



Dave Yost • Auditor of State



**GENOA TOWNSHIP  
DELAWARE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2011 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2010 .....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	15
Schedule of Findings.....	17
Schedule of Prior Audit Findings .....	18

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# Dave Yost • Auditor of State

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Township to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Robert R. Hinkle".

**Robert Hinkle, CPA, CGFM**  
**Chief Deputy Auditor**  
Auditor of State

August 1, 2012

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# Dave Yost • Auditor of State

## 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, 2011 and 2010. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 of Genoa Township, Delaware County, Ohio and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, during 2010 the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2012, 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.



**Robert Hinkle, CPA, CGFM**  
**Chief Deputy Auditor**  
Auditor of State

August 1, 2012



**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, 2011**

	Governmental Fund Types			Totals	
	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only)
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$1,337,778	\$ 8,604,943	\$ -	\$ -	\$ 9,942,721
Charges for Services	-	74,396	-	-	74,396
Licenses, Permits, and Fees	47,283	4,504	-	-	51,787
Fines and Forfeitures	18,268	1,060	-	-	19,328
Intergovernmental	662,304	1,827,919	-	-	2,490,223
Earnings on Investments	138,043	20,946	-	1,320	160,309
Miscellaneous	34,019	173,651	-	-	207,670
<b>Total Cash Receipts</b>	<b>2,237,695</b>	<b>10,707,419</b>	<b>-</b>	<b>1,320</b>	<b>12,946,434</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	1,181,052	107,461	-	-	1,288,513
Public Safety	-	5,882,091	-	-	5,882,091
Public Works	-	1,115,098	-	-	1,115,098
Health	-	4,697	-	-	4,697
Conservation/Recreation	251,676	-	-	-	251,676
Capital Outlay	1,179,856	1,359,611	-	41,801	2,581,268
<b>Total Cash Disbursements</b>	<b>2,612,584</b>	<b>8,468,958</b>	<b>-</b>	<b>41,801</b>	<b>11,123,343</b>
Excess of Receipts Over (Under) Disbursements	(374,889)	2,238,461	-	(40,481)	1,823,091
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In	-	117,136	-	-	117,136
Transfers-Out	-	(117,136)	-	-	(117,136)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Cash Balances</b>	<b>(374,889)</b>	<b>2,238,461</b>	<b>-</b>	<b>(40,481)</b>	<b>1,823,091</b>
Fund Cash Balance, January 1	3,158,701	5,189,761	1,387	2,174,607	10,524,456
<b>Fund Cash Balances, December 31</b>					
Restricted	-	7,428,223	1,387	1,325,596	8,755,206
Committed	-	-	-	808,530	808,530
Assigned	184,985	-	-	-	184,985
Unassigned	2,598,826	-	-	-	2,598,826
<b>Fund Cash Balance, December 31</b>	<b>\$2,783,812</b>	<b>\$ 7,428,222</b>	<b>\$ 1,387</b>	<b>\$ 2,134,126</b>	<b>\$ 12,347,547</b>

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, 2010**

	Governmental Fund Types				Totals
	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only)
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 1,230,054	\$ 6,886,202	\$ -	\$ -	\$ 8,116,256
Charges for Services	-	234,807	-	-	234,807
Licenses, Permits, and Fees	41,896	4,288	-	-	46,184
Fines and Forfeitures	18,925	1,205	-	-	20,130
Intergovernmental	562,324	670,717	-	-	1,233,041
Earnings on Investments	163,701	24,417	-	1,834	189,952
Miscellaneous	14,594	115,907	-	-	130,501
<b>Total Cash Receipts</b>	<b>2,031,494</b>	<b>7,937,543</b>	<b>-</b>	<b>1,834</b>	<b>9,970,871</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	1,346,353	82,865	-	-	1,429,218
Public Safety	-	5,568,538	-	-	5,568,538
Public Works	-	1,101,568	-	-	1,101,568
Health	-	1,091	-	-	1,091
Conservation/Recreation	104,540	-	-	-	104,540
Capital Outlay	269,422	1,753,042	-	176,173	2,198,637
<b>Total Cash Disbursements</b>	<b>1,720,315</b>	<b>8,507,104</b>	<b>-</b>	<b>176,173</b>	<b>10,403,592</b>
Excess of Receipts Over (Under) Disbursements	311,179	(569,561)	-	(174,339)	(432,721)
Fund Cash Balance, January 1	2,847,522	5,759,322	1,387	2,348,946	10,957,177
<b>Fund Cash Balances, December 31</b>					
Restricted	-	5,189,761	1,387	1,326,356	6,517,504
Committed	-	-	-	848,251	848,251
Unassigned	3,158,701	-	-	-	3,158,701
<b>Fund Cash Balance, December 31</b>	<b>\$ 3,158,701</b>	<b>\$ 5,189,761</b>	<b>\$ 1,387</b>	<b>\$ 2,174,607</b>	<b>\$ 10,524,456</b>

