AUDITOR O

GUSTAVUS TOWNSHIP TRUMBULL COUNTY

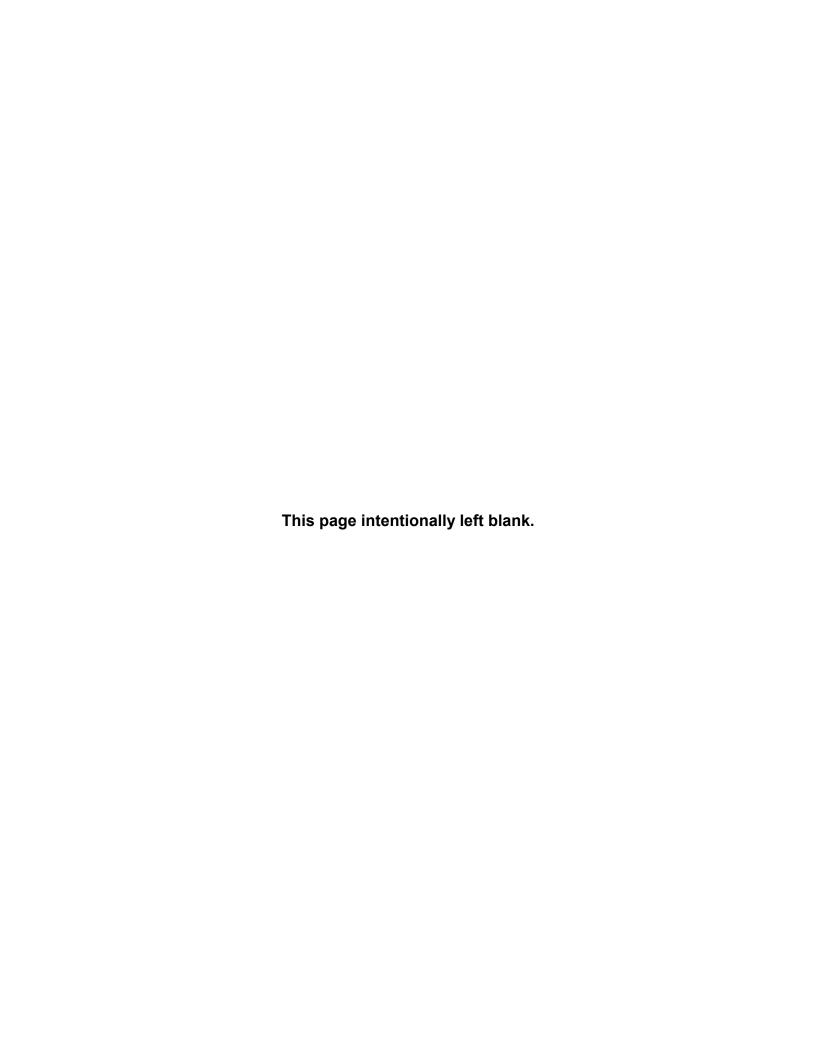
REGULAR AUDIT

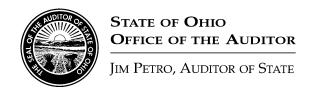
FOR THE YEARS ENDED DECEMBER 31, 1999-1998



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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.

Jim Petro Auditor of State

June 19, 2000

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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

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Total (Memorandum Only)
Revenue Receipts:	47 700	4 00-	***	*= 4.004
Taxes	\$7,739	\$57,287	\$6,955	\$71,981
Licenses, Permits, and Fees	40.504	1,785		1,785
Intergovernmental	48,591	64,451		113,042
Interest	1,672			1,672
All Other Revenue	2,006			2,006
Total Receipts	60,008	123,523	6,955	190,486
Expenditure Disbursements:				
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
Total Disbursements	50,504	123,068	6,792	180,364
Total Receipts Over /(Under)				
Disbursements	9,504	455	163	10,122
Disbuisements	9,504	433	103	10,122
Other Financing Sources (Uses):				
Operating Transfers-In		4,000		4,000
Operating Transfers-Out	(4,000)	250		(4,000)
Other Financing Sources		250		250
Total Other Financing Sources (Uses)	(4,000)	4,250		250
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	6,831	27,377		34,208
Fund Cash Balance, December 31, 1999	\$12,335	\$32,082	\$163	\$44,580

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

	Non-Expendable Trust
Operating Cash Receipts: Interest	\$79
Total Operating Cash Receipts	79
Operating Cash Disbursements:	
Personal Services	95
Total Operating Cash Disbursements	95
Operating Income	(16)
Non-Operating Cash Receipts:	
Non-Operating Cash Disbursements:	
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
Fund Cash Balances, December 31, 1999	\$4,544

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

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

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

	Non-Expendable Trust
Operating Cash Receipts: Interest	\$87_
Total Operating Cash Receipts	87
Operating Cash Disbursements:	
Total Operating Cash Disbursements	
Operating Income	87
Non-Operating Cash Receipts:	
Non-Operating Cash Disbursements:	
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
Fund Cash Balances, December 31, 1998	\$4,560

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:

Demand deposits \(\frac{1999}{\$49,124} \) \(\\$38,768 \)

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 Recei

		Budgeted	Actual	
Fund Type		Receipts	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 Special Revenue Debt Service Fiduciary		\$70,715 157,064 6,955 300	\$54,505 123,068 6,792 95	\$16,210 33,996 163 205
	Total	\$235,034	\$184,460	\$50,574

1998 Budgeted vs. Actual Receipts

		Budgeted	Actual	
Fund Type		Receipts	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 Special Revenue Debt Service Fiduciary		\$57,367 140,767 7,423 300	\$53,300 106,684 7,593 0	\$4,067 34,083 (170) 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:

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 Township
December 31 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.

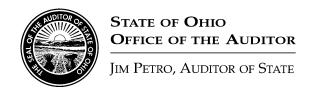
Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

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.



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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

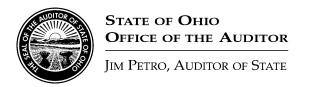
In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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.

Jim Petro Auditor of State

June 19, 2000



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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.

CLERK OF THE BUREAU

Susan Babbitt

CERTIFIED JULY 25, 2000