



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

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**STATE OF OHIO**



**ELLSWORTH TOWNSHIP  
MAHONING COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Ellsworth Township  
Mahoning County  
11316 Berlin Station Road  
Berlin Center, Ohio 44401

To the Board of Trustees:

We have audited the accompanying financial statements of Ellsworth Township, Mahoning County (the Township) as of and for the years ended December 31, 2001 and 2000. 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 Ellsworth Township, Mahoning County, as of December 31, 2001 and 2000, 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 May 22, 2002 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 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, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

May 22, 2002



**ELLSWORTH TOWNSHIP  
MAHONING 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	\$88,825	\$60,469	\$149,294
Licenses, Permits, and Fees	8,858	7,095	15,953
Intergovernmental	23,566	116,152	139,718
Special Assessments		1,114	1,114
Earnings on Investments	1,751	1,110	2,861
Other Revenue	4,899	4,111	9,010
	<u>127,899</u>	<u>190,051</u>	<u>317,950</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
General Government	88,598	6,463	95,061
Public Safety		38,977	38,977
Public Works		77,411	77,411
Health	12,000	4,600	16,600
Conservation - Recreation		14,588	14,588
Capital Outlay		47,086	47,086
	<u>100,598</u>	<u>189,125</u>	<u>289,723</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>27,301</u>	<u>926</u>	<u>28,227</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Operating Transfers-In		20,000	20,000
Operating Transfers-Out	(20,000)		(20,000)
	<u>(20,000)</u>	<u>20,000</u>	<u></u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	7,301	20,926	28,227
Fund Cash Balances, January 1, 2001	<u>22,194</u>	<u>49,361</u>	<u>71,555</u>
<b>Fund Cash Balances, December 31, 2001</b>	<b><u>\$29,495</u></b>	<b><u>\$70,287</u></b>	<b><u>\$99,782</u></b>
Reserve for Encumbrances, December 31, 2001	<u>\$0</u>	<u>\$1,538</u>	<u>\$1,538</u>

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

**ELLSWORTH TOWNSHIP  
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL 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>	
<b>Cash Receipts:</b>				
Local Taxes	\$87,094	\$46,763	\$12,247	\$146,104
Licenses, Permits, and Fees		6,975		6,975
Intergovernmental	56,403	68,909		125,312
Special Assessments		1,387		1,387
Earnings on Investments	2,970	1,643		4,613
Other Revenue	11,956	4,850		16,806
Total Cash Receipts	<u>158,423</u>	<u>130,527</u>	<u>12,247</u>	<u>301,197</u>
<b>Cash Disbursements:</b>				
General Government	72,389	11,561		83,950
Public Safety		24,567		24,567
Public Works		90,542		90,542
Health	11,841	5,652		17,493
Capital Outlay	128,496	27,579		156,075
Bond Principal Payment			9,967	9,967
Interest			161	161
Total Cash Disbursements	<u>212,726</u>	<u>159,901</u>	<u>10,128</u>	<u>382,755</u>
Total Receipts Over/(Under) Disbursements	<u>(54,303)</u>	<u>(29,374)</u>	<u>2,119</u>	<u>(81,558)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Operating Transfers-In		2,119		2,119
Operating Transfers-Out			(2,119)	(2,119)
Total Other Financing Receipts/(Disbursements)		<u>2,119</u>	<u>(2,119)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(54,303)	(27,255)		(81,558)
Fund Cash Balances, January 1, 2000	<u>76,497</u>	<u>76,616</u>		<u>153,113</u>
<b>Fund Cash Balances, December 31, 2000</b>	<u><b>\$22,194</b></u>	<u><b>\$49,361</b></u>	<u><b>\$0</b></u>	<u><b>\$71,555</b></u>
Reserve for Encumbrances, December 31, 2000	<u>\$1,274</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,274</u>

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

**ELLSWORTH TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Ellsworth Township, Mahoning 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 maintenance, cemetery maintenance, recycling services, and fire protection 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 included in fund cash balances. 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 investment in repurchase agreements is 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:

**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:

*Fire District Fund* - This fund receives property tax money, homestead and rollback money to provide the Township Fire services.

*Gasoline Tax Fund* - This fund receives gasoline tax money to construct, maintain and repair Township roads.

**ELLSWORTH TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**3. Debt Service Funds**

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 Funds:

*Note Retirement Fund*- This Fund accounts for property tax money restricted to satisfying the obligations of a note the Township issued to purchase a fire truck.

**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 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 canceled, and reappropriated in the subsequent year.

A summary of 2001 and 2000 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.

**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:

**ELLSWORTH TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)**

	2001	2000
Demand deposits	\$686	\$22,609
Repurchase agreement	99,095	48,946
Total deposits and investments	\$99,781	\$71,555

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation.

**Investments:** Repurchase agreements are uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department but not in the Township's name.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$126,571	\$127,899	\$1,328
Special Revenue	232,059	210,051	(22,008)
Total	\$358,630	\$337,950	(\$20,680)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$150,038	\$120,598	\$29,440
Special Revenue	281,420	190,663	90,757
Total	\$431,458	\$311,261	\$120,197

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$151,033	\$158,423	\$7,390
Special Revenue	127,828	132,646	4,818
Debt Service	12,247	12,247	0
Total	\$291,108	\$303,316	\$12,208

**ELLSWORTH TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY - (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$228,302	\$214,000	\$14,302
Special Revenue	202,733	159,901	42,832
Debt Service	12,247	12,247	0
Total	\$443,282	\$386,148	\$57,134

**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 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**

The Township issued a \$118,000, 4.75% general obligation note in 1996 to purchase a fire truck. The terms of the note required quarterly payments, including applicable interest and fiscal charges, for the period 1996 through 2000. The Township paid the note obligations from a fire levy approved by the voters. In 1996, the lender permitted the Township to extend the term of the note an additional six months. However, the Township satisfied the note obligations in 2000. There is no outstanding principal on this note at December 31, 2001.

**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 2000 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 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

**ELLSWORTH TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**7. 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 to certain employees through a private carrier.

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

Ellsworth Township  
Mahoning County  
11316 Berlin Station Road  
Berlin Center, Ohio 44401

To the Board of Trustees:

We have audited the accompanying financial statements of Ellsworth Township, Mahoning County, (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 22, 2002. 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 May 22, 2002.

**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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 22, 2002.

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, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

May 22, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**ELLSWORTH TOWNSHIP**

**MAHONING 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 25, 2002**