

**WELLER TOWNSHIP  
RICHLAND COUNTY**

INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED  
DECEMBER 31, 2003 AND DECEMBER 31, 2002





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Weller Township  
2155 State Route 96  
Ashland, Ohio 44805

We have reviewed the Independent Auditor's Report of Weller Township, Richland County, prepared by Gary B. Fink & Associates, Inc., for the audit period January 1, 2002 through December 31, 2003. 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, Richland County is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

November 22, 2004

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**WELLER TOWNSHIP, OHIO  
RICHLAND COUNTY  
FOR THE YEARS ENDED  
DECEMBER 31, 2003 AND DECEMBER 31, 2002**

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**WELLER TOWNSHIP  
RICHLAND COUNTY, OHIO**

**ELECTED OFFICIALS  
AS OF DECEMBER 31, 2003**

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Roger Fulk	Trustee Chairman	01/01/00-12/31/03	(A)	\$5,000	(B)
Tom B. Oswalt	Trustee	01/01/02-12/31/05	(A)	\$5,000	(B)
Dale Hult	Trustee	01/01/02-12/31/05	(A)	\$5,000	(B)
Deborah Spoerr	Clerk	04/01/00-04/01/04	(A)	\$10,000	(B)

(A) Ohio Government Risk Management Plan

(B) Concurrent with Term

**STATUTORY LEGAL COUNSEL**

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

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Weller Township, Richland County  
2155 State Route 96  
Ashland, OH 44805

We have audited the accompanying financial statements of Weller Township, Richland County (the Township), as of and for the years ended December 31, 2003 and December 31, 2002, as listed in the table of contents. 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 described 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserve for encumbrances of the Weller Township as of December 31, 2003 and December 31, 2002, and its 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 September 15, 2004 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. 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.

**INDEPENDENT AUDITOR'S REPORT** (continued)

This report is intended solely for the information and use of management, the Board of Trustees and other 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 those specified parties.

A handwritten signature in black ink, appearing to read 'G B Fink', with a stylized flourish at the end.

GARY B. FINK & ASSOCIATES, INC.  
Certified Public Accountants

September 15, 2004



**Weller Township, Ohio**  
**Richland County**  
**Combined Statement of Cash Receipts, Cash Disbursements and Change in Fund Cash**  
**Balances - All Governmental Fund Types**  
**For the Year Ended December 31, 2003**

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash Receipts			
Local Taxes	\$22,669	\$243,304	\$265,973
Charges for Services	18,048	0	18,048
Intergovernmental	44,839	78,678	123,517
Licenses, Permits and Fees	1,385	0	1,385
Earnings on Investments	1,516	352	1,868
Miscellaneous	2,136	660	2,796
Total Cash Receipts	<u>90,593</u>	<u>322,994</u>	<u>413,587</u>
Cash Disbursements			
General Government	67,929	0	67,929
Public Safety	9,040	65,726	74,766
Public Works	0	116,786	116,786
Health	666	0	666
Capital Outlay	919	7,584	8,503
Total Cash Disbursements	<u>78,554</u>	<u>190,096</u>	<u>268,650</u>
Total Receipts Over Disbursements	12,039	132,898	144,937
Fund Cash Balances, January 1, 2003	<u>33,068</u>	<u>157,626</u>	<u>190,694</u>
Fund Cash Balances, December 31, 2003	<u>\$45,107</u>	<u>\$290,524</u>	<u>\$335,631</u>
Reserve For Encumbrances	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**Weller Township, Ohio**  
**Richland County**  
**Combined Statement of Cash Receipts, Cash Disbursements and Change in Fund Cash**  
**Balances - All Governmental Fund Types**  
**For the Year Ended December 31, 2002**

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Local Taxes	\$19,793	\$245,110	\$0	\$264,903
Charges for Services	1,316	0	0	1,316
Intergovernmental	31,526	76,851	0	108,377
Licenses, Permits and Fees	1,565	0	0	1,565
Earnings on Investments	3,526	618	0	4,144
Miscellaneous	112,012	0	0	112,012
Total Cash Receipts	<u>169,738</u>	<u>322,579</u>	<u>0</u>	<u>492,317</u>
Cash Disbursements				
General Government	74,589	54,028	0	128,617
Public Safety	11,005	0	0	11,005
Public Works	0	248,363	0	248,363
Health	1,162	0	0	1,162
Capital Outlay	112,006	140,466	77,106	329,578
Total Cash Disbursements	<u>198,762</u>	<u>442,857</u>	<u>77,106</u>	<u>718,725</u>
Total Receipts Over Disbursements	(29,024)	(120,278)	(77,106)	(226,408)
Fund Cash Balances, January 1, 2002	<u>62,092</u>	<u>277,905</u>	<u>77,106</u>	<u>417,103</u>
Fund Cash Balances, December 31, 2002	<u>\$33,068</u>	<u>\$157,627</u>	<u>\$0</u>	<u>\$190,695</u>
Reserve For Encumbrances	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**Weller Township, Ohio**  
**Richland County**  
**Combined Statement of Cash Receipts, Cash Disbursements and Change in Fund Cash**  
**Balances - Non-Expendable Trust Fund**  
**For the Years Ended December 31, 2003 and December 31, 2002**

