



**GENEVA TOWNSHIP
ASHTABULA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Geneva Township
Ashtabula County
256 Cedar Street
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To the Board of Trustees:

We have audited the accompanying financial statements of Geneva Township, Ashtabula County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 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 of the Township as of December 31, 1999 and 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 May 26, 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 audit committee, 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

May 26, 2000

**GENEVA 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>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$32,881	\$303,802	\$24,700		\$361,383
Intergovernmental	46,337	124,416			170,753
Special Assessments		21,312			21,312
Licenses, Permits, and Fees	57,774				57,774
Earnings on Investments	20,378	3,972			24,350
Total Cash Receipts	<u>157,370</u>	<u>453,502</u>	<u>24,700</u>		<u>635,572</u>
Cash Disbursements:					
Current:					
General Government	80,271				80,271
Public Safety		69,733			69,733
Public Works		251,084			251,084
Health	19,587	54,663			74,250
Conservation - Recreation		37,332			37,332
Debt Service:					
Redemption of Principal			19,000		19,000
Interest and Fiscal Charges			5,688		5,688
Capital Outlay	7,609				7,609
Total Cash Disbursements	<u>107,467</u>	<u>412,812</u>	<u>24,688</u>		<u>544,967</u>
Total Receipts Over/(Under) Disbursements	<u>49,903</u>	<u>40,690</u>	<u>12</u>		<u>90,605</u>
Other Financing Receipts/(Disbursements):					
Other Sources	16,662				16,662
Total Other Financing Receipts/(Disbursements)	<u>16,662</u>				<u>16,662</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>66,565</u>	<u>40,690</u>	<u>12</u>		<u>107,267</u>
Fund Cash Balances, January 1	<u>213,216</u>	<u>234,315</u>	<u>22</u>	<u>4,600</u>	<u>452,153</u>
Fund Cash Balances, December 31	<u>\$279,781</u>	<u>\$275,005</u>	<u>\$34</u>	<u>\$4,600</u>	<u>\$559,420</u>

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

**GENEVA 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>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$32,536	\$296,232	\$25,840		\$354,608
Intergovernmental	21,409	119,764			141,173
Special Assessments		21,830			21,830
Licenses, Permits, and Fees	101,261				101,261
Earnings on Investments	22,050	3,256			25,306
Other Revenue		1,235		\$4,600	5,835
Total Cash Receipts	<u>177,256</u>	<u>442,317</u>	<u>25,840</u>	<u>4,600</u>	<u>650,013</u>
Cash Disbursements:					
Current:					
General Government	109,555				109,555
Public Safety		77,503			77,503
Public Works		221,016			221,016
Health	16,457	54,333			70,790
Conservation - Recreation		37,071			37,071
Debt Service:					
Redemption of Principal			19,000		19,000
Interest and Fiscal Charges			6,824		6,824
Capital Outlay	45,591	14,550			60,141
Total Cash Disbursements	<u>171,603</u>	<u>404,473</u>	<u>25,824</u>		<u>601,900</u>
Total Receipts Over/(Under) Disbursements	<u>5,653</u>	<u>37,844</u>	<u>16</u>	<u>4,600</u>	<u>48,113</u>
Other Financing Receipts/(Disbursements):					
Other Sources	25,108				25,108
Total Other Financing Receipts/(Disbursements)	<u>25,108</u>				<u>25,108</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>30,761</u>	<u>37,844</u>	<u>16</u>	<u>4,600</u>	<u>73,221</u>
Fund Cash Balances, January 1	<u>182,455</u>	<u>196,471</u>	<u>6</u>		<u>378,932</u>
Fund Cash Balances, December 31	<u>\$213,216</u>	<u>\$234,315</u>	<u>\$22</u>	<u>\$4,600</u>	<u>\$452,153</u>

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

**GENEVA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Geneva Township, Ashtabula 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. The Township contracts with the City of Geneva to provide fire services and Northwest Ambulance District to provide ambulance 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

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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.

GENEVA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Special Revenue Funds (Continued)

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

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Funds

General Note Retirement -This fund receives real estate tax money to pay for the Township's general obligation notes.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds

Issue II Fund - The Township received a grant from the State of Ohio to pay for constructing, maintaining and repairing Township roads.

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 canceled, and reappropriated in the subsequent year.

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

**GENEVA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

G. 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 basis of accounting used by the Township.

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	\$16,571	\$9,579
Certificates of deposit	36,857	34,723
Total deposits	53,428	44,302
Investments:		
STAR Ohio	505,992	407,851
Total deposits and investments	\$559,420	\$452,153

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

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$126,391	\$174,032	\$47,641
Special Revenue	589,905	453,502	(136,403)
Debt Service	24,700	24,700	0
Capital Projects	0	0	0
Total	\$740,996	\$652,234	(\$88,762)

**GENEVA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$339,600	\$107,467	\$232,133
Special Revenue	729,860	412,812	317,048
Debt Service	24,722	24,688	34
Capital Projects	98,600	0	98,600
Total	<u>\$1,192,782</u>	<u>\$544,967</u>	<u>\$647,815</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$139,524	\$202,364	\$62,840
Special Revenue	492,367	442,317	(50,050)
Debt Service	26,980	25,840	(1,140)
Capital Projects	0	4,600	4,600
Total	<u>\$658,871</u>	<u>\$675,121</u>	<u>\$16,250</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$321,900	\$171,603	\$150,297
Special Revenue	688,500	404,473	284,027
Debt Service	25,846	25,824	22
Capital Projects	0	0	0
Total	<u>\$1,036,246</u>	<u>\$601,900</u>	<u>\$434,346</u>

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.

Public utilities are also taxed on personal and real property located within the Township.

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.

**GENEVA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Notes	76,000	6%

The general obligation notes were issued to finance the purchase of a new Township garage and meeting hall to be used for Township Trustee's meetings and road maintenance. 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:	General Obligation Notes
2000	23,560
2001	22,420
2002	21,280
2003	20,140
Total	\$87,400

6. RETIREMENT SYSTEMS

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

PERS members 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 health insurance and dental and vision coverage to full-time employees through a private carrier.

**GENEVA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

8. RESTATEMENT OF FUND BALANCES

For the year commencing January 1, 1998, the UAN network changed the chart of accounts which eliminated the Special Assessment Fund Type. The Township had one Special Assessment fund in 1997, a Street Lighting Assessment Fund. This change required certain adjustments to be recorded to the January 1, 1998 beginning fund balances as compared to the December 31, 1997 ending fund balances in the following funds:

Fund Type/Fund	Previously Stated Balance at 12/31/97	Reclassification	Restated Balance at 1/1/98
Governmental Funds:			
Special Revenue	\$183,651	\$ 12,820	\$196,471
Special Assessment	12,280	(12,280)	0



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

Geneva Township
Ashtabula County
256 Cedar Street
Geneva, Ohio 44041

To the Board of Trustees:

We have audited the accompanying financial statements of Geneva Township, Ashtabula County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 26, 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. However, we noted one immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated May 26, 2000.

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 May 26, 2000.

This report is intended for the information and use of the audit committee, 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", with a stylized, cursive script.

Jim Petro
Auditor of State

May 26, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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GENEVA TOWNSHIP

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
JUNE 27, 2000**