31, 2007, we reported other matters involving internal controls over financial reporting that we did not deem significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 2006-01 to be a material weakness.

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 such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2006-03.

We noted certain noncompliance or other matters not requiring inclusion in this report that we reported to management of the Township in a separate letter dated August 31, 2007.

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

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

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

August 31, 2007

Genoa Township
Delaware County, Ohio
Schedule of Findings
December 31, 2006 and 2005

Findings Related to the Financial Statements
Required to be Reported in Accordance with GAGAS

Finding Number 2006-01

The Township occasionally receives funds from developers and others to be set aside for construction of playgrounds, improvements to intersections, and other purposes. During our testing, we were able to agree all such amounts detailed in the trustee meeting minutes to deposits recorded in the Uniform Accounting Network (UAN). However, the Township is currently unable to provide any accounting of the use of these funds that were outstanding at the end of the last audit period or that were received in the current audit period. We are aware that at least one of these donations included a stipulation that the money should be returned if not used within a specified period. Proper tracking of these donations helps the Township demonstrate accountability for use of the funds to the donors and the residents of the Township.

Township Response

The Township has already begun a new policy of assigning new revenue accounts for funds received from developers. In the near future this information will be available to the public. Funds received within the last two years will be researched and accounted for.

Finding Number 2006-02

ORC Chapters 145 and 742 set forth definitions, exclusions, exemptions, rates of contributions and reporting requirements for Public Employees Retirement System (OPERS) and Police and Fire Disability and Pension Fund (OPF), respectively. During our testing, we noted that the Township has experienced problems with proper or timely reporting, and timely remittance of contributions to these agencies during the audit period. Problems specifically have included late filing of several withholding reports, a late filing of a pre-employment physical for a new fire fighter, timely filing of reports that did not comply with various "hours" or other reporting rules, and late filing of several required payments. Most notably, the OPF employer remittance of \$70,090 for the third quarter of 2006, which was due no later than December 31, 2006, was remitted via a check dated January 18, 2007.

During the audit period, the Township incurred in excess of \$8,600 in fees and penalties, including \$5,231 in interest and penalties for under withholding for an employee in the 1980's. The Township indicates that no fees have been assessed to date on the late OPF employer remittance referred to above.

Township Response

The Township plans to reduce if not completely eliminate the township liability for fees and fines associated with late filings of reports to OPERS, OP&F, and city taxes, etc. by using the ADP Payroll system.

Genoa Township
Delaware County, Ohio
Schedule of Findings
December 31, 2006 and 2005

Findings Related to the Financial Statements
Required to be Reported in Accordance with GAGAS

Finding Number 2006-03

During our testing of local tax receipts, we noted that the real estate tax settlements were recorded to the local tax revenue accounts in the net amount, after deductions. Proper accounting treatment and the Uniform Accounting Network (UAN) instruction manual direct that the gross amount of tax is supposed to be recorded to the revenue accounts, while the expenses are supposed to be recorded to the appropriate expense accounts through the use of memo receipts.

Township Response

Gross tax revenue will be receipted and then cost for collection will be appropriated.



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
NOVEMBER 13, 2007**