



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WEATHERSFIELD TOWNSHIP
TRUMBULL COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of Weathersfield Township (the Township) as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2002 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Jim Petro
Auditor of State

April 12, 2002

**WEATHERSFIELD 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, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$179,809	\$1,385,985	\$55,701	\$1,621,495
Special Assessments		66,141		66,141
Intergovernmental Receipts	266,593	310,905		577,498
Licenses, Permits, and Fees		53,816		53,816
Fines and Forfeitures	30,048	3,044		33,092
Earnings on Investments	65,252	2,263		67,515
Other Revenue	29,029	63,872		92,901
Total Cash Receipts	<u>570,731</u>	<u>1,886,026</u>	<u>55,701</u>	<u>2,512,458</u>
Cash Disbursements:				
Current:				
General Government	337,413	149,255		486,668
Public Safety		1,151,668		1,151,668
Public Works	737	255,736		256,473
Health	24,783	73,966		98,749
Debt Service:				
Redemption of Principal			61,042	61,042
Interest and Fiscal Charges			1,994	1,994
Capital Outlay	32,857	311,674		344,531
Total Cash Disbursements	<u>395,790</u>	<u>1,942,299</u>	<u>63,036</u>	<u>2,401,125</u>
Total Receipts Over/(Under) Disbursements	<u>174,941</u>	<u>(56,273)</u>	<u>(7,335)</u>	<u>111,333</u>
Other Financing Receipts and (Disbursements):				
Transfers-In		378,396		378,396
Advances-In	4,355	1,500		5,855
Transfers-Out	(378,396)			(378,396)
Advances-Out	(1,500)	(4,355)		(5,855)
Total Other Financing Receipts/(Disbursements)	<u>(375,541)</u>	<u>375,541</u>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(200,600)</u>	<u>319,268</u>	<u>(7,335)</u>	<u>111,333</u>
Fund Cash Balances, January 1	<u>859,683</u>	<u>888,199</u>	<u>7,335</u>	<u>1,755,217</u>
Fund Cash Balances, December 31	<u><u>\$659,083</u></u>	<u><u>\$1,207,467</u></u>	<u><u>\$0</u></u>	<u><u>\$1,866,550</u></u>
Reserves for Encumbrances, December 31	<u><u>\$2,661</u></u>	<u><u>\$33,093</u></u>	<u><u>\$0</u></u>	<u><u>\$35,754</u></u>

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

**WEATHERSFIELD 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>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$192,431	\$1,233,644	\$123,566	\$1,549,641
Special Assessments		44,542		44,542
Intergovernmental Receipts	415,854	214,448		630,302
Licenses, Permits, and Fees		61,922		61,922
Fines and Forfeitures	20,778	2,302		23,080
Earnings on Investments	96,169	3,495	36	99,700
Other Revenue	32,600	76,741		109,341
	<u>757,832</u>	<u>1,637,094</u>	<u>123,602</u>	<u>2,518,528</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	308,750	155,146		463,896
Public Safety	10	1,102,809		1,102,819
Public Works	730	402,582		403,312
Health	23,800	68,943		92,743
Debt Service:				
Redemption of Principal			115,663	115,663
Interest and Fiscal Charges			7,903	7,903
Capital Outlay	8,479	91,897		100,376
	<u>341,769</u>	<u>1,821,377</u>	<u>123,566</u>	<u>2,286,712</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>416,063</u>	<u>(184,283)</u>	<u>36</u>	<u>231,816</u>
Other Financing Receipts and (Disbursements):				
Proceeds from Sale of Public Debt:				
Sale of Notes		80,000		80,000
Transfers-In		115,971		115,971
Advances-In		4,355		4,355
Transfers-Out	(115,971)			(115,971)
Advances-Out	(4,355)			(4,355)
	<u>(120,326)</u>	<u>200,326</u>		<u>80,000</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	295,737	16,043	36	311,816
Fund Cash Balances, January 1	<u>563,946</u>	<u>872,156</u>	<u>7,299</u>	<u>1,443,401</u>
Fund Cash Balances, December 31	<u>\$859,683</u>	<u>\$888,199</u>	<u>\$7,335</u>	<u>\$1,755,217</u>
Reserves for Encumbrances, December 31	<u>\$3,301</u>	<u>\$46,061</u>	<u>\$0</u>	<u>\$49,362</u>

