



**Auditor of State
Betty Montgomery**

**WEATHERSFIELD TOWNSHIP
TRUMBULL COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Weathersfield Township
Trumbull County
1451 Prospect Street
Mineral Ridge, Ohio 44440

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 Weathersfield Township, Trumbull County, Ohio (the Township), as of and for the year ended December 31, 2004, 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 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 that our audit provides a reasonable basis for our opinions.

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 modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Weathersfield Township, Trumbull County, Ohio, as of December 31, 2004, and the respective changes in modified cash financial position and the respective budgetary comparison for the General, Police District, and Fire District Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2004, the Township revised its financial presentation comparable to the requirements of Government Accounting Standards No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2006, 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 Government Accounting Standards Board requires. We have applied certain limited procedures, consisting of 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 "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 28, 2006

Weathersfield Township, Trumbull County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited

This discussion and analysis of Weathersfield Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2004, within the limitations of the Township's cash basis accounting. Readers should also review the financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2004 are as follows:

Net assets of governmental activities increased \$346,584 or 28%. The fund most affected by the increase in cash and cash equivalents was the Police Fund.

The Township's general receipts are primarily property taxes. These receipts represent respectively \$1,695,271 and 63% of the total cash received for governmental activities during the year. Property tax receipts for 2004 changed very little compared to 2003, with the exception of a delinquent personal property tax payment that was received, as development within the Township has slowed.

Using the 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.

Reporting the Township as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the Township did financially during 2004, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances and investments of the governmental type 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 and income taxes.

In the Statement of Net Assets and the Statement of Activities, we display the information in the following manner:

Governmental activities. Most of the Township's basic services are reported here, including police, fire, streets, cemetery, and zoning. Fines and forfeitures, intergovernmental, earnings on investments, State and Federal grants, 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 Township'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. The funds of the Township are governmental in nature.

Governmental Funds - All 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 non-major 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 Township's only major governmental funds are the General Fund, the Police Fund, and the Fire Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2004 compared to 2003 on a cash basis:

Weathersfield Township, Trumbull County, Ohio
 Management's Discussion and Analysis
 For the Year Ended December 31, 2004
 Unaudited

(Table 1)
Net Assets

	Governmental Activities	
	2004	2003
Assets		
Cash and Cash Equivalents	\$ 1,597,398	\$ 1,250,814
Total Assets	1,597,398	1,250,814
Net Assets		
Restricted for:		
Other Purposes	1,200,358	925,782
Unrestricted	397,040	325,032
Total Net Assets	\$ 1,597,398	\$ 1,250,814

As mentioned previously, net assets of governmental activities increased \$346,584 or 28% during 2004. The primary reason contributing to the increases in cash balances is as follows:

- Cost cutting measures that were implemented in anticipation of the loss of revenue due to the elimination of the reimbursement for the Public Utility Tax Elimination.

Table 2 reflects the changes in net assets in 2004.

Weathersfield Township, Trumbull County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited

(Table 2)

	Governmental Activities 2004
Receipts:	
Program Receipts:	
Charges for Services and Sales	\$ 87,016
Operating Grants and Contributions	197,128
Total Program Receipts	<u>284,144</u>
General Receipts:	
Property and Other Local Taxes	1,695,270
Grants and Entitlements Not Restricted to Specific Programs	590,621
Interest	15,665
Miscellaneous	121,701
Total General Receipts	<u>2,423,258</u>
Total Receipts	<u>2,707,402</u>
Disbursements:	
General Government	462,158
Public Safety	1,291,646
Public Works	355,620
Health	107,414
Capital Outlay	143,979
Total Disbursements	<u>2,360,818</u>
Excess	346,584
Transfers In	153,000
Transfers Out	<u>(153,000)</u>
Increase in Net Assets	346,584
Net Assets, January 1, 2004	1,250,814
Net Assets, December 31, 2004	<u>\$ 1,597,398</u>

Program receipts represent only 10% of total receipts and are primarily comprised of restricted intergovernmental receipts.

General receipts represent 90% of the Township's total receipts, and of this amount, over 70% are property taxes. Intergovernmental, interest and miscellaneous make up the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for general government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of trustees, the fiscal officer, the administrator, and the administrative assistant. Since these costs do not represent direct services to residents, we try to limit these costs to 40% of general unrestricted receipts.

