



**BAZETTA TOWNSHIP  
TRUMBULL COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**BAZETTA TOWNSHIP  
TRUMBULL COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Bazetta Township  
Trumbull County  
3372 State Route 5  
Cortland, Ohio 44410

To the Board of Trustees:

We have audited the accompanying financial statements of Bazetta Township, Trumbull County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. 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 generally accepted auditing standards 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, 2000 and December 31, 1999, 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 June 22, 2001 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.

This report is intended solely for the information and use of the management, 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.

**Jim Petro**  
Auditor of State

June 22, 2001

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**BAZETTA TOWNSHIP  
TRUMBULL 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, 2000**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Fund</u>	
<b>Cash Receipts:</b>					
Taxes	\$182,785	\$1,345,279	\$75,952		\$1,604,016
Intergovernmental	243,902	186,549	10,339		440,790
Special Assessments		62,826			62,826
Charges for Services		77,194			77,194
Licenses, Permits, and Fees	23,572	47,150			70,722
Earnings on Investments	13,599	2,976		190	16,765
Other Revenue	695	49,762		2,000	52,457
<b>Total Cash Receipts</b>	<u>464,553</u>	<u>1,771,736</u>	<u>86,291</u>	<u>2,190</u>	<u>2,324,770</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	218,753	29,931			248,684
Public Safety	31,551	1,368,745			1,400,296
Public Works	7,419	280,044		270	287,733
Health	20,477	44,056			64,533
Human Services	20,275				20,275
Debt Service:					
Redemption of Principal			68,604		68,604
Interest and Fiscal Charges			18,810		18,810
Capital Outlay	14,604	103,916			118,520
<b>Total Cash Disbursements</b>	<u>313,079</u>	<u>1,826,692</u>	<u>87,414</u>	<u>270</u>	<u>2,227,455</u>
Total Receipts Over/(Under) Disbursements	<u>151,474</u>	<u>(54,956)</u>	<u>(1,123)</u>	<u>1,920</u>	<u>97,315</u>
<b>Other Financing Receipts/ (Disbursements):</b>					
Proceeds from Sale of Public Debt:					
Sale of Notes		47,250			47,250
Transfers-In		57,469	1,098		58,567
Advances-In	20,351	8,500			28,851
Transfers-Out	(58,567)				(58,567)
Advances-Out	(8,500)	(20,351)			(28,851)
Other Sources	425	9,750			10,175
<b>Total Other Financing Receipts (Disbursements)</b>	<u>(46,291)</u>	<u>102,618</u>	<u>1,098</u>		<u>57,425</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursement and Other Financing Disbursements	105,183	47,662	(25)	1,920	154,740
Fund Cash Balances, January 1, 2000	<u>123,411</u>	<u>182,536</u>	<u>25</u>	<u>2,585</u>	<u>308,557</u>
<b>Fund Cash Balances, December 31, 2000</b>	<u><b>\$228,594</b></u>	<u><b>\$230,198</b></u>	<u><b>\$4,505</b></u>		<u><b>\$463,297</b></u>

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

**BAZETTA TOWNSHIP  
TRUMBULL 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, 1999**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Fund</u>	
<b>Cash Receipts:</b>					
Taxes	\$197,115	\$1,315,968	\$94,410		\$1,607,493
Intergovernmental	196,776	182,623	7,512		386,911
Special Assessments		1,320			1,320
Charges for Services		94,313			94,313
Licenses, Permits, and Fees	19,926	47,611			67,537
Gifts	851				851
Earnings on Investments	7,842	2,351			10,193
Other Revenue	40,863	55,348			96,211
<b>Total Cash Receipts</b>	<u>463,373</u>	<u>1,699,534</u>	<u>101,922</u>		<u>2,264,829</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	238,485	32,716			271,201
Public Safety	28,217	1,374,613			1,402,830
Public Works	6,715	189,323		170	196,208
Health	20,079	52,820			72,899
Human Services	20,692				20,692
Debt Service:					
Redemption of Principal			98,494		98,494
Interest and Fiscal Charges			20,976		20,976
Capital Outlay	37,704	87,290			124,994
<b>Total Cash Disbursements</b>	<u>351,892</u>	<u>1,736,762</u>	<u>119,470</u>	<u>170</u>	<u>2,208,294</u>
Total Receipts Over/(Under) Disbursements	<u>111,481</u>	<u>(37,228)</u>	<u>(17,548)</u>	<u>(170)</u>	<u>56,535</u>
<b>Other Financing Receipts/ (Disbursements):</b>					
Transfers-In		11,894	15,161		27,055
Advances-In	76,031	120,350			196,381
Transfers-Out	(27,055)				(27,055)
Advances-Out	(120,351)	(76,030)			(196,381)
Other Sources	266	10,540			10,806
<b>Total Other Financing Receipts/ Disbursements</b>	<u>(71,109)</u>	<u>66,754</u>	<u>15,161</u>		<u>10,806</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursement and Other Financing Disbursements	40,372	29,526	(2,387)	(170)	67,341
Fund Cash Balances, January 1, 1999	<u>83,039</u>	<u>153,010</u>	<u>2,412</u>	<u>2,755</u>	<u>241,216</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u><b>\$123,411</b></u>	<u><b>\$182,536</b></u>	<u><b>\$25</b></u>	<u><b>\$2,585</b></u>	<u><b>\$308,557</b></u>
Reserve for Encumbrances, December 31, 1999		<u><u>\$10,805</u></u>			<u><u>\$10,805</u></u>