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	<u>2003</u>	<u>2002</u>
Cash Receipts		
Interest	<u>\$75</u>	<u>\$150</u>
Total Cash Receipts	<u>75</u>	<u>150</u>
Cash Disbursements		
Salaries	489	423
Supplies and Materials	<u>0</u>	<u>92</u>
Total Cash Disbursements	<u>489</u>	<u>515</u>
Total Cash Receipts (Under) Cash Disbursements	(414)	(365)
Fund Cash Balances, January 1,	<u>10,566</u>	<u>10,931</u>
Fund Cash Balances, December 31,	<u><u>\$10,152</u></u>	<u><u>\$10,566</u></u>
Reserve For Encumbrances, December 31,	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

## WELLER TOWNSHIP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Description of the Entity

Weller Township, Richland County, Ohio (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, road and bridge maintenance, fire protection and emergency medical services (EMS). Fire and EMS services are funded by respective \$3.0 mil operating levy and includes joint activities with Franklin Township.

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 paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (ie., 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

Money market mutual funds are recorded at share values reported by the mutual fund. Overnight repurchase agreements are valued at cost.

##### D. 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:

**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.

WELLER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

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

**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.

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

Special Levy – This fund receives tax monies for use in paying for fire and EMS protection for the Township.

**Fiduciary Funds (Trust and Agency Funds)** – Trust 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.

E. Budgetary Process

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

**Appropriations** - Budgetary expenditures (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.

**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 2003 and 2002 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.

WELLER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

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

G. Accumulated 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 a liability 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 and investments at December 31 was as follows:

	2003	2002
Demand deposits	\$26,935	\$27,707
Money Market	10,072	10,007
Total Deposits	37,007	37,714
Overnight Repurchase Agreements	308,776	163,547
Total Deposits and Investments	\$345,783	\$201,261

**Deposits** – Deposits are insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution’s public entity deposit pool.

3. **BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2003 and December 31, 2002 was as follows:

2003 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$67,726	\$90,593	\$22,867
Special Revenue	299,037	322,994	23,957
Nonexpendable Trust	150	75	(75)
Total	\$366,913	\$413,662	\$46,749

WELLER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

3. **BUDGETARY ACTIVITY** (continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$100,795	\$78,554	\$22,241
Special Revenue	456,663	190,096	266,567
Nonexpendable Trust	10,716	489	10,227
Total	<u>\$568,174</u>	<u>\$269,139</u>	<u>\$299,035</u>

2002 Budget vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$321,195	\$169,738	(\$151,457)
Special Revenue	325,744	322,579	(3,165)
Capital Projects	0	0	0
Nonexpendable Trust	424	150	(274)
Total	<u>\$647,363</u>	<u>\$492,467</u>	<u>(\$154,896)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$384,063	\$198,762	\$185,301
Special Revenue	553,648	442,857	110,791
Capital Projects	77,106	77,106	0
Nonexpendable Trust	11,355	515	10,840
Total	<u>\$1,026,172</u>	<u>\$719,240</u>	<u>\$306,932</u>

## WELLER TOWNSHIP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

#### 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.

Public utilities are also taxed on personal property located within the Township.

Tangible personal property tax is assessed to 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 SYSTEMS**

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2003 and 2002, OPERS members contributed 8.5% of their wages. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2003.

#### 6. **RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

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



**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  
2155 State Route 96  
Ashland, OH 44805

We have audited the financial statements of Weller Township, Richland County (the Township), as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated September 15, 2004. 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.

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 and contracts, 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 immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated September 15, 2004.

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 operations that we consider to be material weaknesses. However, we noted matters involving the internal control over financial reporting that we have reported to management of the Township in a separate letter dated September 15, 2004

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*** (continued)

This report is intended solely for the information and use of management, the Board of Trustees and other 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 those specified parties.



GARY B. FINK & ASSOCIATES, INC.  
Certified Public Accountants

September 15, 2004



**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

**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  
DECEMBER 7, 2004**