Public safety is the costs of police and fire protection; public works is the costs of maintaining the roads; health is the costs of the health department; and capital outlay is the costs of improvements and equipment.

Weathersfield Township, Trumbull County, Ohio
 Management's Discussion and Analysis
 For the Year Ended December 31, 2004
 Unaudited

Governmental Activities

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general governmental and public safety, which accounts for \$1,753,805 and 74% of all governmental disbursements, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	Total Cost Of Services 2004	Net Cost of Services 2004
General Government	\$ 462,158	\$ 443,004
Public Safety	1,291,647	1,267,785
Public Works	355,620	158,492
Health	107,414	63,414
Capital Outlay	143,979	143,979
Total Expenses	\$ 2,360,818	\$ 2,076,674

The dependence upon property receipts is apparent as over 82% of governmental activities are supported through these receipts.

The Township's Funds

Total governmental funds had receipts of \$2,707,402 and disbursements of \$2,360,818. The greatest change within governmental funds occurred within the Police Fund. The fund balance of the Police Fund increased \$135,278 as the result of delinquent property taxes being paid and cuts in spending within the Police Fund.

Police Fund receipts were greater than disbursements by \$135,278 as a result of the payment of the delinquent property tax. But for that payment, the Police Fund is nearly in a deficit spending situation. It was the recommendation of the board of trustees and the administration that a reduction in disbursements was preferable to requesting additional funds from the taxpayers at this time. Some of these reductions have already been implemented for 2004 including cuts in equipment replacement and maintenance and reductions in office personnel. These cuts will not eliminate the need for additional funds (or additional cuts) in the future if the growth in property taxes remains stagnant.

Weathersfield Township, Trumbull County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited

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. One of the most significant budgeted funds is the General Fund.

During 2004, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to a larger than expected estate tax receipt.

Final disbursements were budgeted at \$980,141 while actual disbursements were \$602,590. The Township kept spending below the levels of the previous year. The result is the increase in the fund balance of \$52,079 for 2004 over 2003.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. Our newly prepared financial forecast predicts a deficit for 2008 for the Police Fund; therefore, the board of trustees and the administration implemented a strategy to delay the deficit. This plan became effective for 2003. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Police Fund. We have eliminated equipment purchases and have also reduced staffing levels in areas where we felt it would have the least impact on services. All departments have been asked to reduce their spending for supplies by 10%.

Contacting the Township'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 David A. Rouan, Fiscal Officer, Weathersfield Township, 1457 Prospect Street, Mineral Ridge, Ohio 44440.

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Weathersfield Township, Trumbull County

Statement of Net Assets - Cash Basis

December 31, 2004

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 1,597,398</u>
<i>Total Assets</i>	<u><u>\$ 1,597,398</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$ 1,200,358
Unrestricted	<u>397,040</u>
<i>Total Net Assets</i>	<u><u>\$ 1,597,398</u></u>

See accompanying notes to the financial statements

Weathersfield Township, Trumbull County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2004

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Total
Governmental Activities					
General Government	\$ 462,158	\$ 19,154	\$ -	\$ (443,004)	\$ (443,004)
Public Safety	1,291,647	23,862	-	(1,267,785)	(1,267,785)
Public Works	355,620	-	197,128	(158,492)	(158,492)
Health	107,414	44,000	-	(63,414)	(63,414)
Capital Outlay	143,979	-	-	(143,979)	(143,979)
Total Governmental Activities	<u>\$ 2,360,818</u>	<u>\$ 87,016</u>	<u>\$ 197,128</u>	<u>\$ (2,076,674)</u>	<u>\$ (2,076,674)</u>

General Receipts

Property Taxes Levied for:	
General Purposes	254,298
Public safety - Police District	991,386
Public safety - Fire District	330,454
Other Governmental improvements	119,133
Grants and Entitlements not Restricted to Specific Programs	590,621
Interest	15,665
Miscellaneous	121,701
Total General Receipts	<u>2,423,258</u>
Change in Net Assets	346,584
Net Assets Beginning of Year	<u>1,250,814</u>
Net Assets End of Year	<u>\$ 1,597,398</u>

See accompanying notes to the financial statements

Weathersfield Township, Trumbull County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2004

