



Mary Taylor, CPA
Auditor of State

**GENEVA TOWNSHIP
ASHTABULA COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Geneva Township
Ashtabula County
256 Cedar Street
Geneva, Ohio 44041

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Geneva Township, Ashtabula County, Ohio (the Township), as of and for the years ended December 31, 2007 and December 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 governments. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Geneva Township, Ashtabula County, Ohio, as of December 31, 2007 and December 31, 2006, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax, Road and Bridge, and Fire District thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2008, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 10, 2008

Geneva Township
Ashtabula County
Management's Discussion and Analysis
For the Years Ending December 31, 2006 and 2007
Unaudited

Highlights

Financial Highlights

Key highlights for 2006 and 2007 are as follows:

Net assets of governmental activities increased \$63,011 or 8% in 2006 and decreased \$21,968 or 3% in 2007. The decrease in 2007 was due to the purchase of a new truck (\$98,000) and the paving of Addison Road. Also contributing to the decrease was extensive drainage work at various sites in the Township as well as an extensive amount of Chip & Seal Roads. The increase in 2006 was due to a reevaluation of Real Property and The State Gasoline Tax collected at the current tax rates. Also contributing to the increase was less than anticipated Capital Projects expenditures, as well as anticipated projects which will not be completed until next year.

The Township's general receipts are primarily property taxes. These receipts represent between 52% and 56% of the total cash received for 2007 and 2006 respectively.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Geneva Township
Ashtabula County
Management's Discussion and Analysis
For the Years Ending December 31, 2006 and 2007
Unaudited

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Government did financially during 2006 & 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non financial factors as well such as the township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, Governmental Activities provide information on the Township as a whole:

Governmental Activities. All of the Township's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. .

Geneva Township
Ashtabula County
Management's Discussion and Analysis
For the Years Ending December 31, 2006 and 2007
Unaudited

The Township as a Whole

As mentioned previously, net assets of governmental activities increased \$63,011 or 8% in 2006 and decreased by \$21,968 or 3% during 2007. The primary reasons contributing to these changes in cash balances are as follows:

Increases while modest in 2006 were primarily due to the reevaluation of Real Property as well as increases in the State Gasoline Tax.

- The Township was aggressive with their paving and road renovation projects, which cost in excess of \$159,000. These costs were absorbed by the Township without any Grant Funds.
- A new five year Fire Contract was approved with the City of Geneva. The cost of Fire protection will rise by 50% during the life of the contract.

In 2007 our net assets of government activities decreased by \$21,968 or 3%. The primary reasons contributing to the decreases in cash balances are as follows:

- The Township was again aggressive with their paving and road renovation projects, which cost in excess of \$234,708. These costs were absorbed by the Township with grant funds.
- The paving of Addison Road was completed at a cost of \$114,700. A CDBG grant of 47,100 assisted in the project the remainder absorbed by the Township.

Net Assets
Government Activities

	2007	2006
Assets		
Equity in pooled cash and Cash equivalents	\$812,140	\$834,108
Total Assets	\$812,140	\$834,108
Net Cash Assets		
Restricted	\$392,308	\$415,046
Unrestricted	\$419,832	\$419,062
Total net cash assets	\$812,140	\$834,108

Geneva Township
Ashtabula County
Management's Discussion and Analysis
For the Years Ending December 31, 2006 and 2007
Unaudited

Change in Net Cash Assets

	Government Activities 2007	Government Activities 2006
Cash Receipts:		
Charges for Services	\$99,228	\$87,039
Operating grants & contributions	176,920	177,657
Capital grants & contributions	47,100	19,574
Total program cash receipts	323,248	284,270
General Cash Receipts		
Property & other taxes	456,351	445,375
Unrestricted Grants	10,511	10,357
Investment Earnings	42,283	40,525
Other	40,323	19,244
Total General Receipts	549,468	515,501
Total cash receipts	872,716	799,771
Cash Disbursements:		
General Government	110,770	102,929
Public Safety	116,281	91,541
Public Works	403,650	354,582
Health	29,275	28,680
Capital Outlay	234,708	159,028
Total Cash Disbursements	894,684	736,760
Change in net cash assets	(21,968)	63,011
Net cash beginning of the year	834,108	771,097
Net cash end of year	\$812,140	\$834,108

Program receipts represent only 37 (2007) and 36 (2006) percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits, solid waste disposal fees and inspection fees and the City of Geneva for fire protection.

