



**Auditor of State
Betty Montgomery**

WESTLAND TOWNSHIP
GUERNSEY COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Westland Township
Guernsey County
1989 Sunset Drive
New Concord, Ohio 43762

To the Board of Trustees:

We have audited the accompanying financial statements of Westland Township, Guernsey County, Ohio (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 Westland Township, Guernsey County, 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 25, 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.

Westland Township
Guernsey County
Independent Accountants' Report
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This report is intended solely for the information and use of the audit committee, 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.

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 25, 2003

**WESTLAND TOWNSHIP
GUERNSEY 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Fund</u>	
Cash Receipts:					
Local Taxes	\$33,294	\$56,814	\$	\$	\$90,108
Intergovernmental	77,769	71,212	9,425		158,406
Licenses, Permits, and Fees		4,220			4,220
Earnings on Investments	5,992	1,696		6	7,694
Other Revenue	211	1,705			1,916
	<u>117,266</u>	<u>135,647</u>	<u>9,425</u>	<u>6</u>	<u>262,344</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	59,343				59,343
Public Safety		18,200			18,200
Public Works	794	164,801			165,595
Health	374	3,990			4,364
Capital Outlay	58,239				58,239
	<u>118,750</u>	<u>186,991</u>	<u>0</u>	<u>0</u>	<u>305,741</u>
Total Cash Disbursements					
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(1,484)</u>	<u>(51,344)</u>	<u>9,425</u>	<u>6</u>	<u>(43,397)</u>
Fund Cash Balances, January 1	<u>54,320</u>	<u>99,314</u>	<u>0</u>	<u>356</u>	<u>153,990</u>
Fund Cash Balances, December 31	<u>\$52,836</u>	<u>\$47,970</u>	<u>\$9,425</u>	<u>\$362</u>	<u>\$110,593</u>
Reserve for Encumbrances, December 31	<u>\$458</u>	<u>\$7,376</u>	<u>\$0</u>	<u>\$0</u>	<u>7,834</u>

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

**WESTLAND TOWNSHIP
GUERNSEY 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>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Fund</u>	
Cash Receipts:					
Local Taxes	\$33,089	\$51,868	\$	\$	\$84,957
Intergovernmental	61,423	86,066			147,489
Licenses, Permits, and Fees		2,550			2,550
Earnings on Investments	2,824	2,452		4	5,280
Other Revenue	1,823	376			2,199
	<u>99,159</u>	<u>143,312</u>	<u>0</u>	<u>4</u>	<u>242,475</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	55,555				55,555
Public Safety	1,000	15,000			16,000
Public Works	650	114,229			114,879
Health	500	4,085			4,585
Capital Outlay	13,699	2,706			16,405
	<u>71,404</u>	<u>136,020</u>	<u>0</u>	<u>0</u>	<u>207,424</u>
Total Cash Disbursements					
Total Cash Receipts Over/(Under) Cash Disbursements	<u>27,755</u>	<u>7,292</u>	<u>0</u>	<u>4</u>	<u>35,051</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		4,001			4,001
Transfers-Out	(3,000)		(1,001)	0	(4,001)
Other Sources	779				779
	<u>(2,221)</u>	<u>4,001</u>	<u>(1,001)</u>	<u>0</u>	<u>779</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	25,534	11,293	(1,001)	4	35,830
Fund Cash Balances, January 1	28,786	88,021	1,001	352	118,160
Fund Cash Balances, December 31	<u><u>\$54,320</u></u>	<u><u>\$99,314</u></u>	<u><u>\$0</u></u>	<u><u>\$356</u></u>	<u><u>\$153,990</u></u>
Reserve for Encumbrances, December 31	<u>\$196</u>	<u>\$730</u>	<u>\$0</u>	<u>\$0</u>	<u>\$926</u>

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

**WESTLAND TOWNSHIP
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Westland Township, Guernsey 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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of New Concord and the Cassell Station Volunteer Fire Department to provide fire and emergency 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 that is 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.

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

**WESTLAND TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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 bonds and note indebtedness. The Township had the following significant Debt Service Fund:

Equipment Note – This fund was established to service the debt incurred from the purchase of a tractor.

4. Capital Project Fund

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). The Township had the following significant Capital Project Fund:

Local Public Works Fund - The Township received funds from the Guernsey County Engineer to fund Township road projects.

5. Fiduciary Fund (Trust Fund)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the trust agreement requires the Township to maintain a corpus of the trust, the fund is classified as a Non-Expendable Trust Fund. The Township had the following significant Non-Expendable Trust Fund:

Cemetery Bequest Fund - The Township receives interest from investments of the bequest for the maintenance of the cemetery.

D. 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, 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.

**WESTLAND TOWNSHIP
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

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 2002 and 2001 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.

2. EQUITY IN POOLED CASH

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

	2002	2001
Demand deposits	\$110,593	\$153,990

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

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	\$111,239	\$117,266	\$6,027
Special Revenue	121,445	135,647	14,202
Capital Projects	9,425	9,425	0
Non-Expendable Trust	10	6	(4)
Total	\$242,119	\$262,344	\$20,225

**WESTLAND TOWNSHIP
GUERNSEY COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$174,232	\$119,208	\$55,024
Special Revenue	212,095	194,367	17,728
Capital Projects	9,425	0	9,425
Non-Expendable Trust	266	0	266
Total	<u>\$396,018</u>	<u>\$313,575</u>	<u>\$82,443</u>

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$57,621	\$99,938	\$42,317
Special Revenue	138,446	147,313	8,867
Non-Expendable Trust	12	4	(8)
Total	<u>\$196,079</u>	<u>\$247,255</u>	<u>\$51,176</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$86,407	\$74,600	\$11,807
Special Revenue	233,467	136,750	96,717
Debt Service	1,001	1,001	0
Non-Expendable Trust	200	0	200
Total	<u>\$321,075</u>	<u>\$212,351</u>	<u>\$108,724</u>

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.

**WESTLAND TOWNSHIP
GUERNSEY COUNTY**

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

5. 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, PERS members 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.

6. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

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

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**Auditor of State
Betty Montgomery**

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

Westland Township
Guernsey County
1989 Sunset Drive
New Concord, Ohio 43762

To the Board of Trustees:

We have audited the accompanying financial statements of Westland Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 25, 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 25, 2003.

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.

Westland Township
Guernsey County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, 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 25, 2003

**WESTLAND TOWNSHIP
GUERNSEY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-41030-001	Finding for Recovery based on employee's share of Medicare tax being paid for by the Township for Clerk, Robin Kelly.	Yes	Corrected – Finding was repaid during audit period and employee share of Medicare tax is now being withheld from salary.
2000-41030-002	Finding for Recovery based on employee's share of Medicare tax being paid for by the Township for Trustee, Edward Sampson.	Yes	Corrected – Finding was repaid during audit period and employee share of Medicare tax is now being withheld from salary.
2000-41030-003	Finding for Recovery based on employee's share of Medicare tax being paid for by the Township for Trustee, Charles Neptune.	Yes	Corrected – Finding was repaid during audit period and employee share of Medicare tax is now being withheld from salary.
2000-41030-004	Finding for Recovery based on employee's share of Medicare tax being paid for by the Township for Trustee, Delmas Ball.	Yes	Corrected – Finding was repaid during audit period and employee share of Medicare tax is now being withheld from salary.
2000-41030-005	Revised Code 5705.41(B), expenditures exceeding appropriations	Yes	
2000-41030-006	Recommendation regarding proper posting of receipts and expenditures.	Yes	



**Auditor of State
Betty Montgomery**

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WESTLAND TOWNSHIP

GUERNSEY 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 19, 2003**