	General	Police District	Fire District	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 396,934	\$ 466,750	\$ 429,074	\$ 304,640	\$ 1,597,398
<i>Total Assets</i>	<u>\$ 396,934</u>	<u>\$ 466,750</u>	<u>\$ 429,074</u>	<u>\$ 304,640</u>	<u>\$ 1,597,398</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances		\$ 676	\$ 73,811	\$ 4,861	\$ 79,348
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 396,934	-	-	-	396,934
Special Revenue Funds		466,074	355,263	299,779	1,121,115
<i>Total Fund Balances</i>	<u>\$ 396,934</u>	<u>\$ 466,750</u>	<u>\$ 429,074</u>	<u>\$ 304,640</u>	<u>\$ 1,597,398</u>

See accompanying notes to the financial statements

Weathersfield Township, Trumbull County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	General	Police District	Fire District	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 254,298	\$ 991,386	\$ 330,454	\$ 119,133	\$ 1,695,271
Licenses, Permits and Fees				46,595	46,595
Fines and Forfeitures	21,117			2,744	23,861
Intergovernmental	312,040	177,406	66,172	172,754	728,372
Special Assessments				59,378	59,378
Interest	15,181			484	15,665
Other	52,033	46,031	19,572	20,624	138,260
<i>Total Receipts</i>	<u>654,669</u>	<u>1,214,823</u>	<u>416,198</u>	<u>421,712</u>	<u>2,707,402</u>
Disbursements					
Current:					
General Government	391,586	5,504	901	64,167	462,158
Public Safety	426	1,056,583	232,969	1,669	1,291,647
Public Works	899			354,721	355,620
Health	29,052			78,362	107,414
Capital Outlay	27,627	17,458	97,839	1,055	143,979
<i>Total Disbursements</i>	<u>449,590</u>	<u>1,079,545</u>	<u>331,709</u>	<u>499,974</u>	<u>2,360,818</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>205,079</u>	<u>135,278</u>	<u>84,489</u>	<u>(78,262)</u>	<u>346,584</u>
Other Financing Sources (Uses)					
Transfers In				153,000	153,000
Transfers Out	(153,000)				(153,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(153,000)</u>	<u>0</u>	<u>0</u>	<u>153,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	52,079	135,278	84,489	74,738	346,584
<i>Fund Balances Beginning of Year</i>	<u>344,855</u>	<u>331,472</u>	<u>344,585</u>	<u>229,902</u>	<u>1,250,814</u>
<i>Fund Balances End of Year</i>	<u>\$ 396,934</u>	<u>\$ 466,750</u>	<u>\$ 429,074</u>	<u>\$ 304,640</u>	<u>\$ 1,597,398</u>

See accompanying notes to the financial statements

Weathersfield Township, Trumbull County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 196,727	\$ 254,298	\$ 254,298	\$ (0)
Fines and Forfeitures	26,500	18,225	21,117	2,892
Intergovernmental	240,903	300,438	312,040	11,602
Interest	15,500	12,801	15,181	2,380
Other	35,000	51,898	52,033	135
<i>Total receipts</i>	<u>514,630</u>	<u>637,660</u>	<u>654,669</u>	<u>17,009</u>
Disbursements				
Current:				
General Government	461,350	465,584	391,586	73,998
Public Safety	1,000	1,000	426	574
Public Works	2,000	2,030	899	1,131
Health	24,000	29,100	29,052	48
Capital Outlay	80,000	96,165	27,627	68,538
<i>Total Disbursements</i>	<u>568,350</u>	<u>593,879</u>	<u>449,590</u>	<u>144,289</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(53,720)</u>	<u>43,781</u>	<u>205,079</u>	<u>161,298</u>
Other Financing Sources (Uses)				
Transfers Out	(240,500)	(240,500)	(153,000)	87,500
Other Financing Uses	(26,617)	(145,762)	-	145,762
<i>Total Other Financing Sources (Uses)</i>	<u>(267,117)</u>	<u>(386,262)</u>	<u>(153,000)</u>	<u>233,262</u>
<i>Net Change in Fund Balance</i>	(320,837)	(342,481)	52,079	394,560
<i>Fund Balance Beginning of Year</i>	323,210	323,210	323,210	0
Prior Year Encumbrances Appropriated	21,645	21,645	21,645	0
<i>Fund Balance End of Year</i>	<u>\$ 24,019</u>	<u>\$ 2,374</u>	<u>\$ 396,934</u>	<u>\$ 394,560</u>