General fund receipts represent 63 (2007) and 64 (2006) percent of the Township's total receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General fund represent the overhead costs of running the Township and the support services provided for the other Government activities. These include the costs of Trustees, and the Fiscal Officer and Zoning departments, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to 25 percent of General fund unrestricted receipts.

Geneva Township
Ashtabula County
Management's Discussion and Analysis
For the Years Ending December 31, 2006 and 2007
Unaudited

The Township's police protection is provided by the Ashtabula County Sheriff's department. Fire protection is provided under contract by the Geneva fire department.

Public Health is provided by the Ashtabula County Health Department.

Governmental Activities

The Statement of Activities lists the major services provided by the Township. Included are the costs of providing these services. The major disbursements for Township activities are for capital road projects, road and bridge maintenance, fire protection, and administration of the Township.

The Township's government funds are accounted for using the cash basis of accounting.

At December 31, 2007, the Township's governmental funds reported a cash balance of \$812,140 which is \$21,698 below last years total of \$834,108. The schedules below indicates the fund cash balance and the total change in fund balance as of December 31, 2007 and December 31, 2006 for all major and non major funds. We present this presentation as a comparison of our cash basis activities:

	Fund Cash Balance December 31, 2007	Fund Cash Balance December 31, 2006	Increase/ Decrease
Major Funds:			
General	\$419,830	\$419,062	768
Gasoline	70,811	89,870	(19,059)
Road & Bridge	60,458	69,416	(8,958)
Fire	222,745	212,775	9,970
Other non-major	38,296	42,985	(4,689)
Total	\$812,140	\$834,108	(21,698)
	2007	2006	% Change
Cash Receipts:			
Taxes	\$456,351	\$445,375	2.41
Lic, Permits, fees	99,228	87,039	12.28
Intergovernmental	211,499	183,401	13.29
Special Assessments	23,032	24,187	(5.01)
Investments Earnings	42,283	40,525	4.16
Other	40,323	19,244	52.28
Total	\$872,716	\$799,771	8.36
Cash Disbursements:			
General Government	\$110,770	\$102,929	7.08
Public Safety	116,281	91,541	21.28
Public Works	403,650	354,582	12.16
Health	29,275	28,680	2.03
Capital outlay	234,708	159,028	32.24
Total	\$894,684	\$736,760	17.65

Geneva Township
Ashtabula County
Management's Discussion and Analysis
For the Years Ending December 31, 2006 and 2007
Unaudited

The Township's Funds

Total governmental funds in 2007 had receipts of \$872,716 and disbursements of \$894,684. The General Fund and Fire Fund increases were as a result of the Real Property reevaluation. The Gasoline Tax Fund as a result of collections for the full year exceeded last years. Road and Bridge Fund receipts were less than disbursements by \$8,958 indicating that the Road and Bridge Fund are in a deficit spending situation. This condition was as a result of our paving projects which took place this year. The dollars were available in our carryover to pick up the disburdenment over the revenue.

Total governmental funds for 2006 had receipts of \$799,771 and disbursements of \$736,760. The greatest change within governmental funds occurred within the General Fund \$26,248, Fire Fund, \$32,112, and the Gasoline Tax \$ 24,088. The General and Fire Fund increases were as a result of the Real Property reevaluation. The Gasoline Tax as a result of collections for the full year was at the current tax rate. Road and Bridge Fund receipts were less than disbursements by \$13,611 indicating that the road and Bridge Fund is in a deficit spending situation. The condition was as a result of our paving projects which took place this year. The dollars were available in our carryover to pick up the disbursement over the revenue.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2007, the Township did have to amend its General Fund budget. An amended certificate was only required upon notification of receipt of CDBG funds received as a result of The Addison Road paving project.

Final disbursements were budgeted at \$1,147,850 while actual disbursements were \$894,684.

