



**Auditor of State
Betty Montgomery**

PLYMOUTH TOWNSHIP
ASHTABULA COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Plymouth Township
Ashtabula County
3899 State Road South
Ashtabula, Ohio 44004

To the Board of Trustees:

We have audited the accompanying financial statements of Plymouth Township, Ashtabula County, (the Township) as of and for the years ended December 31, 2002 and 2001. 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, 2002 and 2001, 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 1, 2003, 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.

Plymouth Township
Ashtabula County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of Management and the Board 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 1, 2003

PLYMOUTH TOWNSHIP
ASHTABULA COUNTY

**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, 2002**

	Governmental Fund Types			Fiduciary Fund	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Agency	
Cash Receipts:					
Local Taxes	\$62,779	\$180,622	\$57,402	\$0	\$300,803
Intergovernmental	18,645	103,924			122,569
Special Assessments		3,127			3,127
Charges for Services		23,811			23,811
Licenses, Permits, and Fees	2,200	1,400			3,600
Earnings on Investments	3,845	402			4,247
Miscellaneous	1,421	3,732			5,153
Total Cash Receipts	88,890	317,018	57,402	0	463,310
Cash Disbursements:					
Current:					
General Government	73,956	62,421			136,377
Public Safety		12,163			12,163
Public Works	322	221,238			221,560
Health	15,912	3,446			19,358
Debt Service:					
Redemption of Principal			48,424		48,424
Interest and Fiscal Charges			8,978		8,978
Capital Outlay	1,699	227,243			228,942
Total Cash Disbursements	91,889	526,511	57,402	0	675,802
Total Receipts Over/(Under) Disbursements	(2,999)	(209,493)	0	0	(212,492)
Other Financing Receipts and (Disbursements):					
Sale of Fixed Assets		4,500			4,500
Other Sources				5,500	5,500
Other Uses				(29,500)	(29,500)
Total Other Financing Receipts/(Disbursements)		4,500		(24,000)	(19,500)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(2,999)	(204,993)	0	(24,000)	(231,992)
Fund Cash Balances, January 1	108,231	399,497	0	24,000	531,728
Fund Cash Balances, December 31	\$105,232	\$194,504	\$0	\$0	\$299,736
Reserve for Encumbrances, December 31	\$0	\$140	\$0	\$0	\$140

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

**PLYMOUTH TOWNSHIP
ASHTABULA COUNTY**

**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, 2001**

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Agency</u>	
Cash Receipts:						
Local Taxes	\$60,521	\$187,183	\$20,942	\$0	\$0	\$268,646
Intergovernmental	24,439	106,120		10,936		141,495
Special Assessments		3,153				3,153
Charges for Services		11,398				11,398
Licenses, Permits, and Fees	1,500	2,128				3,628
Earnings on Investments	10,384	2,318				12,702
Miscellaneous	2,345	10,982				13,327
Total Cash Receipts	<u>99,189</u>	<u>323,282</u>	<u>20,942</u>	<u>10,936</u>	<u>0</u>	<u>454,349</u>
Cash Disbursements:						
Current:						
General Government	75,027	71,474				146,501
Public Safety		6,229				6,229
Public Works	322	249,241				249,563
Health	15,891	2,425				18,316
Debt Service:						
Redemption of Principal		5,133	18,051			23,184
Interest and Fiscal Charges		33	2,891			2,924
Capital Outlay	1,772	9,707		10,936		22,415
Total Cash Disbursements	<u>93,012</u>	<u>344,242</u>	<u>20,942</u>	<u>10,936</u>	<u>0</u>	<u>469,132</u>
Total Receipts Over/(Under) Disbursements	<u>6,177</u>	<u>(20,960)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(14,783)</u>
Other Financing Receipts and (Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Notes		187,243				187,243
Sale of Fixed Assets		3,150				3,150
Other Sources					24,000	24,000
Total Other Financing Receipts/(Disbursements)		<u>190,393</u>			<u>24,000</u>	<u>214,393</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	6,177	169,433	0	0	24,000	199,610
Fund Cash Balances, January 1	102,054	230,064	0	0	0	332,118
Fund Cash Balances, December 31	<u>\$108,231</u>	<u>\$399,497</u>	<u>\$0</u>	<u>\$0</u>	<u>\$24,000</u>	<u>\$531,728</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$111</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$111</u>

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

**PLYMOUTH TOWNSHIP
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Plymouth Township, Ashtabula 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, fire protection, ambulance services, and cemetery maintenance.

