



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WEST TOWNSHIP
COLUMBIANA COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

West Township
Columbiana County
7195 12th Street
Minerva, OH 44657

To the Township Trustees:

We have audited the accompanying financial statements of West Township (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 the Township 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 13, 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, 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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

May 13, 2002

**WEST TOWNSHIP
COLUMBIANA 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>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$46,461	\$213,783	\$23,358	\$283,602
Licenses, Permits, and Fees		8,980		8,980
Intergovernmental Receipts	124,850	101,416		226,266
Special Assessments		4,398		4,398
Earnings on Investments	8,722	345		9,067
Other Revenue	589	6,671		7,260
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Total Cash Receipts	180,622	335,593	23,358	539,573
Cash Disbursements:				
Current:				
General Government	80,285	31		80,316
Public Safety		28,710		28,710
Public Works	81,278	255,549		336,827
Health	5,000	15,225		20,225
Capital Outlay	1,000	21,059		22,059
Debt Service:				
Principal Payments		19,000	9,969	28,969
Interest Payments		484	1,710	2,194
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Total Cash Disbursements	167,563	340,058	11,679	519,300
Total Receipts Over/(Under) Disbursements	13,059	(4,465)	11,679	20,273
Other Financing Receipts and (Disbursements):				
Proceeds of Notes		19,000		19,000
Transfers-In		25,000		25,000
Transfers-Out	(25,000)			(25,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(25,000)	44,000	0	19,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(11,941)	39,535	11,679	39,273
Fund Cash Balances, January 1	35,110	243,207	11,679	289,996
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$23,169	\$282,742	\$23,358	\$329,269
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Reserves for Encumbrances, December 31	\$2,728	\$0	\$0	\$2,728
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The notes to the financial statements are an integral part of this statement.

**WEST TOWNSHIP
COLUMBIANA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - NON EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	<u>\$1,023</u>
Total Operating Cash Receipts	<u>1,023</u>
Operating Cash Disbursements:	
Supplies and Materials	<u>4,556</u>
Total Operating Cash Disbursements	<u>4,556</u>
Operating (Loss)	<u>(3,533)</u>
Fund Cash Balances, January 1	<u>29,128</u>
Fund Cash Balances, December 31	<u><u>\$25,595</u></u>

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

**WEST TOWNSHIP
COLUMBIANA 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$48,688	\$224,856	\$11,679	\$285,223
Licenses, Permits, and Fees		8,730		8,730
Intergovernmental Receipts	59,423	99,375		158,798
Special Assessments		4,173		4,173
Earnings on Investments	5,620	579		6,199
Other Revenue	221	10,792		11,013
Total Cash Receipts	<u>113,952</u>	<u>348,505</u>	<u>11,679</u>	<u>474,136</u>
Cash Disbursements:				
Current:				
General Government	84,957	17		84,974
Public Safety		23,465		23,465
Public Works	40,662	264,810		305,472
Health	7,003	26,652		33,655
Capital Outlay		800		800
Debt Service:				
Principal Payments			9,463	9,463
Interest Payments			2,216	2,216
Total Cash Disbursements	<u>132,622</u>	<u>315,744</u>	<u>11,679</u>	<u>460,045</u>
Total Receipts Over/(Under) Disbursements	<u>(18,670)</u>	<u>32,761</u>	<u>0</u>	<u>14,091</u>
Fund Cash Balances, January 1	<u>53,780</u>	<u>210,446</u>	<u>11,679</u>	<u>275,905</u>
Fund Cash Balances, December 31	<u>\$35,110</u>	<u>\$243,207</u>	<u>\$11,679</u>	<u>\$289,996</u>
Reserves for Encumbrances, December 31	<u>\$1,353</u>	<u>\$168</u>	<u>\$0</u>	<u>\$1,521</u>

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

**WEST TOWNSHIP
COLUMBIANA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - NON EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	<u>\$1,018</u>
Total Operating Cash Receipts	<u>1,018</u>
Operating Cash Disbursements:	
Supplies and Materials	<u>251</u>
Total Operating Cash Disbursements	<u>251</u>
Operating Income	<u>767</u>
Fund Cash Balances, January 1	<u>28,361</u>
Fund Cash Balances, December 31	<u><u>\$29,128</u></u>

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

**WEST TOWNSHIP
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

West Township, Columbiana 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 government services, including road and bridge maintenance, cemetery maintenance, and fire protection

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.