During 2006 no amended Certificate was required.

Current Issues

The Township has continually reviewed our anticipated revenues both current and potential and Budget accordingly. We continue to maintain Township Roads and our paving program to eliminate unpaved roads within the Township. Presently an estimated 23 miles of the 25.3 miles of road within the Township are paved. We have aggressively taken advantage of the programs available such as Issue II, Issue I, and CDBG grants. In preparation of these paving projects and maintaining our present paved roads, we have used an aggressive chip and seal program to build a base for future road paving and to maintain existing roads. During 2007, the Township did extensive work on drainage and base on Barnum road, drainage, base and paving of Wheeler Creek road with all Township funds. Preparation on Addison road was begun in anticipation in early 2007 with a CDBG grant. We continue to upgrade our equipment to insure that we have reliable and adequate equipment to provide the necessary service to residents.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Tony Long, Fiscal Officer, Geneva Township, P.O. Box 670, Geneva, OH 44041-0670

GENEVA TOWNSHIP, ASHTABULA COUNTY
Statement of Net Assets - Cash Basis
December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$812,140
<i>Total Assets</i>	<u><u>\$812,140</u></u>
Net Assets	
Restricted for:	
Other Purposes	392,308
Unrestricted	419,832
<i>Total Net Assets</i>	<u><u>\$812,140</u></u>

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2007*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$110,770	\$99,228	\$5,632	\$0	(\$5,910)
Public Safety	116,281		39,313		(76,968)
Public Works	403,650		131,975	47,100	(224,575)
Health	29,275				(29,275)
Capital Outlay	234,708				(234,708)
<i>Total Governmental Activities</i>	<u>\$894,684</u>	<u>\$99,228</u>	<u>\$176,920</u>	<u>\$47,100</u>	<u>(\$571,436)</u>
General Receipts					
Property Taxes					\$456,351
Grants and Entitlements not Restricted to Specific Programs					10,511
Earnings on Investments					42,283
Miscellaneous					40,323
<i>Total General Receipts</i>					<u>549,468</u>
Change in Net Assets					(21,968)
<i>Net Assets Beginning of Year</i>					<u>834,108</u>
<i>Net Assets End of Year</i>					<u><u>\$812,140</u></u>

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE DISTRICT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$419,830	\$70,811	\$60,458	\$222,745	\$38,296	\$812,140
<i>Total Assets</i>	<u>\$419,830</u>	<u>\$70,811</u>	<u>\$60,458</u>	<u>\$222,745</u>	<u>\$38,296</u>	<u>\$812,140</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	419,830					419,830
Special Revenue Funds		70,811	60,458	222,745	38,296	392,310
<i>Total Fund Balances</i>	<u>\$419,830</u>	<u>\$70,811</u>	<u>\$60,458</u>	<u>\$222,745</u>	<u>\$38,296</u>	<u>\$812,140</u>

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE DISTRICT	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts						
Property and Other Local Taxes	\$50,796	\$0	\$259,265	\$109,970	\$36,320	\$456,351
Licenses, Permits and Fees	99,228					99,228
Intergovernmental	16,142	89,100	33,965	16,281	56,011	211,499
Special Assessments					23,032	23,032
Earnings on Investments	36,585	3,671			2,027	42,283
Miscellaneous	477		39,846			40,323
Total Receipts	\$203,228	\$92,771	\$333,076	\$126,251	\$117,390	\$872,716
Disbursements						
Current:						
General Government	110,754		16			110,770
Public Safety				116,281		116,281
Public Works		111,830	216,841		74,979	403,650
Health	29,275					29,275
Capital Outlay	62,431		125,177		47,100	234,708
Total Disbursements	\$202,460	\$111,830	\$342,034	\$116,281	\$122,079	\$894,684
Excess of Receipts Over (Under) Disbursements	768	(19,059)	(8,958)	9,970	(4,689)	(21,968)
Other Financing Sources (Uses)						
Advances In	7,000				7,000	14,000
Advances Out	(7,000)				(7,000)	(14,000)
Total Other Financing Sources (Uses)	0	0	0	0	0	0
Net Change in Fund Balances	768	(19,059)	(8,958)	9,970	(4,689)	(21,968)
Fund Balances Beginning of Year	419,062	89,870	69,416	212,775	42,985	834,108
Fund Balances End of Year	\$419,830	\$70,811	\$60,458	\$222,745	\$38,296	\$812,140

