



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



WESTON TOWNSHIP  
WOOD COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Weston Township  
Wood County  
14024 Van Tassel Road  
P.O. Box 332  
Weston, Ohio 43569-0332

To the Board of Trustees:

We have audited the accompanying financial statements of Weston Township (the Township) as of and for the years ended December 31, 2001 and 2000. 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 discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2001 and 2000, 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 July 26, 2002 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 the audit committee, management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

July 26, 2002

**WESTON TOWNSHIP  
WOOD 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**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	
<b>Cash Receipts:</b>				
Local Taxes	\$21,598	\$82,203		\$103,801
Intergovernmental	12,290	72,432		84,722
Licenses, Permits, and Fees	370			370
Earnings on Investments	8,356	980		9,336
Other Revenue	150	3,937		4,087
	42,764	159,552		202,316
<b>Cash Disbursements:</b>				
Current:				
General Government	21,881			21,881
Public Safety	15,511	1,052		16,563
Public Works	741	53,250		53,991
Health	605			605
Debt Service:				
Redemption of Principal			\$44,300	44,300
Interest and Fiscal Charges			7,962	7,962
Capital Outlay	17,960	32,518		50,478
	56,698	86,820	52,262	195,780
Total Receipts Over/(Under) Disbursements	(13,934)	72,732	(52,262)	6,536
<b>Other Financing Receipts and (Disbursements):</b>				
Sale of Fixed Assets			3,285	3,285
Transfers-In			48,977	48,977
Transfers-Out		(48,977)		(48,977)
		(48,977)	52,262	3,285
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(13,934)	23,755		9,821
Fund Cash Balances, January 1	145,170	74,959		220,129
<b>Fund Cash Balances, December 31</b>	<b>\$131,236</b>	<b>\$98,714</b>		<b>\$229,950</b>
Reserve for Encumbrances, December 31		\$12,585		\$12,585

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

**WESTON TOWNSHIP  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types	
	General	Special Revenue
<b>Cash Receipts:</b>		
Local Taxes	\$21,412	\$68,354
Intergovernmental	20,178	70,383
Licenses, Permits, and Fees	985	
Fines, Forfeitures, and Penalties	200	
Earnings on Investments	11,707	2,624
Other Revenue	20,215	3,273
	74,697	144,634
<b>Total Cash Receipts</b>	<b>74,697</b>	<b>144,634</b>
<b>Cash Disbursements:</b>		
Current:		
General Government	22,059	
Public Safety	12,226	2,655
Public Works	718	54,882
Health	595	
Debt Service:		
Redemption of Principal		
Interest and Fiscal Charges		
Capital Outlay	140,000	105,039
	175,598	162,576
<b>Total Cash Disbursements</b>	<b>175,598</b>	<b>162,576</b>
Total Receipts Over/(Under) Disbursements	(100,901)	(17,942)
<b>Other Financing Receipts and (Disbursements):</b>		
Proceeds from Sale of Public Debt:		
Sale of Notes	140,000	
Transfers-In		
Transfers-Out		(36,556)
	140,000	(36,556)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>140,000</b>	<b>(36,556)</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	39,099	(54,498)
Fund Cash Balances, January 1	106,071	129,457
<b>Fund Cash Balances, December 31</b>	<b>\$145,170</b>	<b>\$74,959</b>
Reserve for Encumbrances, December 31		\$1,000

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



<u>Governmental Fund Types</u>			<u>Totals</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	<u>(Memorandum Only)</u>
			\$89,766
	\$78,337		168,898
			985
			200
		\$430	14,761
			23,488
	<u>78,337</u>	<u>430</u>	<u>298,098</u>
			22,059
			14,881
			55,600
			595
\$35,000			35,000
1,556			1,556
	<u>78,337</u>	<u>15,500</u>	<u>338,876</u>
<u>36,556</u>	<u>78,337</u>	<u>15,500</u>	<u>468,567</u>
<u>(36,556)</u>		<u>(15,070)</u>	<u>(170,469)</u>
			140,000
36,556			36,556
			(36,556)
<u>36,556</u>			<u>140,000</u>
		(15,070)	(30,469)
		15,070	250,598
			<b>\$220,129</b>
			\$1,000

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**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Weston Township (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. The Township contracts with the Village of Weston to provide fire and ambulance services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash**

Certificates of deposit 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:

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

*Road District Fund* - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

*Special Levy Fire Protection Fund* - This fund receives property tax money for the purchase and replacement of fire equipment and supplies.

**3. Debt Service Fund**

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

**4. Capital Project Funds**

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

*Issue II Weston Road Improvement Fund* – This fund is used to account for grant funds for improvements on Weston Road.

**5. Fiduciary Fund (Agency Fund)**

These funds are used to account for funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

*Weston Fire Department Fund* – This fund holds funds on behalf of the Weston Fire Department for the purchase of equipment.

**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 2001 and 2000 budgetary activity appears in Note 3.

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**F. Property, Plant and Equipment**

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

**2. EQUITY IN POOLED CASH**

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2001	2000
Demand deposits	\$18,151	\$29,059
Certificates of deposit	211,799	191,070
Total deposits	\$229,950	\$220,129

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

**2001 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$44,890	\$42,764	(\$2,126)
Special Revenue	158,009	159,552	1,543
Debt Service	52,785	52,262	(523)
Total	\$255,684	\$254,578	(\$1,106)

**2001 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$186,479	\$56,698	\$129,781
Special Revenue	228,500	148,382	80,118
Debt Service	52,270	52,262	8
Total	\$467,249	\$257,342	\$209,907

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$213,200	\$214,697	\$1,497
Special Revenue	140,983	144,634	3,651
Debt Service	36,700	36,556	(144)
Capital Projects	78,337	78,337	
Fiduciary	470	430	(40)
Total	\$469,690	\$474,654	\$4,964

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$294,468	\$175,598	\$118,870
Special Revenue	244,425	200,132	44,293
Debt Service	36,700	36,556	144
Capital Projects	78,337	78,337	
Fiduciary	15,500	15,500	
Total	\$669,430	\$506,123	\$163,307

**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, 2001 was as follows:

	Principal	Interest Rate
Promissory Note	\$95,700	6.25%

The promissory note was issued to finance the purchase of a new fire truck.

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

Year ending December 31:	Promissory Note
2002	\$48,217
2003	48,217
2004	7,238
Total	\$103,672

**6. RETIREMENT SYSTEM**

The Township's officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including

**WESTON TOWNSHIP  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

**7. RISK MANAGEMENT**

**Risk Pool Membership**

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

OTARMA retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, which the General Reinsurance Corporation will reinsure.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

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.

Financial Position

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

WESTON TOWNSHIP  
WOOD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)

<u>Casualty Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$23,703,776	\$22,684,383
Liabilities	9,379,003	8,924,977
Retained earnings	<u>\$14,324,773</u>	<u>\$13,759,406</u>
<u>Property Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$5,011,131	\$4,156,784
Liabilities	647,667	497,831
Retained earnings	<u>\$4,363,464</u>	<u>\$3,658,953</u>





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

Weston Township  
Wood County  
14024 Van Tassel Road  
P.O. Box 332  
Weston, Ohio 43569-0332

To the Board of Trustees:

We have audited the accompanying financial statements of Weston Township (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated July 26, 2002. 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 the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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.

This report is intended solely for the information and use of the audit committee, management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

July 26, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

**WESTON TOWNSHIP**

**WOOD 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  
SEPTEMBER 3, 2002**