



**Auditor of State  
Betty Montgomery**



**WILLIAMSFIELD TOWNSHIP  
ASHTABULA COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Williamsfield Township  
Ashtabula County  
1313 Perry Road  
Jefferson, Ohio 44047

To the Board of Trustees:

We have audited the accompanying financial statements of the Williamsfield Township, Ashtabula County, (the Township) as of and for the years ended December 31, 2002 and December 31, 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 December 31, 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 14, 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.

Williamsfield Township  
Ashtabula County  
Independent Accountants' Report  
Page 2

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

**Betty Montgomery**  
Auditor of State

April 14, 2003

**WILLIAMSFIELD TOWNSHIP  
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$29,991	\$131,767	\$161,758
Intergovernmental	11,079	76,550	87,629
Special Assessments		496	496
Licenses, Permits, and Fees	1,630	3,085	4,715
Earnings on Investments	658	104	762
Other Revenue	12,736	12,290	25,026
Total Cash Receipts	<u>56,094</u>	<u>224,292</u>	<u>280,386</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	40,733		40,733
Public Safety		39,429	39,429
Public Works	346	117,606	117,952
Health	7,637	8,263	15,900
Conservation - Recreation		44,994	44,994
Debt Service:			
Redemption of Principal		7,399	7,399
Capital Outlay		305	305
Total Cash Disbursements	<u>48,716</u>	<u>217,996</u>	<u>266,712</u>
Total Receipts Over/(Under) Disbursements	7,378	6,296	13,674
Fund Cash Balances, January 1	<u>20,082</u>	<u>67,697</u>	<u>87,779</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$27,460</u></b>	<b><u>\$73,993</u></b>	<b><u>\$101,453</u></b>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$26</u>	<u>\$26</u>

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

**WILLIAMSFIELD TOWNSHIP  
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - NONEXPENDABLE TRUST FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
<b>Operating Cash Receipts:</b>	
Earnings on Investment	\$320
<b>Operating Cash Disbursements:</b>	
Supplies and Materials	<u>202</u>
Operating Income/(Loss)	118
Fund Cash Balances, January 1	<u>8,845</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$8,963</u></u></b>

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

**WILLIAMSFIELD TOWNSHIP  
ASHTABULA 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$28,752	\$126,049	\$154,801
Intergovernmental	11,300	77,553	88,853
Special Assessments		451	451
Licenses, Permits, and Fees	1,047	1,745	2,792
Earnings on Investments	1,304	222	1,526
Other Revenue	1,364	5,635	6,999
	<u>43,767</u>	<u>211,655</u>	<u>255,422</u>
<b>Total Cash Receipts</b>	<b>43,767</b>	<b>211,655</b>	<b>255,422</b>
<b>Cash Disbursements:</b>			
Current:			
General Government	40,220		40,220
Public Safety		38,162	38,162
Public Works	344	123,694	124,038
Health	7,032	8,823	15,855
Conservation - Recreation		36,573	36,573
Debt Service:			
Redemption of Principal		7,399	7,399
Capital Outlay		808	808
	<u>47,596</u>	<u>215,459</u>	<u>263,055</u>
<b>Total Cash Disbursements</b>	<b>47,596</b>	<b>215,459</b>	<b>263,055</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(3,829)</b>	<b>(3,804)</b>	<b>(7,633)</b>
Fund Cash Balances, January 1	<u>23,911</u>	<u>71,501</u>	<u>95,412</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$20,082</u></b>	<b><u>\$67,697</u></b>	<b><u>\$87,779</u></b>

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

WILLIAMSFIELD TOWNSHIP  
ASHTABULA COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - NONEXPENDABLE TRUST FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001

	Fiduciary Fund Type
	Nonexpendable Trust
<b>Operating Cash Receipts:</b>	
Earnings on Investments	\$321
<b>Operating Cash Disbursements:</b>	
Supplies and Materials	132
Operating Income/(Loss)	189
Fund Cash Balances, January 1	8,656
<b>Fund Cash Balances, December 31</b>	<b>\$8,845</b>

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

**WILLIAMSFIELD TOWNSHIP  
ASHTABULA COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Williamsfield 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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Wayne Volunteer Fire Department, Andover Volunteer Fire Department, and Pymatuning Ambulance Service, to provide fire and ambulance 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 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. The Township maintained a NOW checking account and cemetery bequest savings passbook accounts with CD's.