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 General Fund
 For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional)
	<u>Original</u>	<u>Final</u>		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$49,500	\$49,500	\$50,796	\$1,296
Licenses, Permits and Fees	87,000	87,000	99,228	12,228
Intergovernmental	26,600	26,600	16,142	(10,458)
Earnings on Investments	30,000	30,000	36,585	6,585
Miscellaneous	12,000	12,000	477	(11,523)
<i>Total receipts</i>	<u>\$205,100</u>	<u>\$205,100</u>	<u>\$203,228</u>	<u>(\$1,872)</u>
Disbursements				
Current:				
General Government	150,750	150,750	110,754	(39,996)
Health	32,000	32,000	29,275	(2,725)
Capital Outlay	135,000	135,000	62,431	(72,569)
<i>Total Disbursements</i>	<u>\$317,750</u>	<u>\$317,750</u>	<u>\$202,460</u>	<u>(\$115,290)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(112,650)</u>	<u>(112,650)</u>	<u>768</u>	<u>113,418</u>
Other Financing Sources (Uses)				
Advances In		7,000	7,000	0
Advances Out		(7,000)	(7,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(112,650)</u>	<u>(112,650)</u>	<u>768</u>	<u>113,418</u>
<i>Unencumbered Cash Balance Beginning of Year</i>	419,062	419,062	419,062	0
<i>Unencumbered Cash Balance End of Year</i>	<u>\$306,412</u>	<u>\$306,412</u>	<u>\$419,830</u>	<u>\$113,418</u>

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Gas Tax Fund
 For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional)
	<u>Original</u>	<u>Final</u>		Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$87,000	\$87,000	\$89,100	\$2,100
Earnings on Investments	4,000	4,000	3,671	(329)
<i>Total receipts</i>	<u>\$91,000</u>	<u>\$91,000</u>	<u>\$92,771</u>	<u>\$1,771</u>
Disbursements				
Current:				
Public Works	120,000	120,000	111,830	8,170
<i>Total Disbursements</i>	<u>\$120,000</u>	<u>\$120,000</u>	<u>\$111,830</u>	<u>\$8,170</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(29,000)</u>	<u>(29,000)</u>	<u>(19,059)</u>	<u>9,941</u>
<i>Net Change in Fund Balance</i>	(29,000)	(29,000)	(19,059)	9,941
<i>Unencumbered Cash Balance Beginning of Year</i>	89,870	89,870	89,870	0
<i>Unencumbered Cash Balance End of Year</i>	<u>\$60,870</u>	<u>\$60,870</u>	<u>\$70,811</u>	<u>\$9,941</u>

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Road and Bridge Fund
 For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional)
	<u>Original</u>	<u>Final</u>		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$254,500	\$254,500	\$259,265	\$4,765
Intergovernmental	38,000	38,000	33,965	(4,035)
Miscellaneous	25,000	25,000	39,846	14,846
<i>Total receipts</i>	<u>\$317,500</u>	<u>\$317,500</u>	<u>\$333,076</u>	<u>\$15,576</u>
Disbursements				
Current:				
General Government		500	16	484
Public Works	243,500	243,500	216,841	26,659
Capital Outlay	143,000	143,000	125,177	17,823
<i>Total Disbursements</i>	<u>\$386,500</u>	<u>\$387,000</u>	<u>\$342,034</u>	<u>\$44,966</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(69,000)</u>	<u>(69,500)</u>	<u>(8,958)</u>	<u>60,542</u>
<i>Net Change in Fund Balance</i>	(69,000)	(69,500)	(8,958)	60,542
<i>Unencumbered Cash Balance Beginning of Year</i>	69,416	69,416	69,416	0
<i>Unencumbered Cash Balance End of Year</i>	<u>\$416</u>	<u>(\$84)</u>	<u>\$60,458</u>	<u>\$60,542</u>