Certificates of deposit are 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 Fund

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 Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**WEST TOWNSHIP
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Road District - This fund receives property tax money maintenance of Township roads.

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of note indebtedness.

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 Trust Fund - This fund is classified as a nonexpendable trust fund. Interest from the trust is used for the maintenance of the cemetery.

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 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

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.

**WEST TOWNSHIP
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

	2001	2000
Demand deposits	\$259,308	\$228,280
Certificates of deposit	95,556	90,844
Total deposits	\$354,864	\$319,124

Deposits: Deposits are either 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 ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$192,782	\$180,622	(\$12,160)
Special Revenue	372,305	379,593	7,288
Debt Service	0	23,358	23,358
Fiduciary	1,018	1,023	5
Total	\$566,105	\$584,596	\$18,491

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$203,254	\$195,291	\$7,963
Special Revenue	554,663	340,058	214,605
Debt Service	1,710	11,679	(9,969)
Fiduciary	5,898	4,556	1,342
Total	\$765,525	\$551,584	\$213,941

**WEST TOWNSHIP
COLUMBIANA COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$97,403	\$113,952	\$16,549
Special Revenue	369,885	348,505	(21,380)
Debt Service	0	11,679	11,679
Fiduciary	0	1,018	1,018
Total	<u>\$467,288</u>	<u>\$475,154</u>	<u>\$7,866</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$163,700	\$133,975	\$29,725
Special Revenue	498,539	315,912	182,627
Debt Service	11,679	11,679	0
Fiduciary	5,231	251	4,980
Total	<u>\$679,149</u>	<u>\$461,817</u>	<u>\$217,332</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 payments, the first half is due December 31. The second half payment is due the following June 20.

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, 2001 was as follows:

General Obligation Notes- Truck	<u>Principal</u>	<u>Interest Rate</u>
	\$21,594	5.4%
Total	<u>\$21,594</u>	

The General Obligation Notes were issued to finance the purchase of a new truck to be used for Township maintenance. The notes are collateralized solely by the Township's taxing authority.

**WEST TOWNSHIP
COLUMBIANA COUNTY**

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

5. DEBT (Continued)

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

Year ending December 31:	<u>General Obligation Notes -Truck</u>
2002	\$11,679
2003	11,679
Total	<u><u>\$23,358</u></u>

6. RETIREMENT SYSTEMS

The Township's full-time 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 2001 and 2000, 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.

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 full-time employees through a private carrier.

8. CONTINGENT LIABILITIES

The Township is defendant in a lawsuit. Although the outcome of this suit is not presently determinable, management believes the resolution of this matter will not materially adversely affect the Township's financial condition.

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**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**

West Township
Columbiana County
7195 12th Street
Minerva, OH 44657

To the Township Trustees:

We have audited the accompanying financial statements of West Township (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 13, 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-41215-001.

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 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 May 13, 2002.

West Township
Columbiana 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 the audit committee, management and 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, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 13, 2002

**WEST TOWNSHIP
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2001-41215-001

Noncompliance Citation

According to Ohio Revised Code section 149.35.1(A) all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the township records commissions provided for under sections 149.42 of the Revised Code. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred, or destroyed unlawfully.

The West Township Clerk did not maintain the Township records in accordance with the Ohio Revised Code. Records were mutilated or damaged by contaminates.

We recommend the Township carefully maintain public records to ensure records do not become damaged or mutilated by outside contaminates. The Township should maintain all records, protected from animal contaminates, in a manner and location that demonstrate attempted compliance with this requirement.

Failure to protect township records could result in a civil action against the township under Section 149.35.1(B) of the Revised Code.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WEST TOWNSHIP
COLUMBIANA 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**