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

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Genoa Township, Delaware County, Ohio, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police protection, fire protection and emergency medical services.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

**C. Deposits and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values negotiable CD's and federal securities at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**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 reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

Road and Bridge Fund – This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

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

Fire District Fund - This fund receives property tax money and other intergovernmental receipts for maintaining and operating the Township's fire department.

**3. Debt Service Fund**

This fund accounts for resources the Township accumulates to pay debt.

**4. Capital Project Funds**

These funds account for receipts committed for acquiring or constructing major capital projects. The Township had the following significant capital project funds:

Police Capital Projects Fund – This fund is to account for transfers of excess funds from the Police Special Revenue Fund which is being set aside by the Township for future equipment purchases for the department.

Fire Capital Projects Fund - This fund is to account for transfers of excess funds from the Fire District Special Revenue Fund which is being set aside by the Township for future equipment purchases for the department.

**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 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.

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Process (Continued)**

**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 2011 and 2010 budgetary activity appears in Note 4.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**F. Fund Balance (Continued)**

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant, and Equipment**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. Change in Accounting Principle**

The Township implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," for 2011 and 2010. The implementation of this statement did not result in a change in fund balance presentation on the Township's financial statements.

**3. Equity in Pooled Deposits and Investments**

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2011	2010
Demand deposits	\$3,502,765	\$104,607
Total deposits	3,502,765	104,607
U.S. Government Securities	3,038,819	5,319,935
Negotiable CD's	5,745,000	4,709,000
STAR Ohio	60,963	390,914
Total investments	8,844,782	10,419,849
Total deposits and investments	\$12,347,547	\$10,524,456

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

**Investments:** A financial institution's trust department holds the Township's U.S. Government securities in book entry form in the Township's name.

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

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**4. Budgetary Activity**

Budgetary activity for the years ending 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,005,902	\$2,237,695	\$231,793
Special Revenue	10,345,266	10,824,555	479,289
Debt Service	0	0	0
Capital Projects	2,500	1,320	(1,180)
Total	\$12,353,668	\$13,063,570	\$709,902

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,360,600	\$2,797,569	\$563,031
Special Revenue	10,081,796	8,785,582	1,296,214
Debt Service	0	0	0
Capital Projects	375,000	101,541	273,459
Total	\$13,817,396	\$11,684,692	\$2,132,704

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,020,639	\$2,031,494	\$10,855
Special Revenue	7,600,479	7,937,543	337,064
Debt Service	0	0	0
Capital Projects	1,500	1,834	334
Total	\$9,622,618	\$9,970,871	\$348,253

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,416,180	\$1,745,308	\$1,670,872
Special Revenue	9,913,882	8,565,847	1,348,035
Debt Service	0	0	0
Capital Projects	375,000	209,014	165,986
Total	\$13,705,062	\$10,520,169	\$3,184,893

**5. Property Tax**

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

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**5. Property Tax (Continued)**

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30. Tangible personal property tax is being phased out – the assessment percentage for all property including inventory will be reduced to zero for 2011.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**6. Retirement Systems**

The Township's certified Fire Fighters and full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OP&F participants contributed 10% of their wages. For 2011 and 2010, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2011.

**7. Risk Management**

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

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

Prior to 2009, the Township belonged to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan was legally separate from its member governments.

