

**FAIRFIELD TOWNSHIP**

**INDEPENDENT AUDITOR'S REPORT**

FOR THE YEARS ENDED  
DECEMBER 31, 2001 AND DECEMBER 31, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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 Fairfield Township, Tuscarawas County, prepared by Gary B. Fink & Associates, Inc., for the audit period January 1, 2000 through December 31, 2001. 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. Fairfield Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

July 2, 2002

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**FAIRFIELD TOWNSHIP  
FOR THE YEARS ENDED  
DECEMBER 31, 2001 AND DECEMBER 31, 2000**

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**FAIRFIELD TOWNSHIP**

**ELECTED OFFICIALS  
AS OF DECEMBER 31, 2001**

<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
William H. Beans	Trustee	01/01/00-12/31/03	(B)	\$1,000	01/01/00-12/31/03
John C. Dunn	Trustee	01/01/98-12/31/01	(A)	\$1,000	01/01/98-12/31/01
Jennifer L. Brown	Clerk	04/01/00-03/31/04	(B)	\$1,000	04/01/00-03/31/04

(A) Personal Service Insurance Company

(B) Ohio Township Association Risk Management Authority

**STATUTORY LEGAL COUNSEL**

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

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Fairfield Township, Tuscarawas County  
5311 Johnstown Road, NE  
Mineral City, OH 44656

We have audited the accompanying financial statements of Fairfield Township, Tuscarawas County (the Township), as of and for the years ended December 31, 2001 and December 31, 2000, as listed in the table of contents. 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 described 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of Fairfield Township as of December 31, 2001 and December 31, 2000, and its 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 April 30, 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 and contracts. 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.

**INDEPENDENT AUDITOR'S REPORT** (continued)

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

April 30, 2002



**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, 2001**

	General	Special Revenue	Total (Memorandum Only)
<b>Cash Receipts</b>			
Taxes	\$28,902	\$71,308	\$100,210
Intergovernmental Receipts	57,238	64,985	122,223
Special Assessments	0	696	696
Interest	2,544	910	3,454
All Other Receipts	3,479	7,021	10,500
<b>Total Cash Receipts</b>	<b>92,163</b>	<b>144,920</b>	<b>237,083</b>
<b>Cash Disbursements</b>			
General Government	61,958	0	61,958
Public Safety	0	31,842	31,842
Public Works	9,575	84,623	94,198
Health	2,728	0	2,728
<b>Total Cash Disbursements</b>	<b>74,261</b>	<b>116,465</b>	<b>190,726</b>
<b>Total Receipts Over Disbursements</b>	<b>17,902</b>	<b>28,455</b>	<b>46,357</b>
<b>Other Financing Sources (Uses)</b>			
Transfer In	0	5,000	5,000
Transfer Out	(5,000)	0	(5,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,000)</b>	<b>5,000</b>	<b>0</b>
<b>Total Receipts and Other Sources Over Total Disbursements and Other (Uses)</b>	<b>12,902</b>	<b>33,455</b>	<b>46,357</b>
<b>Fund Cash Balances, January 1, 2001</b>	<b>34,073</b>	<b>102,547</b>	<b>136,620</b>
<b>Fund Cash Balances, December 31, 2001</b>	<b>\$46,975</b>	<b>\$136,002</b>	<b>\$182,977</b>
<b>Reserve for Encumbrances, December 31, 2001</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</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, 2000**

	General	Special Revenue	Total (Memorandum Only)
<b>Cash Receipts</b>			
Taxes	\$27,839	\$68,986	\$96,825
Intergovernmental Receipts	61,438	64,091	125,529
Special Assessments	0	827	827
Interest	5,623	1,448	7,071
All Other Receipts	35	55,718	55,753
<b>Total Cash Receipts</b>	<b>94,935</b>	<b>191,070</b>	<b>286,005</b>
<b>Cash Disbursements</b>			
General Government	63,593	0	63,593
Public Safety	0	91,059	91,059
Public Works	14,249	77,843	92,092
Health	2,105	0	2,105
Capital Outlay	40,000	8,528	48,528
<b>Total Cash Disbursements</b>	<b>119,947</b>	<b>177,430</b>	<b>297,377</b>
<b>Total Receipts Over (Under) Disbursements</b>	<b>(25,012)</b>	<b>13,640</b>	<b>(11,372)</b>
<b>Other Financing Sources (Uses)</b>			
Transfer In	0	5,000	5,000
Transfer Out	(5,000)	0	(5,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,000)</b>	<b>5,000</b>	<b>0</b>
<b>Total Receipts and Other Sources Over (Under)</b>			
<b>Total Disbursements and Other (Uses)</b>	<b>(30,012)</b>	<b>18,640</b>	<b>(11,372)</b>
<b>Fund Cash Balances, January 1, 2000</b>	<b>64,085</b>	<b>83,907</b>	<b>147,992</b>
<b>Fund Cash Balances, December 31, 2000</b>	<b>\$34,073</b>	<b>\$102,547</b>	<b>\$136,620</b>
<b>Reserve for Encumbrances, December 31, 2000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</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, 2001 AND DECEMBER 31, 2000

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 a payment is made 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, 2001 AND DECEMBER 31, 2000

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.

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 2001 and 2000 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 AND INVESTMENTS**

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of the Township's deposits at December 31, 2001 was \$182,977 and at December 31, 2000 was \$136,620. Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

FAIRFIELD TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND DECEMBER 31, 2000

3. **BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and December 31, 2000 was as follows:

2001 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$106,302	\$92,163	(\$14,139)
Special Revenue	241,469	149,920	(91,549)
Total	<u>\$347,771</u>	<u>\$242,083</u>	<u>(\$105,688)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$140,375	\$79,261	\$61,114
Special Revenue	344,016	116,465	227,551
Total	<u>\$484,391</u>	<u>\$195,726</u>	<u>\$288,665</u>

2000 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$77,574	\$94,935	\$17,361
Special Revenue	183,713	196,070	12,357
Total	<u>\$261,287</u>	<u>\$291,005</u>	<u>\$29,718</u>

FAIRFIELD TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND DECEMBER 31, 2000

3. **BUDGETARY ACTIVITY** (continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$205,744	\$124,947	\$80,797
Special Revenue	341,173	177,430	163,743
 Total	 <u>\$546,917</u>	 <u>\$302,377</u>	 <u>\$244,540</u>

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 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.

5. **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).

FAIRFIELD TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND DECEMBER 31, 2000

5. **RETIREMENT SYSTEMS** (continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. For 2001 the Township contributed an amount equal to 13.55% of participants' gross salaries. In 2000 PERS instituted a temporary employer contribution rate rollback of 20%. The employer contribution was 10.84% of covered payroll. The Township has paid all contributions required through December 31, 2001.

6. **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.

**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, Tuscarawas County  
5311 Johnstown Road, NE  
Mineral City, OH 44656

We have audited the financial statements of Fairfield Township, Tuscarawas County (the Township), as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 30, 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 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 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 operations that we consider to be material weaknesses.



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*** (continued)

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

April 30, 2002





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
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Facsimile 614-466-4490

**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.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 30, 2002**