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Fire District Fund
 For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional)
	<u>Original</u>	<u>Final</u>		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$107,000	\$107,000	\$109,970	\$2,970
Intergovernmental	18,000	18,000	16,281	(1,719)
<i>Total receipts</i>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$126,251</u>	<u>\$1,251</u>
Disbursements				
Current:				
Public Safety	190,000	190,000	116,281	73,719
<i>Total Disbursements</i>	<u>\$190,000</u>	<u>\$190,000</u>	<u>\$116,281</u>	<u>\$73,719</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(65,000)</u>	<u>(65,000)</u>	<u>9,970</u>	<u>74,970</u>
<i>Net Change in Fund Balance</i>	(65,000)	(65,000)	9,970	74,970
<i>Unencumbered Cash Balance Beginning of Year</i>	212,775	212,775	212,775	0
<i>Unencumbered Cash Balance End of Year</i>	<u>\$147,775</u>	<u>\$147,775</u>	<u>\$222,745</u>	<u>\$74,970</u>

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
Statement of Net Assets - Cash Basis
December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$834,108
<i>Total Assets</i>	<u><u>\$834,108</u></u>
Net Assets	
Restricted for:	
Other Purposes	415,046
Unrestricted	419,062
<i>Total Net Assets</i>	<u><u>\$834,108</u></u>

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2006*

	Program Cash Receipts			Net (Disbursements) Receipts and	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities					
General Government	\$102,929	\$87,039	\$5,691	\$0	(\$10,199)
Public Safety	91,541		40,564		(50,977)
Public Works	354,582		131,402	19,574	(203,606)
Health	28,680				(28,680)
Capital Outlay	159,028				(159,028)
<i>Total Governmental Activities</i>	\$736,760	\$87,039	\$177,657	\$19,574	(\$452,490)
General Receipts					
Property Taxes					\$445,375
Grants and Entitlements not Restricted to Specific Programs					10,357
Earnings on Investments					40,525
Miscellaneous					19,244
<i>Total General Receipts</i>					515,501
Change in Net Assets					63,011
<i>Net Assets Beginning of Year</i>					771,097
<i>Net Assets End of Year</i>					<u>\$834,108</u>

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE DISTRICT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$419,062	\$89,870	\$69,416	\$212,775	\$42,985	\$834,108
<i>Total Assets</i>	<u>\$419,062</u>	<u>\$89,870</u>	<u>\$69,416</u>	<u>\$212,775</u>	<u>\$42,985</u>	<u>\$834,108</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	419,062					419,062
Special Revenue Funds		89,870	69,416	212,775	42,985	415,046
<i>Total Fund Balances</i>	<u>\$419,062</u>	<u>\$89,870</u>	<u>\$69,416</u>	<u>\$212,775</u>	<u>\$42,985</u>	<u>\$834,108</u>

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE DISTRICT	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts						
Property and Other Local Taxes	\$49,201		\$253,017	\$107,276	\$35,881	\$445,375
Licenses, Permits and Fees	87,039					87,039
Intergovernmental	16,049	86,226	35,300	16,377	29,449	183,401
Special Assessments					24,187	24,187
Earnings on Investments	33,558	4,627			2,340	40,525
Miscellaneous			19,244			19,244
Total Receipts	\$185,847	\$90,853	\$307,561	\$123,653	\$91,857	\$799,771
Disbursements						
Current:						
General Government	102,929					102,929
Public Safety				91,541		91,541
Public Works		66,765	209,708		78,109	354,582
Health	28,680					28,680
Capital Outlay	27,990		111,464		19,574	159,028
Total Disbursements	\$159,599	\$66,765	\$321,172	\$91,541	\$97,683	\$736,760
Excess of Receipts Over (Under) Disbursemen	26,248	24,088	(13,611)	32,112	(5,826)	63,011
Net Change in Fund Balances	26,248	24,088	(13,611)	32,112	(5,826)	63,011
Fund Balances Beginning of Year	392,814	65,782	83,027	180,663	48,811	771,097
Fund Balances End of Year	\$419,062	\$89,870	\$69,416	\$212,775	\$42,985	\$834,108

