



**MESOPOTAMIA TOWNSHIP  
TRUMBULL COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**



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

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**STATE OF OHIO**



MESOPOTAMIA TOWNSHIP  
TRUMBULL COUNTY

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Mesopotamia Township  
Trumbull County  
P.O. Box 199  
Mesopotamia, Ohio 44439

To the Board of Trustees:

We have audited the accompanying financial statements of Mesopotamia Township, Trumbull County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. 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 of the Township as of December 31, 2000 and December 31, 1999, 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 25, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

**Jim Petro**  
Auditor of State

June 25, 2001

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**MESOPOTAMIA TOWNSHIP  
TRUMBULL COUNTY**

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

	<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	\$42,590	\$80,864	\$6,500	\$129,954
Intergovernmental	68,323	65,631		133,954
Licenses, Permits, and Fees	1,630			1,630
Earnings on Investments	1,014	502		1,516
Other Revenue	823	3,387		4,210
	<u>114,380</u>	<u>150,384</u>	<u>6,500</u>	<u>271,264</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	71,388			71,388
Public Safety	4,187	48,474		52,661
Public Works	11,137	81,884		93,021
Health	6,433	37		6,470
Conservation - Recreation	3,361			3,361
Debt Service:				
Redemption of Principal			5,212	5,212
Interest and Fiscal Charges			1,288	1,288
Capital Outlay	3,721	1,614		5,335
	<u>100,227</u>	<u>132,009</u>	<u>6,500</u>	<u>238,736</u>
<b>Total Cash Disbursements</b>				
<b>Total Receipts Over/(Under) Disbursements</b>	<u>14,153</u>	<u>18,375</u>		<u>32,528</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Contingencies	(1,433)			(1,433)
Other Sources	2,160			2,160
	<u>727</u>			<u>727</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>14,880</u>	<u>18,375</u>		<u>33,255</u>
<b>Fund Cash Balances, January 1, 2000</b>	<u>17,691</u>	<u>43,090</u>		<u>60,781</u>
<b>Fund Cash Balances, December 31, 2000</b>	<u><u>\$32,571</u></u>	<u><u>\$61,465</u></u>		<u><u>\$94,036</u></u>

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

MESOPOTAMIA TOWNSHIP  
TRUMBULL COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCES - NON-EXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Non-Expendable Trusts</u>
Operating cash receipts:	
Interest	<u>                    </u>
Total operating cash receipts	
Net receipts over disbursements	
Fund cash balances, January 1, 2000	<u>                    658</u>
<b>Fund cash balances, December 31, 2000</b>	<b><u>                    \$658</u></b>

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



**MESOPOTAMIA TOWNSHIP  
TRUMBULL COUNTY**

**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	\$32,346	\$69,431	\$6,500	\$108,277
Intergovernmental	57,440	66,379		123,819
Licenses, Permits, and Fees	935			935
Fines, Forfeitures, and Penalties		150		150
Earnings on Investments	851	288		1,139
Other Revenue	576	2,406		2,982
	<u>92,148</u>	<u>138,654</u>	<u>6,500</u>	<u>237,302</u>
<b>Total Cash Receipts</b>				
	<u>92,148</u>	<u>138,654</u>	<u>6,500</u>	<u>237,302</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	73,881			73,881
Public Safety	2,700	24,239		26,939
Public Works	8,933	85,695		94,628
Health	5,147			5,147
Conservation - Recreation	4,726			4,726
Debt Service:				
Redemption of Principal			5,040	5,040
Interest and Fiscal Charges			1,460	1,460
Capital Outlay	2,412	3,067		5,479
	<u>97,799</u>	<u>113,001</u>	<u>6,500</u>	<u>217,300</u>
<b>Total Cash Disbursements</b>				
	<u>97,799</u>	<u>113,001</u>	<u>6,500</u>	<u>217,300</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(5,651)</u>	<u>25,653</u>		<u>20,002</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Contingencies	(800)			(800)
Other Sources	125			125
	<u>(675)</u>			<u>(675)</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
	<u>(675)</u>			<u>(675)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(6,326)</u>	<u>25,653</u>		<u>19,327</u>
<b>Fund Cash Balances, January 1, 1999</b>	<u>24,017</u>	<u>17,437</u>		<u>41,454</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u><u>\$17,691</u></u>	<u><u>\$43,090</u></u>		<u><u>\$60,781</u></u>

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

MESOPOTAMIA TOWNSHIP  
TRUMBULL COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCES - NON-EXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Non-Expendable Trusts</u>
Operating cash receipts:	
Interest	<u>                    </u>
Total operating cash receipts	
Net receipts over disbursements	
Fund cash balances, January 1, 1999	<u>                    658</u>
<b>Fund cash balances, December 31, 1999</b>	<b><u>                    \$658</u></b>

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

**MESOPOTAMIA TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Mesopotamia 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 Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and paramedic medical 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. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

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

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

Fire District Fund - This fund receives property tax money to provide fire protection to the residents of the Township.

**MESOPOTAMIA TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**C. Fund Accounting (continued)**

**3. Debt Service Fund**

The Debt Service Fund is used to accumulate resources for the payment of bond and note indebtedness.

**4 Non-Expendable Trust Fund**

These funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds where the principal must be kept intact, but the interest or income may be expended.

**D. Budgetary Process**

The Ohio Revised Code requires that each fund (except for certain agency funds) be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 2000 and 1999 budgetary activity appears in Note 3.

**E. 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.

**F. 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.

**MESOPOTAMIA TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**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>2000</u>	<u>1999</u>
Demand deposits	\$94,694	\$61,439

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$106,720	\$116,540	\$9,820
Special Revenue	147,538	150,384	2,846
Debt Service	6,500	6,500	0
Non-Expendable Trust	0	0	0
Total	\$260,758	\$273,424	\$12,666

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$124,411	\$101,660	\$22,751
Special Revenue	191,128	132,009	59,119
Non-Expendable Trust	6,500	6,500	0
Total	\$322,039	\$240,169	\$81,870

**MESOPOTAMIA TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$95,399	\$92,273	(\$3,126)
Special Revenue	135,832	138,654	2,822
Debt Service	6,500	6,500	0
Total	\$237,731	\$237,427	(\$304)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$119,416	\$98,600	\$20,816
Special Revenue	153,770	113,001	40,769
Debt Service	6,500	6,500	0
Total	\$279,686	\$218,101	\$61,585

**4. PROPERTY TAX**

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Building & Renovations - Cortland Bank.	\$14,682	6.25%

**MESOPOTAMIA TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. DEBT (continued)**

The Cortland Bank Loan relates to the purchase of a building. The loan will be repaid in annual installments of \$ 6,500 including interest. The loan is collateralized by the Township's taxing authority.

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

Year ending December 31:	Loan
2001	\$6,500
2002	6,500
2003	3,638
Total	<u>\$16,638</u>

**6. RETIREMENT SYSTEMS**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. The Township's PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% of participant's gross salaries in 2000. The Township has paid all contributions required through December 31, 2000.

**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 and dental and vision coverage to full-time employees through a private carrier.

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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**

Mesopotamia Township  
Trumbull County  
P.O. Box 199  
Mesopotamia, Ohio 44439

To the Board of Trustees:

We have audited the accompanying financial statements of Mesopotamia Township, Trumbull County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 25, 2001. 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 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 a 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 25, 2001.

Mesopotamia Township  
Trumbull County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

June 25, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**MESOPOTAMIA 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  
JULY 19, 2001**