See accompanying notes to the financial statements

Weathersfield Township, Trumbull County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Police District Fund
 For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 681,441	\$ 991,386	\$ 991,386	0
Intergovernmental	175,500	177,406	177,406	0
Other	19,000	44,182	46,031	1,849
<i>Total receipts</i>	<u>875,941</u>	<u>1,212,974</u>	<u>1,214,823</u>	<u>1,849</u>
Disbursements				
Current:				
General Government	5,700	5,700	5,504	196
Public Safety	1,076,500	1,455,001	1,057,259	397,742
Capital Outlay	92,805	75,511	17,458	58,053
<i>Total Disbursements</i>	<u>1,175,005</u>	<u>1,536,212</u>	<u>1,080,221</u>	<u>455,991</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(299,064)</u>	<u>(323,238)</u>	<u>134,602</u>	<u>457,840</u>
<i>Net Change in Fund Balance</i>	(299,064)	(323,238)	134,602	457,840
<i>Fund Balance Beginning of Year</i>	307,297	307,297	307,297	0
Prior Year Encumbrances Appropriated	24,174	24,174	24,174	0
<i>Fund Balance End of Year</i>	<u>\$ 32,408</u>	<u>\$ 8,234</u>	<u>\$ 466,074</u>	<u>\$ 457,840</u>

See accompanying notes to the financial statements

Weathersfield Township, Trumbull County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Fire District Fund
 For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 220,639	\$ 330,454	\$ 330,454	0
Intergovernmental	57,500	66,172	66,172	0
Other	6,200	19,466	19,572	106
<i>Total receipts</i>	<u>284,339</u>	<u>416,092</u>	<u>416,198</u>	<u>106</u>
Disbursements				
Current:				
General Government	1,000	1,000	901	99
Public Safety	458,278	544,879	236,723	308,156
Capital Outlay	125,000	205,785	167,896	37,889
<i>Total Disbursements</i>	<u>584,278</u>	<u>751,664</u>	<u>405,520</u>	<u>346,144</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(299,939)</u>	<u>(335,572)</u>	<u>10,678</u>	<u>346,250</u>
<i>Net Change in Fund Balance</i>	(299,939)	(335,572)	10,678	346,250
<i>Fund Balance Beginning of Year</i>	308,953	308,953	308,953	0
Prior Year Encumbrances Appropriated	35,633	35,633	35,633	0
<i>Fund Balance End of Year</i>	<u>\$ 44,646</u>	<u>\$ 9,013</u>	<u>\$ 355,263</u>	<u>\$ 346,250</u>

See accompanying notes to the financial statements

Note 1 – Reporting Entity

The Weathersfield Township, Trumbull County, Ohio (the Township) is a body politic and corporate 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 also has an elected 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.

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, maintenance of Township roads and bridges, cemetery maintenance, fire protection, and police protection.

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. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's 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. The statements of the Township are governmental. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The Statement of Net Assets presents the cash balance 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 is self-financing on a cash basis or draws from the Township's general receipts.

Weathersfield Township, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2004

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 fund 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. All funds of the Township are categorized as governmental.

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, Police District Fund, and Fire District 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. The Police District Fund is used to account for revenues collected for police operations. The Fire District Fund is used to account for revenues collected for Fire operations.

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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All 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 measure, 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 measure 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, department, and object level for all funds.

Weathersfield Township, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2004

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 measure 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 measure 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 (contra revenue), respectively.

During 2004, the Township invested in STAR Ohio. 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, 2004.

Interest earnings are allocated to Township funds according to State statutes or grant requirements. Interest receipts credited to the General Fund, Motor Vehicle License Tax Fund, and Gasoline Tax Fund during 2004 was \$15,665.

F. Restricted Assets

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent all funds excluding the General Fund.

G. 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.

H. 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.

Weathersfield Township, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2004

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. 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.