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$54,500	\$54,500	\$49,201	(\$5,299)
Licenses, Permits and Fees	80,000	80,000	87,039	7,039
Intergovernmental	32,700	32,700	16,049	(16,651)
Earnings on Investments	20,000	20,000	33,558	13,558
Miscellaneous				0
<i>Total receipts</i>	\$187,200	\$187,200	\$185,847	(\$1,353)
Disbursements				
Current:				
General Government	167,950	167,950	102,929	65,021
Health	30,000	30,000	28,680	1,320
Capital Outlay	106,000	106,000	27,990	78,010
<i>Total Disbursements</i>	\$303,950	\$303,950	\$159,599	\$144,351
<i>Excess of Receipts Over (Under) Disbursements</i>	(116,750)	(116,750)	26,248	142,998
<i>Net Change in Fund Balance</i>	(116,750)	(116,750)	26,248	142,998
<i>Fund Balance Beginning of Year</i>	392,814	392,814	392,814	0
<i>Fund Balance End of Year</i>	\$276,064	\$276,064	\$419,062	\$142,997

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Gas Tax Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$85,000	\$85,000	\$86,226	\$1,226
Earnings on Investments	2,000	2,000	4,627	2,627
<i>Total receipts</i>	<u>\$87,000</u>	<u>\$87,000</u>	<u>\$90,853</u>	<u>\$3,853</u>
Disbursements				
Current:				
Public Works	95,000	95,000	66,765	28,235
<i>Total Disbursements</i>	<u>\$95,000</u>	<u>\$95,000</u>	<u>\$66,765</u>	<u>\$28,235</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(8,000)</u>	<u>(8,000)</u>	<u>24,088</u>	<u>32,088</u>
<i>Net Change in Fund Balance</i>	<u>(8,000)</u>	<u>(8,000)</u>	<u>24,088</u>	<u>32,088</u>
<i>Fund Balance Beginning of Year</i>	65,782	65,782	65,782	0
<i>Fund Balance End of Year</i>	<u>\$57,782</u>	<u>\$57,782</u>	<u>\$89,870</u>	<u>\$32,088</u>

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$270,000	\$270,000	\$253,017	\$16,983
Intergovernmental	36,000	36,000	35,300	(700)
Miscellaneous	25,000	25,000	19,244	(5,756)
<i>Total receipts</i>	\$331,000	\$331,000	\$307,561	\$10,527
Disbursements				
Current:				
Public Works	245,000	245,000	209,708	35,292
Capital Outlay	165,000	165,000	111,464	53,536
<i>Total Disbursements</i>	\$410,000	\$410,000	\$321,172	\$88,828
<i>Excess of Receipts Over (Under) Disbursements</i>	(79,000)	(79,000)	(13,611)	65,389
<i>Net Change in Fund Balance</i>	(79,000)	(79,000)	(13,611)	65,389
<i>Fund Balance Beginning of Year</i>	83,027	83,027	83,027	0
<i>Fund Balance End of Year</i>	\$4,027	\$4,027	\$69,416	\$65,389

See accompanying notes to the basic financial statements

GENEVA TOWNSHIP, ASHTABULA COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire District Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$111,000	\$111,000	\$107,276	(\$3,724)
Intergovernmental	17,000	17,000	16,377	(623)
<i>Total receipts</i>	<u>\$128,000</u>	<u>\$128,000</u>	<u>\$123,653</u>	<u>(\$4,347)</u>
Disbursements				
Current:				
Public Safety	185,000	185,000	91,541	93,459
<i>Total Disbursements</i>	<u>\$185,000</u>	<u>\$185,000</u>	<u>\$91,541</u>	<u>\$93,459</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(57,000)</u>	<u>(57,000)</u>	<u>32,112</u>	<u>89,112</u>
<i>Net Change in Fund Balance</i>	(57,000)	(57,000)	32,112	89,112
<i>Fund Balance Beginning of Year</i>	180,663	180,663	180,663	0
<i>Fund Balance End of Year</i>	<u>\$123,663</u>	<u>\$123,663</u>	<u>\$212,775</u>	<u>\$89,112</u>

See accompanying notes to the basic financial statements

Note 1 – Reporting Entity

Geneva Township, Ashtabula County, Ohio, is a body politic and corporate established in 1816 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, and maintenance of Township roads and bridges. The Township contracts with the City of Geneva for fire protection. Police protection is provided by the Ashtabula County Sheriffs Department.

