



**COVENTRY TOWNSHIP  
SUMMIT COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



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

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**STATE OF OHIO**



COVENTRY TOWNSHIP  
SUMMIT COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Coventry Township  
Summit County  
68 Portage Lakes Drive  
Akron, Ohio 44319

To the Board of Trustees:

We have audited the accompanying financial statements of the Coventry Township, Summit County, (the Township) as of and for the years ended December 31, 2000 and 1999. 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 audits.

We conducted our audits 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 audits 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 audits provide 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, 2000 and 1999, 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 March 5, 2001 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 audits.

This report is intended solely for the information and use of the 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.

**Jim Petro**  
Auditor of State

March 5, 2001

**COVENTRY TOWNSHIP  
SUMMIT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL AND EXPENDABLE TRUST 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>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$321,523	\$1,478,432	\$131,100	\$0	\$1,931,055
Intergovernmental	688,549	386,926	5,873		1,081,348
Special Assessments		7,645			7,645
Charges for Services		200,377			200,377
Licenses, Permits, and Fees	49,569	10,615			60,184
Fines, Forfeitures, and Penalties	25,989				25,989
Earnings on Investments	68,727	7,853			76,580
Other Revenue	46,150	15,103			61,253
	<u>1,200,507</u>	<u>2,106,951</u>	<u>136,973</u>	<u>0</u>	<u>3,444,431</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	388,538	8,507			397,045
Public Safety	10,997	1,467,462			1,478,459
Public Works	48,262	442,633			490,895
Health	62,730	10,245			72,975
Human Services					
Conservation - Recreation	61,838				61,838
Debt Service:					
Redemption of Principal			129,777		129,777
Interest and Fiscal Charges			7,198		7,198
Capital Outlay	280,054	198,979		1,270	480,303
	<u>852,419</u>	<u>2,127,826</u>	<u>136,975</u>	<u>1,270</u>	<u>3,118,490</u>
Total Cash Disbursements	<u>852,419</u>	<u>2,127,826</u>	<u>136,975</u>	<u>1,270</u>	<u>3,118,490</u>
Total Receipts Over/(Under) Disbursements	<u>348,088</u>	<u>(20,875)</u>	<u>(2)</u>	<u>(1,270)</u>	<u>325,941</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In		165,000			165,000
Advances-In	435,521	382,352	75,074		892,947
Transfers-Out	(165,000)				(165,000)
Advances-Out	(457,425)	(360,448)	(75,074)		(892,947)
Total Other Financing Receipts/(Disbursements)	<u>(186,904)</u>	<u>186,904</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	161,184	166,029	(2)	(1,270)	325,941
Fund Cash Balances, January 1	610,508	382,373	2	50,711	1,043,594
<b>Fund Cash Balances, December 31</b>	<b><u>\$771,692</u></b>	<b><u>\$548,402</u></b>	<b><u>\$0</u></b>	<b><u>\$49,441</u></b>	<b><u>\$1,369,535</u></b>
Reserve for Encumbrances, December 31	<u>\$171,614</u>	<u>\$152,441</u>	<u>\$0</u>	<u>\$0</u>	<u>\$324,055</u>

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

**COVENTRY TOWNSHIP  
SUMMIT COUNTY**

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

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$277,066	\$1,454,565	\$112,010	\$0	\$1,843,641
Intergovernmental	612,812	465,064			1,077,876
Special Assessments		7,953			7,953
Charges for Services		134,320			134,320
Licenses, Permits, and Fees	47,750	7,150			54,900
Fines, Forfeitures, and Penalties	29,158				29,158
Earnings on Investments	59,175	5,651			64,826
Other Revenue	51,545	77,060		50,182	178,787
	<u>1,077,506</u>	<u>2,151,763</u>	<u>112,010</u>	<u>50,182</u>	<u>3,391,461</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
General Government	429,941	8,051			437,992
Public Safety	8,231	1,524,637		855	1,533,723
Public Works	57,117	572,176			629,293
Health	63,570	59,972			123,542
Conservation - Recreation	50,581				50,581
Debt Service:					
Redemption of Principal			99,891		99,891
Interest and Fiscal Charges			12,119		12,119
Capital Outlay	350,043	250,191			600,234
	<u>959,483</u>	<u>2,415,027</u>	<u>112,010</u>	<u>855</u>	<u>3,487,375</u>
<b>Total Cash Disbursements</b>					
Total Receipts Over/(Under) Disbursements	<u>118,023</u>	<u>(263,264)</u>	<u>0</u>	<u>49,327</u>	<u>(95,914)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds of Note		24,000			24,000
Sale of Fixed Assets		8,700			8,700
Transfers-In		178,020			178,020
Advances-In	449,743	399,575	50,168		899,486
Transfers-Out	(178,020)				(178,020)
Advances-Out	(449,743)	(399,575)	(50,168)		(899,486)
	<u>(178,020)</u>	<u>210,720</u>	<u>0</u>	<u>0</u>	<u>32,700</u>
<b>Total Other Financing Receipts/(Disbursements)</b>					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(59,997)	(52,544)	0	49,327	(63,214)
Fund Cash Balances, January 1	670,505	434,917	2	1,384	1,106,808
<b>Fund Cash Balances, December 31</b>	<u><b>\$610,508</b></u>	<u><b>\$382,373</b></u>	<u><b>\$2</b></u>	<u><b>\$50,711</b></u>	<u><b>\$1,043,594</b></u>
Reserve for Encumbrances, December 31	<u>\$38,206</u>	<u>\$48,152</u>	<u>\$0</u>	<u>\$0</u>	<u>\$86,358</u>

