



**ELLSWORTH TOWNSHIP  
MAHONING COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



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

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Ellsworth Township  
Mahoning County  
11316 Berlin Station Road  
Berlin Center, Ohio 44401

To the Board of Township Trustees:

We have audited the accompanying financial statements of Ellsworth Township, Mahoning County, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 Ellsworth Township, Mahoning County, as of December 31 1999 and 1998, and its combined cash receipts and cash disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2000 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.

This report is intended solely for the information and use of management, Board of Township Trustees, 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".

**Jim Petro**  
Auditor of State

April 18, 2000



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES -  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$67,320	\$26,126	\$27,831	\$121,277
Intergovernmental	24,588	68,327	3,178	96,093
Special Assessments		528		528
Licenses, Permits, and Fees	8,699	8,928		17,627
Earnings on Investments	2,871	1,467		4,338
Miscellaneous Cash Receipts	3,205	5,610		8,815
	<u>106,683</u>	<u>110,986</u>	<u>31,009</u>	<u>248,678</u>
<b>Cash Disbursements:</b>				
General Government	65,665	12,913		78,578
Public Safety		23,826		23,826
Public Works		56,477		56,477
Health	9,686	5,274		14,960
Conservation - Recreation		11,961		11,961
Debt Service:				
Redemption of Principal			30,170	30,170
Interest and Fiscal Charges			1,415	1,415
Capital Outlay	33,100	5,226		38,326
	<u>108,451</u>	<u>115,677</u>	<u>31,585</u>	<u>255,713</u>
Excess of Cash Receipts Over/ (Under) Cash Disbursements	<u>(1,768)</u>	<u>(4,691)</u>	<u>(576)</u>	<u>(7,035)</u>
Fund Cash Balances - January 1, 1999	<u>78,265</u>	<u>81,307</u>	<u>576</u>	<u>160,148</u>
<b>Fund Cash Balances - December 31, 1999</b>	<b><u>\$76,497</u></b>	<b><u>\$76,616</u></b>	<b><u>576</u></b>	<b><u>\$153,113</u></b>
Reserve for Encumbrances - December 31, 1999	<u>\$773</u>	<u>\$406</u>		<u>\$1,179</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES -  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$67,143	\$26,019	\$27,986	\$121,148
Intergovernmental	49,175	70,520	3,127	122,822
Licenses, Permits, and Fees	7,937	6,469		14,406
Earnings on Investments	2,531	1,380		3,911
Miscellaneous Cash Receipts	2,418	3,843		6,261
	<u>129,204</u>	<u>108,231</u>	<u>31,113</u>	<u>268,548</u>
<b>Cash Disbursements:</b>				
General Government	76,379	9,098		85,477
Public Safety		25,341		25,341
Public Works		56,215		56,215
Health	9,356	2,454		11,810
Conservation - Recreation		9,282		9,282
Debt Service:				
Redemption of Principal			28,051	28,051
Interest and Fiscal Charges			2,732	2,732
Capital Outlay	12,876	3,000		15,876
	<u>98,611</u>	<u>105,390</u>	<u>30,783</u>	<u>234,784</u>
Excess of Cash Receipts Over Cash Disbursements	<u>30,593</u>	<u>2,841</u>	<u>330</u>	<u>33,764</u>
<b>Other Financing Sources/(Uses):</b>				
Transfers-In		20,000		20,000
Transfers-Out	(20,000)			(20,000)
Other Sources	5,165	3,123		8,288
	<u>(14,835)</u>	<u>23,123</u>		<u>8,288</u>
Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements and Other Financing (Uses)	15,758	25,964	330	42,052
Fund Cash Balances - January 1, 1998	<u>62,507</u>	<u>55,343</u>	<u>246</u>	<u>118,096</u>
<b>Fund Cash Balances -December 31, 1998</b>	<b><u>\$78,265</u></b>	<b><u>\$81,307</u></b>	<b><u>\$576</u></b>	<b><u>\$160,148</u></b>
Reserve for Encumbrances -December 31, 1998	<u>\$18</u>	<u>\$645</u>		<u>\$663</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

The Township did not have investments during the audit period.

**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 accounts for gasoline tax money received from the State restricted to constructing, maintaining, and repairing Township roads.

*Fire District Fund* - This Fund accounts for property tax money restricted to providing fire protection services and equipment.

**3. Debt Service Funds**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Township maintained the following debt service fund;

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Note Retirement Fund* - This Fund accounts for property tax money restricted to satisfying the obligations of a note the Township issued to purchase a fire truck.

**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 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. The Township did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**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, 1999 and 1998 was \$153,113 and \$160,148, respectively.

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$103,467	\$106,683	\$3,216
Special Revenue	101,466	110,986	9,520
Debt Service	31,628	31,009	(619)
Total	\$236,561	\$248,678	\$12,117

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$181,732	\$109,224	\$72,508
Special Revenue	182,023	116,083	65,940
Capital Projects	32,204	31,585	619
Total	\$395,959	\$256,892	\$139,067

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$99,263	\$134,369	\$35,106
Special Revenue	96,907	131,354	34,447
Capital Projects	30,537	31,113	576
Total	\$226,707	\$296,836	\$70,129

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$161,770	\$118,629	\$43,141
Special Revenue	152,250	106,035	46,215
Capital Projects	30,783	30,783	0
Total	\$344,803	\$255,447	\$89,356

**4. DEBT**

The Township issued a \$118,000, 4.75%, general obligation note in 1996 for purchasing a fire truck. The terms of the note require quarterly payments, including applicable interest and fiscal charges, for the period 1996 through 2000. The Township pays the note obligations from a fire levy approved by the voters. In 1996, the lender permitted the Township to extend the term of the note an additional six months. However, the Township expects to satisfy the note obligations in 2000. The outstanding principal on this note at December 31, 1999 is \$9,967.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**5. 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.

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.

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 employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Ohio Revised Code prescribes PERS contribution rates. For 1998 and 1999, PERS requires members to contribute 8.5% of their gross salaries. The Township also contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance to certain employees through a private carrier.



**STATE OF OHIO  
OFFICE OF THE AUDITOR**

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

Ellsworth Township  
Mahoning County  
11316 Berlin Station Road  
Berlin Center, Ohio 44401

To the Board of Township Trustees:

We have audited the accompanying financial statements of Ellsworth Township, Mahoning County, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 18, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 18, 2000.

**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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 18, 2000.

This report is intended for the information and use of management and Board of Township 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", written in a cursive style.

**Jim Petro**  
Auditor of State

April 18, 2000



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

**JIM PETRO, AUDITOR OF STATE**

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**ELLSWORTH TOWNSHIP**

**MAHONING 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**  
**MAY 18, 2000**