B. Component Units

The Township has no Component Units at this time.

C. Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in three jointly governed organizations and one public entity risk pools.

Jointly Governed Organizations: (See Note 10)

Geneva Union Cemeteries
Northwest Ambulance District
Geneva Park Commission

Public Entity Risk Pool:

Ohio Township Association Risk Management Authority (OTARMA) (See Note 7)

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function activity is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are:

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Fund, Road and Bridge Fund, and Fire district Fund.

Note 2 – Summary of Significant Accounting Policies (Continued)

General Fund

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Road and Bridge Fund

The Road and Bridge Fund is used to account for all financial resources designated for roads and bridge maintenance and repair.

Gasoline Tax Fund

The Gasoline Tax Fund is used to account for all financial resources designated to road and bridge maintenance and repair.

Fire District Fund

The Fire District Fund is used to account for all financial resources designating for providing fire protection for the safety of our citizens.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund/function level for all funds.

Note 2 – Summary of Significant Accounting Policies (Continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as 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 negative receipts, respectively.

During 2007 and 2006, the Township invested in nonnegotiable certificates of deposit, and STAR Ohio. The nonnegotiable certificates of deposit are reported at cost

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. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007 and December 31, 2006.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. During 2007 interest receipts were credited to the General Fund (\$36,586), Gasoline Tax Fund (\$3,671) and to Other Governmental Funds (\$2,027). During 2006 interest receipts were credited to the General Fund (\$33,558), Gasoline Tax Fund (\$4,627), and to Other Governmental Funds (\$2,340).

F. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Note 2 – Summary of Significant Accounting Policies (Continued)

H. Accumulated Leave

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

I. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for both restricted and unrestricted net assets are available. The amount of net assets restricted by funds other than the general fund as of December 31, 2007 is \$392,308. The amount of net assets restricted by funds other than the general fund as of December 31, 2006 is \$415,046.

K. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. The township had no fund balance reserves.

Note 3 – Accountability and Compliance

A. Accountability

No deficit balances to report.

B. Compliance

No violations to report

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, and Fire District Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) (and outstanding year end advances are treated as another financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). The Township had no year end encumbrances.

Geneva Township
Ashtabula County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 5 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Geneva Township
Ashtabula County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 5 – Deposits and Investments (Continued)

Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities represented the investments to the Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3 “Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements”.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are possession of an outside party. At December 31, 2007, \$12,515 of the Township’s bank balance (including certificates of deposits) of \$189,574 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized with securities specifically pledged by the financial institution to the Township.

At December 31, 2006 \$7,512 of the Township’s bank balance (including certificates of deposits) of \$170,458 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized with securities specifically pledged by the financial institution to the Township.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

The Township’s investments are required to be categorized to give an indication of the level of risk assumed by the Township at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township’s name. Category 2 includes uninsured and unregistered investments which are held by the counterparty’s trust department or agent in the Township’s name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the township’s name. The investment in U.S. Treasury Bills is classified in category three. Investments in Star Ohio are not classified since they are not evidenced by securities that exist in physical or book-entry form.

As of December 31, 2007 the Township had the following investment:

	Fair Value	Maturity
STAR Ohio	\$ 622,566	Average

As of December 31, 2006 the Township had the following investments:

	Fair Value	Maturity
STAR Ohio	\$ 663,650	Average

Note 5 – Deposits and Investments (Continued)

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAAm by Standard and Poor's. The Township has no investment policy dealing with investments credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property is currently assessed at 25% of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Geneva Township
Ashtabula County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 6 – Property Taxes (Continued)

The full tax rate for all Township operations for the year ended December 31, 2007 was \$8.39 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

The full tax rate for all Township operations for the year ended December 31, 2006 was \$13.18 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

	<u>2007</u>	<u>2006</u>
Real Property		
Residential/Agriculture	\$ 49,123,310	\$ 48,313,580
Commercial/Industrial/Mineral	5,758,920	5,824,590
Public Utility Property		
Real	69,500	58,230
Personal	1,955,660	2,376,520
Tangible personal property	928,270	1,248,650
Total assessed valuation	<u>\$ 57,835,660</u>	<u>\$ 57,821,570</u>

Note 7 – 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 Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006).

