

**WELLER TOWNSHIP
RICHLAND COUNTY**

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS FOR THE
YEARS ENDED DECEMBER 31, 2000 AND 2001**

J. E. Slaybaugh & Associates, Inc.
Certified Public Accountant
12 East Main Street
Lexington, Ohio 44904



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Weller Township

We have reviewed the Independent Auditor's Report of Weller Township, Richland County, prepared by J.E. Slaybaugh & Associates, Inc. for the audit period January 1, 2000 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Weller Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

June 3, 2002

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WELLER TOWNSHIP
RICHLAND COUNTY

TABLE OF CONTENTS

At December 31, 2000 and 2001

	<u>Page</u>
Appointed Officials	
Independent Auditor's Report	1
<u>Financial Statement</u>	
Combined Statement of Receipts, Disbursements and Changes in Fund Balance- All Governmental Fund Types For The Year Ended December 31, 2000	2
Combined Statement of Receipts, Disbursements and Changes in Fund Balance-All Governmental Fund Type and Simular Fiduciary Funds For The Year Ended December 31, 2001	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances-All Fiduciary Funds For the Year Ended December 31, 2000	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances-All Fiduciary Funds For the Year Ended December 31, 2001	5
Notes to Financial Statements	6-11
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12

**WELLER TOWNSHIP
RICHLAND COUNTY**

2155 St. Rt. 96
Ashland, Ohio 44805

**ELECTED OFFICIALS
AS OF DECEMBER 31, 2001**

NAME	TITLE	TERM OF OFFICE	SURETY	AMOUNT	PERIOD
Roger Fulk	Trustee Chairman 2455 Charles Rd Mansfield, Oh 44903	1/1/00 - 12/31/03	(A)	\$ 5,000	(B)
Tom B Oswalt	Trustee	1/1/98-12/31/2001	(A)	\$ 5,000	(B)
Dale Hulit	Trustee	1/1/98-12/31/2001	(A)	\$ 5,000	(B)
Deborah Spoerr	Clerk	4/1/00-4/1/2004	(A)	\$ 10,000	(B)

Statutory Legal Counsel

James J. Mayer
Richland County Prosecuting Attorney
38 South Park Avenue
Mansfield, Ohio 44902

- (A) Ohio Government Risk Management Plan
(B) Concurrent With Term

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
Member OSCPA*

*John E. Slaybaugh III
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Weller Township
Richland County

We have audited the accompanying financial statements of the Weller Township, Richland County, as of and for the years ended December 31, 2000 and 2001. These financial statements are the responsibility of the Weller 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 Weller 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 fund cash balances and reserves for encumbrances of the Weller Township, Richland County as of December 31, 2000 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 a report dated April 26, 2002, on our consideration of Weller Township's internal control over financial reporting and our tests of 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 audits.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

J.E. Slaybaugh & Associates, Inc.
J.E. Slaybaugh & Associates, Inc.
April 26, 2002

**WELLER TOWNSHIP
RICHLAND COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects Fund</u>	<u>(Memorandum Only) Total</u>
CASH RECEIPTS:				
Local Taxes	\$ 18,425	\$ 183,276		\$ 201,701
Charges for Services	2,788			2,788
Intergovernmental	32,539	68,825		101,364
Licenses, Permits and Fees	1,360			1,360
Interest	12,520	1,315		13,835
Miscellaneous	2,588	3,333		5,921
Total Cash Receipts	<u>70,220</u>	<u>256,749</u>		<u>326,969</u>
CASH DISBURSEMENTS:				
Current:				
Public Safety	5,564	21,239		26,803
Public Works	-	134,195		134,195
Health	750			750
General Government	54,939			54,939
Total Cash Disbursements	<u>61,253</u>	<u>155,434</u>		<u>216,687</u>
Total receipts over/(under) cash disbursements	<u>8,967</u>	<u>101,315</u>		<u>110,282</u>
Fund Cash Balances - January 1, 2000	<u>36,420</u>	<u>159,001</u>	<u>100,000</u>	<u>295,421</u>
Fund Cash Balances - December 31, 2000	<u>\$ 45,387</u>	<u>\$ 260,316</u>	<u>\$ 100,000</u>	<u>\$ 405,703</u>
Reserve For Encumbrances at December 31, 2000	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>

