



**Auditor of State
Betty Montgomery**

**GENOA TOWNSHIP
DELAWARE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Schedule of Prior Audit Findings	13

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of Genoa Township, Delaware County, Ohio, (the Township) as of and for the years ended December 31, 2002 and December 31, 2001. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 described 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, 2002 and December 31, 2001, 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 April 28, 2003 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

BETTY MONTGOMERY
Auditor of State

April 28, 2003

**GENOA TOWNSHIP
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$ 676,317	\$ 4,481,497	\$ -	\$ 5,157,814
Intergovernmental	128,605	896,770	-	1,025,375
Charges for Services	-	6,425	-	6,425
Licenses, Permits, and Fees	280,799	3,272	-	284,071
Fines, Forfeitures, and Penalties	16,193	4,289	-	20,482
Earnings on Investments	83,386	6,128	-	89,514
Other Revenue	30,730	85,692	-	116,422
	<u>1,216,030</u>	<u>5,484,073</u>	<u>-</u>	<u>6,700,103</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	633,537	-	-	633,537
Public Safety	-	2,550,491	-	2,550,491
Public Works	-	751,110	-	751,110
Health	20,165	1,628	-	21,793
Conservation - Recreation	103,689	-	-	103,689
Debt Service:				
Redemption of Principal	-	191,555	-	191,555
Interest and Fiscal Charges	-	27,597	-	27,597
Capital Outlay	1,459,875	854,369	-	2,314,244
	<u>2,217,266</u>	<u>4,376,750</u>	<u>-</u>	<u>6,594,016</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(1,001,236)</u>	<u>1,107,323</u>	<u>-</u>	<u>106,087</u>
Other Financing Disbursements:				
Sale of Fixed Assets	5	-	-	5
	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total Other Financing Disbursements				
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(1,001,231)</u>	<u>1,107,323</u>	<u>-</u>	<u>106,092</u>
Fund Cash Balances, January 1	<u>1,993,605</u>	<u>2,175,940</u>	<u>1,387</u>	<u>4,170,932</u>
Fund Cash Balances, December 31	<u>\$ 992,374</u>	<u>\$ 3,283,263</u>	<u>\$ 1,387</u>	<u>\$ 4,277,024</u>
Reserve for Encumbrances, December 31	<u>\$ 249,135</u>	<u>\$ 199,623</u>	<u>\$ -</u>	<u>\$ 448,758</u>

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

**GENOA TOWNSHIP
DELAWARE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$ 622,679	\$ 3,744,131	\$ -	\$ 4,366,810
Intergovernmental	228,215	569,031	-	797,246
Charges for Services	-	6,837	-	6,837
Licenses, Permits, and Fees	277,316	1,261	-	278,577
Fines, Forfeitures, and Penalties	2,300	13,402	-	15,702
Earnings on Investments	126,372	9,215	-	135,587
Other Revenue	43,073	42,740	-	85,813
	<u>1,299,955</u>	<u>4,386,617</u>	<u>-</u>	<u>5,686,572</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	535,171	-	-	535,171
Public Safety	-	2,035,462	-	2,035,462
Public Works	-	435,928	-	435,928
Health	4,996	7,060	-	12,056
Conservation - Recreation	74,733	4,033	-	78,766
Debt Service:				
Redemption of Principal	58,000	191,555	-	249,555
Interest and Fiscal Charges	2,478	38,225	-	40,703
Capital Outlay	136,770	695,854	-	832,624
	<u>812,148</u>	<u>3,408,117</u>	<u>-</u>	<u>4,220,265</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>487,807</u>	<u>978,500</u>	<u>-</u>	<u>1,466,307</u>
Other Financing Disbursements:				
Other Uses	(23)	-	-	(23)
Total Other Financing Disbursements	<u>(23)</u>	<u>-</u>	<u>-</u>	<u>(23)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	487,784	978,500	-	1,466,284
Fund Cash Balances, January 1 (Restated)	<u>1,505,821</u>	<u>1,197,440</u>	<u>1,387</u>	<u>2,704,648</u>
Fund Cash Balances, December 31	<u><u>\$ 1,993,605</u></u>	<u><u>\$ 2,175,940</u></u>	<u><u>\$ 1,387</u></u>	<u><u>\$ 4,170,932</u></u>
Reserve for Encumbrances, December 31	<u><u>\$ 13,104</u></u>	<u><u>\$ 406,075</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 419,179</u></u>

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

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Genoa Township, Delaware County, Ohio (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services including road and bridge maintenance, fire protection, police protection, and emergency medical 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

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.