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Geneva Township
Ashtabula County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 7 – Risk Management (Continued)

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	<u>(13,357,837)</u>	<u>(12,120,661)</u>
Net Assets	<u>\$29,852,866</u>	<u>\$29,921,614</u>

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$9,402. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
2005	\$10,342
2006	\$10,378
2007	\$10,002

Note 7 – Risk Management (Continued)

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

For the years ended December 31, 2007 and 2006, the members participating in the traditional plan were required to contribute 9.5% and 9% of their annual covered salaries, respectively. The Township's contribution rate for pension benefits for 2007 was 13.85 percent, and 2006 was 13.7%. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$19,726, 21,560, and \$19,747 respectively. The full amount has been contributed for 2007, 2006 and 2005. Contributions to the member-directed plan for 2007 were \$19,726 made by the Township and \$15,201 made by the plan members.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

Note 9 - Postemployment Benefits (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 5.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. Actual employer contributions for 2007 which were used to fund postemployment benefits were \$19,726. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2008. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006 and January 1, 2007 which allowed additional funds to be allocated to the health care plan.

Note 10 – Jointly Governed Organizations

Geneva Union Cemetery District

The constitution and laws of the State of Ohio establish the rights and privileges for the Geneva Union Cemetery District, Ashtabula County, (the Cemetery) as a body corporate and politic. The City of Geneva, Village of Geneva-on-the-Lake, and Geneva Township appoint a three-member Board of Trustees to direct cemetery operations. These entities also provide funding to meet the Cemetery's operating costs under the agreement which established the Cemetery. The accompanying financial statements present this funding as Intergovernmental Receipts. The Cemetery provides grounds maintenance, opening and closing of graves, and the sale of grave lots.

Financial Information can be obtained by contacting Tony Long at P.O. Box 474, 350 Eastwood St, Geneva, Ohio 44041.

Northwest Ambulance District

The constitution and laws of the State of Ohio establish the rights and privileges of the Northwest Ambulance District, Ashtabula County, (the District) as a body corporate and politic. Five Board Members govern the District. Each political subdivision within the District appoints one member. Those subdivisions are Geneva Township, Harpersfield Township, Austinburg Township, Trumbull Township and the City of Geneva. The District provides rescue services within the District and by contract to Trumbull Township outside the District. Financial Information can be obtained by contacting Vincent Gildone, Fiscal Officer, at 1480 South Broadway St., Geneva, Ohio 44041

Note 10 – Jointly Governed Organizations

Geneva Park Commission

The constitution and laws of the State of Ohio establish the rights and privileges of the Geneva Park Commission, Ashtabula County, (the Park) as a body corporate and politic. The probate judge of Ashtabula County appoints a three-member Board of Commissioners to govern the Park. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

Financial Information can be obtained by contacting Sharon McDermitt, Fiscal Officer, at PO Box 694, Geneva, Ohio 44041

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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*

Geneva Township
Ashtabula County
256 Cedar Street
Geneva, Ohio 44041

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Geneva Township, Ashtabula County, (the Township) as of and for the years ended December 31, 2007 and December 31, 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated December 10, 2008. 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 governments. 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 expressing our opinion on the financial statements, but not to opine 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 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 Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

We did note certain matters that we reported to the Township's management in a separate letter dated December 10, 2008.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note one noncompliance or other matters that we reported to the Township's management in a separate letter dated December 10, 2008.

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



Mary Taylor, CPA
Auditor of State

December 10, 2008



Mary Taylor, CPA
Auditor of State

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
DECEMBER 24, 2008**