



**WEATHERSFIELD TOWNSHIP
TRUMBULL COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Township Trustees:

We have audited the accompanying financial statements of Weathersfield Township, Trumbull 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 the Weathersfield Township, as of December 31 1999 and 1998, 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 June 19, 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

June 19, 2000

**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, 1999**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:						
Local Taxes	\$179,252	\$1,260,392	\$119,374			\$1,559,018
Intergovernmental	297,865	148,213		152,748		598,826
Special Assessments		46,253				46,253
Licenses, Permits, and Fees		64,098				64,098
Fines, Forfeitures, and Penalties	15,230	2,299				17,529
Earnings on Investments	62,519	2,571				65,090
Other Revenue	31,832	102,486				134,318
Total Cash Receipts	<u>586,698</u>	<u>1,626,312</u>	<u>119,374</u>	<u>152,748</u>		<u>2,485,132</u>
Cash Disbursements:						
Current:						
General Government	314,409	42,365		173,716		530,490
Public Safety	363	992,547				992,910
Public Works	722	254,772				255,494
Health	22,256	73,100				95,356
Debt Service:						
Redemption of Principal			99,152			99,152
Interest and Fiscal Charges			12,923			12,923
Capital Outlay	21,586	170,030				191,616
Total Cash Disbursements	<u>359,336</u>	<u>1,532,814</u>	<u>112,075</u>	<u>173,716</u>		<u>2,177,941</u>
Total Receipts Over/(Under) Disbursements	<u>227,362</u>	<u>93,498</u>	<u>7,299</u>	<u>(20,968)</u>		<u>307,191</u>
Other Financing Receipts/(Disbursements):						
Transfers-In		37,000		29,095		66,095
Advances-In	70,000	70,000				140,000
Transfers-Out	(66,095)	0				(66,095)
Advances-Out	(70,000)	(70,000)				(140,000)
Total Other Financing Receipts/(Disbursements)	<u>(66,095)</u>	<u>37,000</u>		<u>29,095</u>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>161,267</u>	<u>130,498</u>	<u>7,299</u>	<u>8,127</u>		<u>307,191</u>
Fund Cash Balances, January 1	<u>402,679</u>	<u>733,531</u>			<u>567</u>	<u>1,136,777</u>
Fund Cash Balances, December 31	<u>\$563,946</u>	<u>\$864,029</u>	<u>\$7,299</u>	<u>\$8,127</u>	<u>\$567</u>	<u>\$1,443,968</u>
Reserve for Encumbrances, December 31	<u>\$1,550</u>	<u>\$37,361</u>				<u>\$38,910</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 AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:						
Local Taxes	\$171,789	\$1,050,359	\$32,742			\$1,254,890
Intergovernmental	349,506	126,551				476,057
Special Assessments		41,344				41,344
Licenses, Permits, and Fees		47,029				47,029
Fines, Forfeitures, and Penalties	15,400	2,372				17,772
Earnings on Investments	58,936	1,988				60,924
Other Revenue	29,891	141,693				171,584
Total Cash Receipts	<u>625,522</u>	<u>1,411,336</u>	<u>32,742</u>			<u>2,069,600</u>
Cash Disbursements:						
Current:						
General Government	299,449	41,195		150,979		491,623
Public Safety	160	940,358				940,518
Public Works	722	233,331				234,053
Health	21,500	58,058				79,558
Debt Service:						
Redemption of Principal			25,466			25,466
Interest and Fiscal Charges			7,276			7,276
Capital Outlay	8,750	352,360				361,110
Total Cash Disbursements	<u>330,581</u>	<u>1,625,302</u>	<u>32,742</u>	<u>150,979</u>		<u>2,139,604</u>
Total Receipts Over/(Under) Disbursements	<u>294,941</u>	<u>(213,966)</u>		<u>(150,979)</u>		<u>(70,004)</u>
Other Financing Receipts/(Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Notes		158,667				158,667
Transfers-In		36,000		150,979		186,979
Transfers-Out	(186,979)					(186,979)
Total Other Financing Receipts/(Disbursements)	<u>(186,979)</u>	<u>194,667</u>		<u>150,979</u>		<u>158,667</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>107,962</u>	<u>(19,299)</u>				<u>88,663</u>
Fund Cash Balances, January 1	<u>294,717</u>	<u>752,830</u>			<u>567</u>	<u>1,048,114</u>
Fund Cash Balances, December 31	<u>\$402,679</u>	<u>\$733,531</u>			<u>\$567</u>	<u>\$1,136,777</u>
Reserve for Encumbrances, December 31	<u>\$1,147</u>	<u>\$104,318</u>				<u>\$105,464</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

Weathersfield Township, Trumbull 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 Township Trustees. The Township provides general governmental services, including road and bridge 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 investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Road and Bridge Fund - This Fund accounts for property tax money restricted to constructing, maintaining and repairing roads and bridges within the Township.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Police District Fund - This Fund is to account for property tax money restricted to providing police protection.