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



**BAZETTA TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Bazetta Township, Trumbull 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, cemetery maintenance, fire and police protection and ambulance and emergency medical services, recreation. The Township operates 4 cemeteries and shares certain expenses with the City of Cortland for their operation.

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**

Certificates of deposit, and U.S. Treasury Notes are valued at cost.

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.

**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:

*Police District Fund* - This fund receives property tax for providing police protection services to the Township.

**BAZETTA TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

*Fire District Fund* - This fund receives property tax for providing fire protection, ambulance and EMS services to the Township.

**3. Debt Service Fund**

The Debt Service Fund is used to accumulate resources for the payment of note indebtedness. The Township had the following significant Debt Service Fund:

*General Note Retirement Fund* - This fund receives property taxes which are used for repayment of general obligations notes.

**4. Fiduciary Funds (Trust Funds)**

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

*Cemetery Bequest Fund* - These revenues are used for the care and maintenance of cemetery plots.

**E. 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.

**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 2000 and 1999 budgetary activity appears in Note 3.

**BAZETTA TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**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. 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 or retirement. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**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:

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$19,856	\$40,035
Certificates of deposit	<u>121,775</u>	<u>19,775</u>
Total deposits	<u>141,631</u>	<u>59,810</u>
Repurchase Agreements	<u>321,666</u>	<u>248,747</u>
Total investments	<u>321,666</u>	<u>248,747</u>
Total deposits and investments	<u><u>\$463,297</u></u>	<u><u>\$308,557</u></u>

**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:** Repurchase agreements are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:  
2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$478,415	\$464,978	(\$13,437)
Special Revenue	1,945,263	1,886,205	(59,058)
Debt Service	87,389	87,389	0
Fiduciary	<u>2,190</u>	<u>2,190</u>	<u>0</u>
Total	<u><u>\$2,513,257</u></u>	<u><u>\$2,440,762</u></u>	<u><u>(\$72,495)</u></u>

**BAZETTA TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$434,418	\$371,646	\$62,772
Special Revenue	1,976,226	1,826,692	149,534
Debt Service	87,414	87,414	0
Fiduciary	2,735	270	2,465
Total	\$2,500,793	\$2,286,022	\$214,771

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$474,470	\$463,639	(\$10,831)
Special Revenue	1,695,623	1,721,968	26,345
Debt Service	100,218	117,083	16,865
Fiduciary	150	0	(150)
Total	\$2,270,461	\$2,302,690	\$32,229

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$503,257	\$378,947	\$124,310
Special Revenue	1,773,353	1,747,567	25,786
Debt Service	119,495	119,470	25
Fiduciary	2,905	170	2,735
Total	\$2,399,010	\$2,246,154	\$152,856

**BAZETTA TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(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, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$386,431	4.32 to 5.72%

The general obligation notes were issued to purchase dump trucks, an ambulance, pickup truck, and for police station construction. The notes are collateralized solely by the Township's taxing authority.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Notes
2001	\$83,195
2002	81,204
2003	67,353
2004	64,794
2005	62,208
2006-2007	98,171
Total	\$456,925

**BAZETTA TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**6. RETIREMENT SYSTEMS**

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. For 2000 and 1999, members of the fire department who are PFDPF members contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 24% of their wages.

For 2000 and 1999, members of the police department who are PERS Law Enforcement members contributed 9% of their wages to PERS. The Township contributed an amount equal to 16.7% for 1999 and 15.7% for 2000, of the employees gross wages.

PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries in 1999. For 2000, the employer contribution rate was 10.84%. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Municipal General Liability
- Public Officials' Liability
- Police Professional Liability
- Municipal Automobile
- Municipal Property Coverage
- Boiler & Machinery Coverage

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

**8. CONTINGENT LIABILITIES**

The Township is defendant in several lawsuits. Although the outcome of these suits is not presently determinable, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.



STATE OF OHIO  
OFFICE OF THE AUDITOR

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

Bazetta Township  
Trumbull County  
3372 State Route 5  
Cortland, Ohio 44410

To the Board of Trustees:

We have audited the accompanying financial statements of Bazetta Township, Trumbull County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 22, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 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 a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 22, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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 other 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 June 22, 2001.

Bazetta Township  
Trumbull County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

June 22, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**BAZETTA TOWNSHIP**

**TRUMBULL 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  
JULY 10, 2001**