K. 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 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. 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. Net assets restricted for other purposes include resources restricted for road maintenance, police and fire protection, cemetery, zoning, and street lighting.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

N. 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. Fund balance reserves have been established for encumbrances.

O. Interfund Transactions

Transfers between governmental activities on the government-wide financial statements are reported as other financing sources and other financing uses.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity

Last year the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

Note 4 – Accountability and Compliance

The Township has early implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures".

GASB Statement No. 40 establishes and modified disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modified disclosure requirements for custodial credit risk on deposits.

The implementation of GASB Statement No. 40 did not have an effect on the financial statements of the Township.

Note 5 – 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, Police District Fund, and Fire District Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$0 for the General Fund, \$676 for the Police District Fund, and \$73,811 for the Fire District Fund.

Note 6 – 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;

Weathersfield Township, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2004

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).

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. Investments may only be made through specified dealers and institutions.

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 in the possession of an outside party. At year end, \$230,049 of the Township's bank balance of \$330,049 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution.

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

As of December 31, 2004, the Township had the following investments:

	Carrying Value	Maturity
STAR Ohio	1,345,263	Average

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 has no investment policy dealing with interest rate risk beyond the requirements in state statutes. Ohio law requires investment maturities to be five years or less.

Weathersfield Township, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2004

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township has no investment policy dealing with investment 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 and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Note 7 – 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 2004 represent the collection of 2003 taxes. Real property taxes received in 2004 were levied after October 1, 2003, on the assessed values as of January 1, 2003, 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 2004 represent the collection of 2003 taxes. Public utility real and tangible personal property taxes received in 2003 became a lien on December 31, 2002, were levied after October 1, 2003, 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 2004 (other than public utility property) represent the collection of 2004 taxes. Tangible personal property taxes received in 2004 were levied after October 1, 2003, on the true value as of December 31, 2003. Tangible personal property is currently assessed at 25 percent 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.

The full tax rate for all Township operations for the year ended December 31, 2004, was \$12.30 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2004 property tax receipts were based are as follows:

Real Property	
Residential/Agriculture	\$604,898
Commercial/Industrial/Mineral	224,733
Public Utility Property	
Real/Personal	328,984
Tangible Personal Property	342,260
Total Assessed Value	<u><u>\$1,500,875</u></u>

Note 8 – 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 claim, including loss 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 \$5,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

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 in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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 township.

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, 2004 and 2003 (the latest information available):

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,687,203	\$27,792,223
Liabilities	(13,640,962)	(11,791,300)
Retained earnings	<u>\$17,046,241</u>	<u>\$16,000,923</u>

<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$7,799,073	\$6,791,060
Liabilities	(753,906)	(750,956)
Retained earnings	<u>\$7,045,167</u>	<u>\$6,040,104</u>

Note 9 – 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, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The Township's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 16.70 percent of covered payroll. 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, 2004, 2003, and 2002 were \$220,742, \$194,387, \$199,505 respectively. The full amount has been contributed for 2004, 2003 and 2002.

Note 10 - 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 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Weathersfield Township, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2004

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, 2003, include a rate of return on investments of 8.00 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 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 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.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$210,421. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Note 11 – Leases

The Township leases buildings, vehicles and other equipment under noncancelable leases. The Township disbursed \$10,000 to pay lease costs for the year ended December 31, 2004. Future lease payments are as follows:

Year	Amount
2005	\$10,000
2006	10,000
2007	10,000
2008	10,000
Total	<u>\$40,000</u>

Note 12 – Interfund Transfers

During 2004 the following transfers were made:

Transfers from the General Fund to:	
Other Governmental Funds	\$153,000

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers included \$55,000 to the Road & Bridge Fund, \$55,000 to the Cemetery Fund, and \$43,000 to the Zoning Fund.



**Auditor of State
Betty Montgomery**

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

Weathersfield Township
Trumbull County
1451 Prospect Street
Mineral Ridge, Ohio 44440

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 Weathersfield Township (the Township) as of and for the year ended December 31, 2004, which collectively comprise the Township's financial statements and have issued our report thereon dated July 28, 2006 wherein we 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 because the Auditor of State designed, developed, implemented, and as requested, operates UAN. 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 to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when 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.

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 have a 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Weathersfield Township
Trumbull County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for 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

July 28, 2006



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

WEATHERSFIELD TOWNSHIP

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 26, 2006**