The accompanying notes are an integral part of these financial statements

**WELLER TOWNSHIP
RICHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>(Memorandum Only) Total</u>
CASH RECEIPTS:				
Local Taxes	\$ 18,994	\$ 182,552		\$ 201,546
Charges for Services	3,348			3,348
Intergovernmental	41,910	70,587		112,497
Licenses, Permits and Fees	1,350			1,350
Interest	10,624	989		11,613
Miscellaneous	12,393	94,393		106,786
Total Cash Receipts	<u>88,619</u>	<u>348,521</u>		<u>437,140</u>
CASH DISBURSEMENTS:				
Current:				
Public Safety	7,786	20,119		27,905
Public Works		109,190		109,190
Health	1,538			1,538
General Government	58,749			58,749
Capital Outlay	3,841	151,623	72,894	151,623
Total Cash Disbursements	<u>71,914</u>	<u>280,932</u>	<u>72,894</u>	<u>349,005</u>
Total receipts over/(under) cash disbursements	<u>16,705</u>	<u>67,589</u>	<u>(72,894)</u>	<u>88,135</u>
Other Financing Sources (Uses)				
Operating Transfer In			50,000	50,000
Operating Transfer Out		(50,000)		(50,000)
Total Other Financing Sources (Uses)		<u>(50,000)</u>	<u>50,000</u>	
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	<u>16,705</u>	<u>17,589</u>	<u>(22,894)</u>	<u>11,400</u>
Fund Cash Balances - January 1, 2001	<u>45,387</u>	<u>260,316</u>	<u>100,000</u>	<u>405,703</u>
Fund Cash Balances - December 31, 2001	<u>\$ 62,092</u>	<u>\$ 277,905</u>	<u>\$ 77,106</u>	<u>\$ 417,103</u>
Reserve for Encumbrances	<u>\$ 2,749</u>	<u>\$ 54,470</u>	<u>\$ 77,106</u>	<u>\$ 134,325</u>

The accompanying notes are an integral part of these financial statements

**WELLER TOWNSHIP
RICHLAND COUNTY**

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

	<u>Non-Expendable Trust</u>
CASH RECEIPTS:	
Interest	<u>\$ 586</u>
Total Cash Receipts	<u>586</u>
CASH DISBURSEMENTS:	
Salaries	<u>490</u>
Total Cash Disbursements	<u>490</u>
Total Cash Receipts over/(under) cash disbursements	<u>96</u>
Fund Cash Balance - January 1, 2000	<u>11,159</u>
Fund Cash Balance - December 31, 2000	<u>\$ 11,255</u>

The accompanying notes are an integral part of these financial statements

**WELLER TOWNSHIP
RICHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUNDS -
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Non-Expendable Trust
CASH RECEIPTS:	
Interest	\$ 508
Total Cash Receipts	508
CASH DISBURSEMENTS:	
Salaries	832
Total Cash Disbursements	832
Total Cash Receipts over/(under) cash disbursements	(324)
Fund Cash Balances - January 1, 2001	11,255
Fund Cash Balances - December 31, 2001	\$ 10,931

The accompanying notes are an integral part of these financial statements

**WELLER TOWNSHIP
RICHLAND COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Description of the Entity

Weller Township, Richland 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 provides general governmental services, including fire protection services and EMS 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 make adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Township maintains a demand deposit sweep account and a certificate of deposit valued at cost.

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:

General Fund

The general fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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, Maintenance and Repair- This fund receives permissive sales tax, gasoline tax and motor vehicle tax money for use in maintaining and repairing Township roads and bridges

Special Levy- This fund receives tax monies for use in paying for fire protection for the Township

Capital Project Fund

The Capital Project Fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Northern Richland County Paving Fund was the only capital project fund established by the Township

Fiduciary Funds (Trust and 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.