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:

- Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan;
- Ohio Plan Healthcare Consortium, Inc. (OPHC) - formerly known as the Ohio Healthcare Consortium; and
- Ohio Plan, Inc. - mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.



**GENOA TOWNSHIP  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**7. Risk Management (Continued)**

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management (“OPRM”), are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except OPRM retains 40% (17.5% through October 31, 2010 and 15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 761 and 725 members as of December 31, 2010 and 2009 respectively. The Township participates in this coverage.

The Plan formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 65 and 60 members as of December 31, 2010 and 2009 respectively. The Township does not participate participates in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

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

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2010 and 2009 (the latest information available), and include amounts for both OPRM and OPHC:

	<b>2010 OPRM</b>	<b>OPHC</b>	<b>2009 OPRM</b>	<b>OPHC</b>
Assets	\$12,036,541	\$1,355,131	\$11,176,186	\$1,358,802
Liabilities	(4,845,056)	(1,055,096)	(4,852,485)	(1,253,617)
Members’ Equity	\$7,191,485	\$300,035	\$6,323,701	\$105,185

You can read the complete audited financial statements for OPRM and OPHC at the Plan’s website, [www.ohioplan.org](http://www.ohioplan.org).

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

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, 2011 and 2010, and have issued our report thereon dated August 1, 2012, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Township adopted the provisions of Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*". We also noted 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 Auditor of State's independence 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(A) mandates 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-001 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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



**Robert Hinkle, CPA, CGFM**  
**Chief Deputy Auditor**  
Auditor of State

August 1, 2012

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2011-001**

**Financial Reporting – Material Weakness**

Sound financial reporting is the responsibility of the Township's Fiscal Officer and Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following posting errors were noted during the review of the December 31, 2011 and 2010 year-end financial accounting system reports and were adjusted on the financial statements and, where applicable, the accounting records:

- Reclassification of receipts from Property Tax to Intergovernmental Receipts for \$602,866 in the Special Revenue Fund Type for 2011.
- Reclassification of receipts from Property Tax to Intergovernmental Receipts for \$129,843 and License, Permits and Fees for \$300 in the General Fund for 2010.
- Reclassification of 2011 fund balance in the General Fund from Unassigned to Assigned for \$184,985, due to outstanding encumbrances.
- Reclassification of fund balance related to TIF receipts in the TIF Fund from Committed to Restricted for \$583,633 and \$559,731 in 2011 and 2010, respectively.
- Gross up adjustment of Intergovernmental Receipts and Capital Outlay Disbursements for non-cash (on-behalf of) activity related to an ODOT grant totaling \$395,912 in the Special Revenue Fund Type for 2011.

The following posting errors were noted during the review of the December 31, 2011 and 2010 year-end financial accounting system reports and were immaterial to the financial statements but noted as unadjusted differences:

- Adjustment of zoning receipts from to License, Permits, and Fees in the General Fund from Interest Receipts in the Capital Projects Fund for \$400 in 2010.
- Reclassification of receipts from Property Tax to Intergovernmental Receipts for \$105,793 in the General Fund for 2011 and \$505,913 in the Special Revenue Fund Type for 2010.
- Gross up adjustment of Intergovernmental Receipts and General Government Disbursements related to estate tax in the General Fund for \$8,505 and \$4,771 for 2011 and 2010 respectively.
- Reclassification of 2010 fund balance in the General Fund from Unassigned to Assigned for \$24,993, due to outstanding encumbrances.
- Reclassification of fund balance related to inside millage in the Road and Bridge Fund from Restricted to Committed for \$463,147 and \$286,996 in 2011 and 2010, respectively.

Lack or failure of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the Township continue to develop and enhance policies and procedures to further enhance its controls over recording of financial transactions and financial reporting to help ensure the information accurately reflects the activity of the Township and thereby increases the reliability of the financial data throughout the year.

We did not receive a response from Officials to the finding reported above.

**GENOA TOWNSHIP  
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	ORC 5705.38A – Appropriation Measure	Yes	
2009-002	ORC 5705.34 Certification of Tax Levy	Yes	



# Dave Yost • Auditor of State

**GENOA TOWNSHIP**

**DELAWARE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 30, 2012**