



**FOX TOWNSHIP
CARROLL COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Fox Township
Carroll County
10077 Salineville Road NE
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To the Board of Trustees:

We have audited the accompanying financial statements of Fox Township, Carroll County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 of the Township as of December 31, 1999 and 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 May 18, 2000 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.

This report is intended solely for the information and use of the Board, management 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 18, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$10,737	\$49,432	\$5,608	\$65,777
Intergovernmental	14,563	82,588		97,151
Earnings on Investments	132	523		655
Other Revenue	269			269
	<u>25,701</u>	<u>132,543</u>	<u>5,608</u>	<u>163,852</u>
Total Cash Receipts				
	<u>25,701</u>	<u>132,543</u>	<u>5,608</u>	<u>163,852</u>
Cash Disbursements:				
Current:				
General Government	16,343			16,343
Public Safety		15,368		15,368
Public Works	535	95,991		96,526
Health	4,541			4,541
Debt Service:				
Redemption of Principal			15,800	15,800
Interest and Fiscal Charges			1,496	1,496
Capital Outlay		9,614		9,614
	<u>21,419</u>	<u>120,973</u>	<u>17,296</u>	<u>159,688</u>
Total Cash Disbursements				
	<u>21,419</u>	<u>120,973</u>	<u>17,296</u>	<u>159,688</u>
Total Receipts Over/(Under) Disbursements	<u>4,282</u>	<u>11,570</u>	<u>(11,688)</u>	<u>4,164</u>
Other Financing Receipts:				
Transfers-In			11,688	11,688
Transfers-Out		(11,688)		(11,688)
		<u>(11,688)</u>	<u>11,688</u>	
Total Other Financing Receipts				
		<u>(11,688)</u>	<u>11,688</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	4,282	(118)		4,164
Fund Cash Balances, January 1	<u>691</u>	<u>31,795</u>		<u>32,486</u>
Fund Cash Balances, December 31	<u><u>\$4,973</u></u>	<u><u>\$31,677</u></u>		<u><u>\$36,650</u></u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Agency Fund
Operating Cash Receipts:	
Other Revenue	\$1,000
Total Operating Cash Receipts	1,000
Fund Cash Balances, January 1	3,000
Fund Cash Balances, December 31	\$4,000

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$8,891	\$50,676		\$59,567
Intergovernmental	14,759	79,782		94,541
Earnings on Investments	170	526		696
Other Revenue	2,080	2,348		4,428
	<u>25,900</u>	<u>133,332</u>		<u>159,232</u>
Total Cash Receipts				
	<u>25,900</u>	<u>133,332</u>		<u>159,232</u>
Cash Disbursements:				
Current:				
General Government	16,450			16,450
Public Safety		14,988		14,988
Public Works	1,873	82,159		84,032
Health	4,682			4,682
Debt Service:				
Redemption of Principal			25,200	25,200
Interest and Fiscal Charges			2,791	2,791
	<u>23,005</u>	<u>97,147</u>	<u>27,991</u>	<u>148,143</u>
Total Cash Disbursements				
	<u>23,005</u>	<u>97,147</u>	<u>27,991</u>	<u>148,143</u>
Total Receipts Over/(Under) Disbursements	<u>2,895</u>	<u>36,185</u>	<u>(27,991)</u>	<u>11,089</u>
Other Financing Receipts/(Disbursements):				
Transfers-In			27,991	27,991
Advances-In		17,759		17,759
Transfers-Out	(5,741)	(22,250)		(27,991)
Advances-Out		(17,759)		(17,759)
	<u>(5,741)</u>	<u>(22,250)</u>	<u>27,991</u>	<u>11,089</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(5,741)</u>	<u>(22,250)</u>	<u>27,991</u>	<u>11,089</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(2,846)</u>	<u>13,935</u>		<u>11,089</u>
Fund Cash Balances, January 1	<u>3,537</u>	<u>17,860</u>		<u>21,397</u>
Fund Cash Balances, December 31	<u><u>\$691</u></u>	<u><u>\$31,795</u></u>		<u><u>\$32,486</u></u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Agency Fund
Operating Cash Receipts:	
Other Revenue	\$1,000
Total Operating Cash Receipts	1,000
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	1,000
Total Non-Operating Cash Disbursements	1,000
Net Receipts Over/(Under) Disbursements	
Fund Cash Balances, January 1	3,000
Fund Cash Balances, December 31	\$3,000

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Fox Township, Carroll 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.

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

The Township has an interest bearing checking account. Interest earned is recognized and recorded when received. Investments procedures are restricted by the provisions of the Ohio Revised Code. No investments were held by the Township.

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:

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

Road Levy Fund - This fund receives property tax money to be used for the maintenance of Township roads.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of note indebtedness. The Township has entered one note agreement for the purchase of equipment for the Road and Bridge Fund.

4. Agency Fund

Funds for which the township is acting as an agency capacity are classified as agency funds. The township had the following agency fund:

Road Bond Fund - This fund receives monies from various mining or logging companies to be held in escrow for use of certain township roads. These monies are held in escrow in the event road repairs would be necessary after the mining or logging has been completed.

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 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 1999 and 1998 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.

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

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

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>1999</u>	<u>1998</u>
Demand deposits	40,650	35,486
Total deposits	<u>\$40,650</u>	<u>\$35,486</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General	\$22,355	\$25,701	\$3,346
Special Revenue	115,073	132,543	17,470
Debt Service	15,000	17,296	2,296
Agency	0	1,000	1,000
Total	<u>\$152,428</u>	<u>\$176,540</u>	<u>\$24,112</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation</u> <u>Authority</u>	<u>Budgetary</u> <u>Expenditures</u>	<u>Variance</u>
General	\$23,046	\$21,419	\$1,627
Special Revenue	146,868	132,661	14,207
Debt Service	15,000	17,296	(2,296)
Agency	3,000	0	3,000
Total	<u>\$187,914</u>	<u>\$171,376</u>	<u>\$16,538</u>

1998 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General	\$22,596	\$25,900	\$3,304
Special Revenue	112,283	133,332	21,049
Debt Service	15,000	27,991	12,991
Agency	0	1,000	1,000
Total	<u>\$149,879</u>	<u>\$188,223</u>	<u>\$38,344</u>

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$26,134	\$28,746	(\$2,612)
Special Revenue	130,142	119,397	10,745
Debt Service	15,000	27,991	(12,991)
Agency	3,000	1,000	2,000
Total	\$174,276	\$177,134	(\$2,858)

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.

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. 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 1999 and 1998, members of PERS 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.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- Commercial inland marine

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



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**

Fox Township
Carroll County
10077 Salineville Road NE
Salineville, Ohio 43945

To the Board of Trustees:

We have audited the accompanying financial statements of Fox Township, Carroll County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 18, 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 the Township's financial statement 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 certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 18, 2000.

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 18, 2000.

This report is intended for the information and use of the Board of Trustees, management, 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 18, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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FOX TOWNSHIP

CARROLL 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 27, 2000