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

**COVENTRY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Coventry Township, Summit 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 and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Summit County Sheriff's Department to provide police 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**

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

**COVENTRY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**D. Fund Accounting (continued)**

**2. Special Revenue Funds (continued)**

Fire Levy 1.5 Mill - This fund receives tax money from a levy for maintaining and operating the Fire Department.

**3. Debt Service Funds**

The debt service fund is used to accumulate resources for the payment of note indebtedness. The Township had the following significant Debt Service Funds:

Fire Truck Lease Fund - This fund is used to accumulate resources for payment of principal and interest on the lease/purchase of a fire pumper truck.

**4. Fiduciary Funds (Trust Funds)**

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Fire Department Trust Fund - This fund accepts donations for the purchase of miscellaneous fire equipment for the benefit of the Coventry Fire Department.

**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, 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.

**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 carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**COVENTRY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay 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.

**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>2000</u>	<u>1999</u>
Demand deposits	(\$115,465)	(\$146,406)
Repurchase Agreements	<u>1,485,000</u>	<u>1,190,000</u>
Total deposits and investments	<u><u>\$1,369,535</u></u>	<u><u>\$1,043,594</u></u>

**Deposits:** The negative demand deposit balance is covered by resources that are available by the overnight repurchase agreement. Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Township.

**Investments:** The Township invested in repurchase agreements. These investments are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,140,259	\$1,200,507	\$60,248
Special Revenue	2,263,520	2,271,951	8,431
Debt Service	136,973	136,973	0
Expendable Trust	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$3,540,752</u></u>	<u><u>\$3,609,431</u></u>	<u><u>\$68,679</u></u>

**COVENTRY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,344,483	\$1,189,033	\$155,450
Special Revenue	2,640,798	2,280,267	360,531
Debt Service	136,975	136,975	0
Expendable Trust	50,711	1,270	49,441
Total	<u>\$4,172,967</u>	<u>\$3,607,545</u>	<u>\$565,422</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,035,542	\$1,077,506	\$41,964
Special Revenue	2,343,390	2,362,483	19,093
Debt Service	112,010	112,010	0
Expendable Trust	51,000	50,182	(818)
Total	<u>\$3,541,942</u>	<u>\$3,602,181</u>	<u>\$60,239</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,371,480	\$1,175,709	\$195,771
Special Revenue	2,719,391	2,463,179	256,212
Debt Service	112,010	112,010	0
Expendable Trust	51,566	855	50,711
Total	<u>\$4,254,447</u>	<u>\$3,751,753</u>	<u>\$502,694</u>

**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 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 and real property located within the Township.

**COVENTRY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**4. PROPERTY TAX (Continued)**

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, 2000 and 1999, was as follows:

	Principal		Interest Rate
	2000	1999	
97 Fire Pumper Truck	\$0	\$105,777	5.89%
EMS Ambulance Acquisition	0	24,000	4.02%

The Township has paid all outstanding debt obligations as of December 31, 2000.

**6. RETIREMENT SYSTEMS**

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide 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 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% and 13.55% in 2000 and 1999, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- General liability
- Public officials' liability
- Employers' liability
- Employees benefits liability

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

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

Coventry Township  
Summit County  
68 Portage Lakes Drive  
Akron, Ohio 44319

To the Board of Trustees:

We have audited the accompanying financial statements of Coventry Township, Summit County, (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 5, 2001. We conducted our audits 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 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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 audits, we considered 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 March 5, 2001.

Coventry Township  
Summit County  
Report of Independent Accountants on Compliance and on  
Internal Control Required By *Government Auditing Standards*  
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This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

March 5, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**COVENTRY TOWNSHIP**

**SUMMIT 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  
APRIL 10, 2001**