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 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.

STAR Ohio is recorded at share values reported by the mutual fund.

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 receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**PLYMOUTH TOWNSHIP
ASHTBULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fire Levy Fund - This fund receives tax money generated by a voted levy to provide fire protection and ambulance services to residents.

3. Debt Service Funds

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

4. Capital Project Funds

These funds are 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).

5. Fiduciary Funds (Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

Demolition Fund - This fund holds insurance proceeds as a security against the cost of removing, repairing, or securing damaged property.

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, function or 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. 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.

**PLYMOUTH TOWNSHIP
ASHTBULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A summary of 2002 and 2001 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	2002
Demand Deposits	\$189,753	\$87,822
STAR Ohio	<u>341,975</u>	<u>211,914</u>
Total Deposits and Investments	\$531,728	\$299,736

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

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

**PLYMOUTH TOWNSHIP
ASHTBULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$86,093	\$88,890	\$2,797
Special Revenue	306,965	321,518	14,553
Debt Service	57,402	57,402	0
Fiduciary	5,500	5,500	0
Total	\$455,960	\$473,310	\$17,350

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$194,090	\$91,889	\$102,201
Special Revenue	706,462	526,651	179,811
Debt Service	57,402	57,402	0
Fiduciary	29,500	29,500	0
Total	\$987,454	\$705,442	\$282,012

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$89,797	\$99,189	\$9,392
Special Revenue	521,834	513,675	(8,159)
Debt Service	20,976	20,942	(34)
Capital Projects	10,936	10,936	0
Fiduciary	0	24,000	24,000
Total	\$643,542	\$668,742	\$25,200

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$191,851	\$93,012	\$98,839
Special Revenue	751,897	344,353	407,544
Debt Service	20,976	20,942	34
Capital Projects	10,936	10,936	0
Total	\$975,660	\$469,243	\$506,417

**PLYMOUTH TOWNSHIP
ASHTBULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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.

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.

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes	\$29,518	4.71%
General Obligation Notes	152,842	3.88%
Total	<u><u>\$182,360</u></u>	

The general obligation notes were issued to finance the purchase of a wheel loader and a new fire truck. The wheel loader note was issued in 1999 and is paid from the debt service fund with a maturity date of April, 2004. The new fire truck note was issued in 2001 and is paid from the debt service fund with a maturity date of October, 2006.

Amortization of the above debt, including interest of \$15,761, is scheduled as follows:

	<u>General Obligation Notes</u>
Year ending December 31:	
2003	57,369
2004	57,369
2005	41,559
2006	41,823
Total	<u><u>\$198,121</u></u>

**PLYMOUTH TOWNSHIP
ASHTBULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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 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 2002 and 2001, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Township has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

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 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.

PLYMOUTH TOWNSHIP
ASHTBULA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)

7. RISK MANAGEMENT (Continued)

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: (These are the most current amounts available)

<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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**Auditor of State
Betty Montgomery**

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

Plymouth Township
Ashtabula County
3899 State Road South
Ashtabula, Ohio 44004

To the Board of Trustees:

We have audited the accompanying financial statements of Plymouth Township, Ashtabula County, (the Township) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 1, 2003. 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*.

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.

Plymouth Township
Ashtabula 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 the 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 1, 2003



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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PLYMOUTH TOWNSHIP

ASHTABULA 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 8, 2003**