**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:

**WILLIAMSFIELD TOWNSHIP  
ASHTABULA COUNTY**

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

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

*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 to pay for constructing, maintaining and repairing Township roads.

*Fire Levy Fund* – This fund receives property tax money for maintaining/purchasing equipment and covering costs for providing emergency fire services.

*Ambulance Levy Fund* - This fund receives property tax money for maintaining/purchasing equipment and covering costs for providing emergency fire services.

*Community Center Levy Fund* - This fund receives property tax money for maintaining/purchasing equipment and covering costs for the upkeep of the community center.

**3. Fiduciary Funds (Trust Funds)**

This fund is 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 funds:

Nonexpendable Trust Funds:

*Cemetery Bequest* – Monies received by the Township as a trust to provide for the upkeep and placement of flowers on graves in the Township Cemetery.

**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 function 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.

**WILLIAMSFIELD TOWNSHIP  
ASHTABULA COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

**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:

	2002	2001
Demand deposits	\$102,428	\$88,682
Passbook Savings	3,488	3,442
Certificates of Deposit	4,500	4,500
Total deposits	\$110,416	\$96,624

**Deposits:** Deposits are either (1) insured by the Federal Depository 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	\$40,000	\$56,094	\$16,094
Special Revenue	216,589	224,292	7,703
Fiduciary	271	320	49
Total	\$256,860	\$280,706	\$23,846

**WILLIAMSFIELD TOWNSHIP  
ASHTABULA 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	\$60,000	\$48,716	\$11,284
Special Revenue	274,150	218,022	56,128
Fiduciary	300	202	98
Total	<u>\$334,450</u>	<u>\$266,940</u>	<u>\$67,510</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$40,000	\$43,767	\$3,767
Special Revenue	224,240	211,655	(12,585)
Fiduciary	299	321	22
Total	<u>\$264,539</u>	<u>\$255,743</u>	<u>(\$8,796)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$60,000	\$47,596	\$12,404
Special Revenue	285,200	215,459	69,741
Fiduciary	300	132	168
Total	<u>\$345,500</u>	<u>\$263,187</u>	<u>\$82,313</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.

**WILLIAMSFIELD TOWNSHIP  
ASHTABULA COUNTY**

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

**5. DEBT**

Debt outstanding at December 31, 2002 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loans	\$43,712	0%

The loans were obtained through the Ohio Public Works Commission for the Old Salt and Twitchell Roads projects. The loans are collateralized solely by the Township's taxing authority.

Amortization of the above debt is scheduled as follows:

	<u>OPWC Loans</u>
Year ending December 31:	
2003	7,399
2004	7,399
2005	7,399
2006	5,679
2007	3,959
2008 – 2010	11,877
Total	\$43,712

**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, 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.

**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 judgements, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**WILLIAMSFIELD TOWNSHIP  
ASHTABULA COUNTY**

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

**7. RISK MANAGEMENT (Continued)**

Casualty Insurance

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 up \$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 reported the following assets, liabilities and retained earnings at December 31: (Please note this is the most recent information available).

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



**Auditor of State  
Betty Montgomery**

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

Williamsfield Township  
Ashtabula County  
PO Box 157  
Williamsfield, Ohio 44093

To the Board of Trustees:

We have audited the accompanying financial statements of Williamsfield Township, Ashtabula County, (the Township) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated April 14, 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. However, we noted two matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 14, 2003.

Williamsfield 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 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

April 14, 2003



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**WILLIAMSFIELD 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**