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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 Township 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.

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.

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 2000 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.

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 cash basis of accounting used by the Township.

2. Equity in Pooled Cash and Investments

The Township maintains a cash and investment 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:

	<u>2001</u>	<u>2000</u>
Demand Deposits	\$ 36,989	\$ 45,498
Certificate of deposit	10,416	10,586
Outstanding Checks	<u>(32,566)</u>	<u>(6,243)</u>
Total Deposits	<u>14,839</u>	<u>49,841</u>
 Sweep Account Investment	 413,195	 367,117
Total Investments	<u>413,195</u>	<u>367,117</u>
Total Deposits and Investments	<u>\$ 428,034</u>	<u>\$ 416,958</u>

Deposits

Deposits are categorized to give an indication of the level of risk assumed by the entity at year end.

Category 1: Deposits insured by the Federal Depository Insurance Corporation

Category 2: Deposits collateralized by securities specifically pledged by the financial institution to the Township

The following show the Township's deposits and investments in each category:

	<u>2001</u>	<u>2000</u>
Category 1	\$ 47,405	\$ 56,084
Category 2	<u>413,195</u>	<u>367,117</u>
Total	<u>\$ 460,600</u>	<u>\$ 423,201</u>

3. Budgetary Activity

Budgetary activity for the years ending December 31 was as follows:

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 82,385	\$ 88,619	\$ 6,234
Special Revenue	314,067	348,521	34,454
Capital Projects	-	50,000	50,000
Nonexpendable Trust	<u>424</u>	<u>508</u>	<u>84</u>
Total	<u>\$ 396,876</u>	<u>\$ 487,648</u>	<u>\$ 90,772</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 127,772	\$ 74,663	\$ 53,109
Special Revenue	573,903	385,402	188,501
Capital Projects	150,000	150,000	-
Nonexpendable Trust	<u>1,679</u>	<u>832</u>	<u>847</u>
Total	<u>\$ 853,354</u>	<u>\$ 610,897</u>	<u>\$ 242,457</u>

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 68,070	\$ 70,220	\$ 2,150
Special Revenue	217,194	256,749	39,555
Nonexpendable Trust	<u>425</u>	<u>586</u>	<u>161</u>
Total	<u>\$ 285,689</u>	<u>\$ 327,555</u>	<u>\$ 41,866</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 104,490	\$ 61,253	\$ 43,237
Special Revenue	376,196	255,434	120,762
Capital Projects	100,000	-	100,000
Nonexpendable Trust	<u>1,584</u>	<u>490</u>	<u>1,094</u>
Total	<u>\$ 582,270</u>	<u>\$ 317,177</u>	<u>\$ 265,093</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township 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 is due the following June 20.

Public utilities are also taxed on personal 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. Retirement System

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 2000 and 2001, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55 % of participant's gross salaries. The Township has paid all contributions required through December 31, 2001.

6 Risk Management

The Township is a member of the Ohio Government Risk Management Plan. The Plan is an unincorporated non-profit association of its members for the purpose of providing its members a jointly administered self-insurance program. The Plan assumes the risk of loss minus the Township's deductible contribution. The following risks are covered by the Plan:

- Comprehensive property and general liability
- Vehicles
- Public official's liability

The Township also provides health insurance to its full-time employee through a private carrier.

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
Member OSCPA*

*John E. Slaybaugh III
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Weller Township
Richland County

We have audited the financial statements of Weller Township, Richland County, as of and for the years ended December 31, 2000 and 2001, and have issued our report thereon dated April 26, 2002.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *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.

Compliance

As part of obtaining reasonable assurance about whether Weller Township's financial statements are free of material misstatement, we performed tests of its compliance with certain laws and regulations, 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

In planning and performing our audit, we considered Weller 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 structure. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

J. E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.

April 26, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WELLER TOWNSHIP

RICHLAND 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 18, 2002**