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

**WEATHERSFIELD TOWNSHIP
TRUMBULL COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Agency</u>
Operating Cash Disbursements:	
Other Disbursements	\$567
Net Receipts Under Disbursements	<u>(567)</u>
Fund Cash Balances, January 1	<u>567</u>
Fund Cash Balances, December 31	<u><u>\$0</u></u>
Reserve for Encumbrances, December 31	<u><u>\$0</u></u>

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

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**WEATHERSFIELD TOWNSHIP
TRUMBULL COUNTY**

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

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 Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and police 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

Investments are included in fund cash balances. 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.

The investment in STAR Ohio (the State Treasurer's investment pool) are valued at amounts reported by the State Treasurer.

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 Fund

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 receives property tax money restricted to constructing, maintaining and repairing roads and bridges within the Township.

**WEATHERSFIELD TOWNSHIP
TRUMBULL COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fire District Fund -This fund receives property tax money restricted to providing the Township with fire protection services.

Police District Fund – This fund receives property tax money restricted to providing police protection throughout the Township.

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The General Bond (Note) Retirement Fund accounts for the retirement of the general obligation notes.

4. Fiduciary Fund (Agency Fund)

This fund is used to account for monies for which the Township is acting in an agency capacity. The Township had the following agency fund in 2000:

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 for certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control, and appropriations may not exceed estimated resources. The Board 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.

**WEATHERSFIELD TOWNSHIP
TRUMBULL COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

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:

	2001	2000
Demand deposits	\$228,344	\$147,887
STAR Ohio	1,638,206	1,607,330
Total deposits and investments	\$1,866,550	\$1,755,217

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Township.

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, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$557,570	\$575,086	\$17,516
Special Revenue	2,204,832	2,264,422	59,590
Debt Service	55,701	55,701	0
Total	\$2,818,103	\$2,895,209	\$77,106

**WEATHERSFIELD TOWNSHIP
TRUMBULL COUNTY**

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

3. BUDGETARY ACTIVITY – (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,417,203	\$776,847	\$640,356
Special Revenue	3,093,006	1,975,392	1,117,614
Debt Service	63,036	63,036	0
Total	<u>\$4,573,245</u>	<u>\$2,815,275</u>	<u>\$1,757,970</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$541,144	\$757,832	\$216,688
Special Revenue	2,039,017	1,833,065	(205,952)
Debt Service	123,566	123,602	36
Total	<u>\$2,703,727</u>	<u>\$2,714,499</u>	<u>\$10,772</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,106,640	\$461,041	\$645,599
Special Revenue	2,948,533	1,867,438	1,081,095
Debt Service	130,865	123,566	7,299
Fiduciary	567	567	0
Total	<u>\$4,186,605</u>	<u>\$2,452,612</u>	<u>\$1,733,993</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 payments, 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.

**WEATHERSFIELD TOWNSHIP
TRUMBULL COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
General Obligation Note	\$49,806	6.5%
Total	\$49,806	

The General Obligation Note was issued in 2000 to finance the purchase a commercial grade tractor, mower and accessories for \$80,100 to be used within the Township. The note will be repaid in annual installments of \$30,294, including interest, over 3 years. The loan is collateralized by the tractor, mower and accessories.

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

	General Obligation Notes
Year ending December 31:	
2002	\$30,294
2003	29,359
Total	\$59,653

6. RETIREMENT SYSTEMS

The Township's full-time Police Officers and other 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 postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, full-time Police Officer participants contributed 10.1% of their wages. The Township contributed an amount equal to 16.70% of their wages to PERS. Other PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**WEATHERSFIELD TOWNSHIP
TRUMBULL COUNTY**

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

7. RISK MANAGEMENT (Continued)

Casualty Coverage

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

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

Property Coverage

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

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

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

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



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

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

To the Board of Trustees:

We have audited the accompanying financial statements of Weathersfield Township (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 12, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 12, 2002.

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 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 April 12, 2002.

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

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

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

Jim Petro
Auditor of State

April 12, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WHEATHERSFIELD 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
JUNE 25, 2002**