The investments in STAR Ohio and the repurchase agreements are valued at cost.

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.

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire District Fund - This fund receives taxes levied to provide fire protection services of the Township.

Police District Fund - This fund receives taxes levied to provide police protection services to the Township.

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of note indebtedness.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

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 2002 and 2001 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.

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and 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:

	2002	2001
Demand deposits	(\$102,279)	(\$172,887)
STAR Ohio	3,864,162	3,788,819
Repurchase agreement	515,141	555,000
Total investments	4,379,303	4,343,819
Total deposits and investments	\$4,277,024	\$4,170,932

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

Investments: The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,594,541	\$1,216,035	(\$378,506)
Special Revenue	5,244,656	5,484,073	239,417
Total	\$6,839,197	\$6,700,108	(\$139,089)

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,905,054	\$2,466,401	\$438,653
Special Revenue	5,833,075	4,576,373	1,256,702
Total	<u>\$8,738,129</u>	<u>\$7,042,774</u>	<u>\$1,695,355</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$888,636	\$1,299,955	\$411,319
Special Revenue	3,969,056	4,386,617	417,561
Total	<u>\$4,857,692</u>	<u>\$5,686,572</u>	<u>\$828,880</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,623,557	\$825,275	\$1,798,282
Special Revenue	4,972,584	3,814,192	1,158,392
Total	<u>\$7,596,141</u>	<u>\$4,639,467</u>	<u>\$2,956,674</u>

4. PROPERTY TAX

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

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, 2002 was as follows:

	Principal	Interest Rate
Fire Fighting Facility Renovation Notes 1995	\$24,500	4.91%
Fire Truck Notes 1995	15,625	5.75%
Maintenance Building Improvement Notes 1997	222,220	6.35%
Total	<u>\$262,345</u>	

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. DEBT (Continued)

The Fire Fighting Facility Notes were issued to finance the remodeling of an old township fire station.

The Fire Truck Notes were issued to finance the purchase of a new fire truck.

The Maintenance Building Improvement Notes were issued to finance the addition and renovation to the Township maintenance building.

Amortization of the above debt, including interest, is scheduled as follows:

	<u>General Obligation Notes</u>
Year ending December 31:	
2003	\$112,220
2004	66,138
2005	62,608
2006	59,083
Total	<u><u>\$300,049</u></u>

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Township also provides health insurance coverage to full-time employees through a private carrier.

**GENOA TOWNSHIP
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

8. RESTATEMENT OF FUND BALANCES

At January 1, 2001, the fund balances for the General and Special Revenue funds were incorrect due to improper posting of prior audit adjustments to the Township accounting system:

Fund Type	Prior Reported Balance	New Reported Balance
General	\$1,503,117	\$1,505,821
Special Revenue	1,211,157	1,197,440
Total	\$2,714,274	\$2,703,261



**Auditor of State
Betty Montgomery**

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

Genoa Township
Delaware County
5111 South Old 3C Highway
Westerville, Ohio 40382

To the Board of Trustees:

We have audited the financial statements of Genoa Township, Delaware County, Ohio, (the Township) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated April 28, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether 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 the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 28, 2003.

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 April 28, 2003.

Genoa Township
Delaware County
Independent Accountants' Report On Compliance And On Internal
Control Required By *Government Auditing Standards*

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.

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

BETTY MONTGOMERY
Auditor of State

April 28, 2003

**GENOA TOWNSHIP
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END**

Finding Number	Finding Summary	Fully Corrected
2000-40621-001	ORC 5705.41(B) Expenditures in excess of Appropriations	Corrected
2000-40621-002	Monthly Financial Reports reviewed by the Board of Trustees	Corrected
2000-40621-003	Failure to reconcile on a monthly basis	Corrected



**Auditor of State
Betty Montgomery**

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GENOA TOWNSHIP

DELAWARE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 17, 2003**