

**GARY B. FINK & ASSOCIATES, INC.**  
*CERTIFIED PUBLIC ACCOUNTANTS*

FAIRFIELD TOWNSHIP  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 1999 AND DECEMBER 31, 1998

Professional Accountants  
for  
Professional Government

FAIRFIELD TOWNSHIP

INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED  
DECEMBER 31, 1999 AND DECEMBER 31, 1998

**FAIRFIELD TOWNSHIP  
FOR THE YEARS ENDED  
DECEMBER 31, 1999 AND DECEMBER 31, 1998**

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FAIRFIELD TOWNSHIP

ELECTED OFFICIALS  
AS OF DECEMBER 31, 1999

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Kenneth A. Brown	Trustee	01/01/98-12/31/01	(A)	\$1,000	01/01/98- 12/31/01
Rolan D. Feller	Trustee	01/01/96-12/31/99	(A)	\$1,000	01/01/96- 12/31/99
John C. Dunn	Trustee	01/01/98-12/31/01	(A)	\$1,000	01/01/98- 12/31/01
Jennifer L. Brown	Clerk	04/01/96-03/31/00	(A)	\$1,000	04/01/96- 03/31/00

(A) Personal Service Insurance Company

**STATUTORY LEGAL COUNSEL**

Mr. Michael A. Cochran  
Assistant Prosecuting Attorney  
Tuscarawas County Courthouse  
New Philadelphia, OH 44663



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215

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Board of Trustees  
Fairfield Township  
5311 Johnstown Road, NE  
Mineral City, Ohio 44656

We have reviewed the Independent Auditor's Report of the Fairfield Township, Tuscarawas County, prepared by Gary B. Fink & Associates, Inc., for the audit period January 1, 1998 through December 31, 1999. 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. The Fairfield Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a horizontal line.

JIM PETRO  
Auditor of State

May 30, 2000

111 Broad Street  
Suite 206  
Wadsworth, Ohio 44281  
330/336-1706 Fax 330/334-5118

INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Fairfield Township  
5311 Johnstown Road, NE  
Mineral City, Ohio 44656

We have audited the accompanying financial statements of Fairfield Township, as of and for the years ended December 31, 1999 and December 31, 1998, as listed in the table of contents. These financial statements are the responsibility of Fairfield 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, Fairfield 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 Fairfield Township as of December 31, 1999 and December 31, 1998, 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 February 23, 2000 on our consideration of Fairfield Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

February 23, 2000

**Fairfield Township**  
**Combined Statement of Cash Receipts, Cash Disbursements and**  
**Changes in Fund Cash Balances - All Governmental Fund Types**  
**For the Year Ended December 31, 1999**

	General	Special Revenue	Capital Projects	Total (Memorandum Only)
<b>Cash Receipts</b>				
Taxes	\$26,537	\$42,385	\$23,358	\$92,280
Intergovernmental Receipts	76,914	61,967	2,704	141,585
Special Assessments	0	663	0	663
Interest	2,855	744	403	4,002
All Other Receipts	415	12,130	0	12,545
<b>Total Cash Receipts</b>	<b>106,721</b>	<b>117,889</b>	<b>26,465</b>	<b>251,075</b>
<b>Cash Disbursements</b>				
General Government	48,986	0	0	48,986
Public Safety	0	31,665	0	31,665
Public Works	23,796	66,302	0	90,098
Health	2,513	0	0	2,513
Capital Outlay	2,000	0	451	2,451
Principal Retirement	0	0	24,742	24,742
Interest and Fiscal Charges	0	0	902	902
<b>Total Cash Disbursements</b>	<b>77,295</b>	<b>97,967</b>	<b>26,095</b>	<b>201,357</b>
<b>Total Receipts Over Disbursements</b>	<b>29,426</b>	<b>19,922</b>	<b>370</b>	<b>49,718</b>
<b>Other Financing Sources (Uses)</b>				
Transfer In	0	16,100	5,000	21,100
Transfer Out	(5,000)	0	(16,100)	(21,100)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,000)</b>	<b>16,100</b>	<b>(11,100)</b>	<b>0</b>
<b>Total Receipts and Other Sources Over (Under)</b> <b>Total Disbursements and Other (Uses)</b>	<b>24,426</b>	<b>36,022</b>	<b>(10,730)</b>	<b>49,718</b>
<b>Fund Cash Balances, January 1, 1999</b>	<b>39,659</b>	<b>47,885</b>	<b>10,730</b>	<b>98,274</b>
<b>Fund Cash Balances, December 31, 1999</b>	<b>\$64,085</b>	<b>\$83,907</b>	<b>\$0</b>	<b>\$147,992</b>
<b>Reserve for Encumbrances, December 31, 1999</b>	<b>\$0</b>	<b>\$5,178</b>	<b>\$0</b>	<b>\$5,178</b>

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

**Fairfield Township**  
**Combined Statement of Cash Receipts, Cash Disbursements and**  
**Changes in Fund Cash Balances - All Governmental Fund Types**  
**For the Year Ended December 31, 1998**