3. Debt Service Fund

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

General Bond (Note) Retirement Fund - This Fund accounts for the retirement of the general obligation notes.

4. Capital Project Funds

This fund is 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 capital project fund:

Issue II Fund - This Fund accounts for a grant the Township received from the State of Ohio to fund the road construction project.

5. Fiduciary Fund (Agency Fund)

This fund is used to account for resources for which the Township is acting in an agency capacity. The Township had the following agency fund:

Unclaimed Monies Fund - This Fund is used to account for monies which are yet to be claimed by their rightful owner.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$181,458	\$243,752
STAR Ohio	1,262,510	893,025
Total deposits and investments	\$1,443,968	\$1,136,777

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution,

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

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$491,646	\$586,698	\$95,052
Special Revenue	1,566,982	1,663,312	96,330
Debt Service	119,373	119,374	1
Capital Projects	300,000	181,843	(118,157)
Total	\$2,478,001	\$2,551,227	\$73,226

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$890,405	\$426,981	\$463,424
Special Revenue	2,394,315	1,570,175	824,140
Debt Service	119,373	112,075	7,298
Capital Projects	300,000	173,716	126,284
Total	<u>\$3,704,093</u>	<u>\$2,282,947</u>	<u>\$1,421,146</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$428,028	\$625,522	\$197,494
Special Revenue	1,518,781	1,606,003	87,222
Debt Service	32,742	32,742	0
Capital Projects	390,000	150,979	(239,021)
Total	<u>\$2,369,551</u>	<u>\$2,415,246</u>	<u>\$45,695</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$722,130	\$518,707	\$203,423
Special Revenue	2,271,550	1,729,620	541,930
Debt Service	32,742	32,742	0
Capital Projects	390,000	150,979	239,021
Total	<u>\$3,416,422</u>	<u>\$2,432,048</u>	<u>\$984,374</u>

4. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Notes (# 1)	\$59,624	6.48%
General Obligation Notes (# 2)	79,333	4.60%
Total	<u>\$138,957</u>	

The general obligation notes (note #2) were borrowed to finance the purchase of a new fire truck to be used for Township in 1998 for \$158,666.66 at 4.6 percent interest. The note obligation was payable in two annual installments of \$79,333.33, plus interest, through December 2000. The notes are collateralized by the truck.

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

4. DEBT (Continued)

In addition, the Township purchased trucks through a capital lease arrangement in 1997 for \$136,121.75 at 6.48 percent interest (note #1). The lease obligation was payable in five annual installments of \$32,741.91, including interest, through December 2001. The debts are collateralized by the trucks.

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

Year ending December 31:	General Obligation Principal	General Obligation Interest	Total
2000	\$108,209	\$7,526	\$115,735
2001	30,748	1,994	32,742
Total	<u>\$138,957</u>	<u>\$9,520</u>	<u>\$148,477</u>

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 and the law enforcement officers to contribute 9.0% of their gross salaries. However, the Board of Township Trustees adopted resolutions requiring the Township to pay the members' contributions in 1998 and 1999. The Township also contributed an amount equal to 16.70% of law enforcement officers and 13.55% of other participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

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

7. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

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

8. RESTATEMENT OF FUND CASH BALANCES

A. For the year commencing January 1, 1998, the Uniform Accounting Network modified the chart of accounts that eliminated the special assessment fund type. The Township had one special assessment funds in 1997 that it now reflects as special revenue funds. This change required the Township to record certain adjustments to the January 1, 1998 beginning fund cash balances as compared to the December 31, 1997 ending fund cash balances in the following Fund Types:

Fund Type	Previously Stated Balances at 12/31/97	Reclassifications	Restated Balances at 1/1/98
Special Revenue Funds	\$740,264	\$12,566	\$752,830
Special Assessment Fund	\$ 12,566	(\$12,566)	\$0

B. For the year 1999, adjustments were made to reflect the Issue II activity. This change required the Township to record certain adjustments to the December 31, 1999 ending fund cash balances in the following Fund Types:

Fund Type	Previously Stated Balances at 12/31/99	Reclassifications	Restated Balances at 12/31/99
Capital Projects Fund	\$0	\$8,127	\$8,127
Special Revenue Funds	\$872,156	(\$8,127)	\$864,029



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OFFICE OF THE AUDITOR

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

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

To the Board of Township Trustees:

We have audited the accompanying financial statements of Weathersfield Township, Trumbull County, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 19, 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*.

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 one other matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 19, 2000.

Weathersfield Township
Trumbull County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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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

June 19, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
AUGUST 8, 2000**