	General	Special Revenue	Capital Projects	Total (Memorandum Only)
<b>Cash Receipts</b>				
Taxes	\$23,125	\$38,776	\$22,390	\$84,291
Intergovernmental Receipts	73,768	61,624	2,477	137,869
Special Assessments	0	666	0	666
Interest	2,413	692	971	4,076
All Other Receipts	9,041	7,988	0	17,029
<b>Total Cash Receipts</b>	<b>108,347</b>	<b>109,746</b>	<b>25,838</b>	<b>243,931</b>
<b>Cash Disbursements</b>				
General Government	44,657	0	0	44,657
Public Safety	15,000	38,833	0	53,833
Public Works	1,068	62,572	0	63,640
Health	2,348	0	0	2,348
Capital Outlay	34,000	0	13,677	47,677
Principal Retirement	0	0	37,125	37,125
Interest and Fiscal Charges	0	0	3,009	3,009
<b>Total Cash Disbursements</b>	<b>97,073</b>	<b>101,405</b>	<b>53,811</b>	<b>252,289</b>
<b>Total Receipts Over (Under) Disbursements</b>	<b>11,274</b>	<b>8,341</b>	<b>(27,973)</b>	<b>(8,358)</b>
<b>Other Financing Sources (Uses)</b>				
Transfer In	0	0	5,000	5,000
Transfer Out	(5,000)	0	0	(5,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,000)</b>	<b>0</b>	<b>5,000</b>	<b>0</b>
<b>Total Receipts and Other Sources Over (Under) Total Disbursements and Other (Uses)</b>	<b>6,274</b>	<b>8,341</b>	<b>(22,973)</b>	<b>(8,358)</b>
<b>Fund Cash Balances, January 1, 1998</b>	<b>33,385</b>	<b>39,544</b>	<b>33,703</b>	<b>106,632</b>
<b>Fund Cash Balances, December 31, 1998</b>	<b>\$39,659</b>	<b>\$47,885</b>	<b>\$10,730</b>	<b>\$98,274</b>
<b>Reserve for Encumbrances, December 31, 1998</b>	<b>\$11,700</b>	<b>\$900</b>	<b>\$0</b>	<b>\$12,600</b>

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



FAIRFIELD TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Fairfield Township, (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. The Township provides general governmental services, including road and cemetery maintenance.

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 (ie., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. 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 for capital projects) that are legally restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**Motor Vehicle License Fund** - This fund receives motor vehicle taxes for constructing, maintaining and repairing Township roads.

**Gasoline Tax Fund** - This fund receives gasoline taxes for maintaining and repairing Township roads.

FAIRFIELD TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

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

Road and Bridge Fund - This fund receives gasoline and property taxes for constructing, maintaining and repairing Township roads.

**Capital Project Funds** - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

D. 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 re-appropriated.

A summary of 1999 and 1998 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.

2. **EQUITY IN POOLED CASH**

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. At December 31, 1999, the carrying amount of the Township's deposits was \$147,992 and the bank balance was \$152,416. Of the bank balance, \$100,000 was covered by Federal Depository Insurance and the remaining balance was collateralized by the safekeeping department of the financial institution in the Township's name.

FAIRFIELD TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 1999 and December 31, 1998 was as follows:

1999 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 96,414	\$106,721	\$10,307
Special Revenue	128,057	133,989	5,932
Capital Projects	<u>29,828</u>	<u>31,465</u>	<u>1,637</u>
Total	<u>\$254,299</u>	<u>\$ 272,175</u>	<u>\$17,876</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$136,073	\$ 82,295	\$ 53,778
Special Revenue	159,842	103,145	56,697
Capital Projects	<u>56,658</u>	<u>42,195</u>	<u>14,463</u>
Total	<u>\$352,573</u>	<u>\$227,635</u>	<u>\$124,938</u>

1998 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 84,024	\$108,347	\$ 24,323
Special Revenue	95,679	109,746	14,067
Capital Projects	<u>29,000</u>	<u>30,838</u>	<u>1,838</u>
Total	<u>\$208,703</u>	<u>\$ 248,931</u>	<u>\$ 40,228</u>

FAIRFIELD TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

3. **BUDGETARY ACTIVITY** (continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$117,409	\$113,773	\$ 3,636
Special Revenue	135,223	102,305	32,918
Capital Projects	<u>62,703</u>	<u>53,811</u>	<u>8,892</u>
Total	<u>\$ 315,335</u>	<u>\$269,889</u>	<u>\$45,446</u>

4. **DEBT**

The Township's debt obligation outstanding as of December 31, 1999 and December 31, 1998 consisted of the following:

	<u>Interest Rate</u>	<u>Outstanding 12/31/99</u>	<u>Outstanding 12/31/98</u>
Tax Anticipation Note	6.09%	\$ -0-	\$24,742

5. **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.

# FAIRFIELD TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

### 6. RETIREMENT SYSTEMS

Employees belong to the Public Employees Retirement System (PERS) of Ohio, PERS is a cost-sharing, multiple-employer defined pension plan. This plan provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: 277 East Town Street, Columbus, Ohio 43215 or by calling (614)466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

### 7. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft; damage to or destruction of assets, errors and omissions; employee injuries; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the Township has addressed these various types of risk.

CERTIFIED PUBLIC ACCOUNTANTS  
111 Broad Street  
Suite 206  
Wadsworth, Ohio 44281  
330/336-1706 Fax 330/334-5118

**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  
Fairfield Township  
5311 Johnstown Road, NE  
Mineral City, Ohio 44656

We have audited the financial statements of Fairfield Township, as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated February 23, 2000. 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.

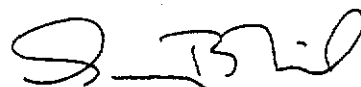
Compliance

As part of obtaining reasonable assurance about whether Fairfield 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Fairfield 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.

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

February 23, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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FAIRFIELD TOWNSHIP

TUSCARAWAS 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.

By: Susan Babbitt

Date: JUNE 13, 2000