



**CROSS CREEK TOWNSHIP
JEFFERSON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CROSS CREEK TOWNSHIP
JEFFERSON COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Cross Creek Township
Jefferson County
P.O. Box 2202
Wintersville, Ohio 43953

To the Board of Trustees:

We have audited the accompanying financial statements of Cross Creek Township, Jefferson County, Ohio, (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 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 Cross Creek Township as of December 31, 2000 and December 31, 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 April 30, 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. The 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, 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

April 30, 2001

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**CROSS CREEK TOWNSHIP
JEFFERSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:				
Local Taxes Receipts	\$7,877	\$281,519		\$289,396
Intergovernmental Receipts	105,176	138,375		243,551
Licenses, Permits, and Fees	1,182			1,182
Interest	2,517	165	\$6	2,688
Other Revenue	14,951	13,773		28,724
Total Cash Receipts	<u>131,703</u>	<u>433,832</u>	<u>6</u>	<u>565,541</u>
Cash Disbursements:				
Current:				
General Government	87,577			87,577
Public Safety		173,090		173,090
Public Works		210,830		210,830
Health	4,367			4,367
Capital Outlay	79,295			79,295
Debt Service:				
Redemption of Principal		27,155		27,155
Interest and Fiscal Charges		3,197		3,197
Total Cash Disbursements	<u>171,239</u>	<u>414,272</u>	<u>6</u>	<u>585,511</u>
Total Receipts Over/(Under) Disbursements	<u>(39,536)</u>	<u>19,560</u>	<u>6</u>	<u>(19,970)</u>
Other Financing Sources/(Uses):				
Proceeds from Sale of Public Debt:				
Sale of Notes		13,940		13,940
Total Other Financing Sources/(Uses)		<u>13,940</u>		<u>13,940</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	<u>(39,536)</u>	<u>33,500</u>	<u>6</u>	<u>(6,030)</u>
Fund Cash Balances, January 1	<u>49,993</u>	<u>37,179</u>	<u>331</u>	<u>87,503</u>
Fund Cash Balances, December 31	<u><u>\$10,457</u></u>	<u><u>\$70,679</u></u>	<u><u>\$337</u></u>	<u><u>\$81,473</u></u>

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

**CROSS CREEK TOWNSHIP
JEFFERSON COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:				
Local Taxes Receipts	\$7,857	\$285,267		\$293,124
Licenses, Permits and Fees	1,484			1,484
Intergovernmental Receipts	135,122	137,603		272,725
Interest	3,171	160	\$6	3,337
Other Revenue	15,766	4,024		19,790
	<u>163,400</u>	<u>427,054</u>	<u>6</u>	<u>590,460</u>
Total Cash Receipts				
	<u>163,400</u>	<u>427,054</u>	<u>6</u>	<u>590,460</u>
Cash Disbursements:				
Current:				
General Government	168,837			168,837
Public Safety		142,866		142,866
Public Works		257,856		257,856
Health	3,754			3,754
Debt Service:				
Redemption of Principal		27,206		27,206
Interest and Fiscal Charges		4,384		4,384
	<u>172,591</u>	<u>432,312</u>		<u>604,903</u>
Total Cash Disbursements				
	<u>172,591</u>	<u>432,312</u>		<u>604,903</u>
Total Receipts Over/(Under) Disbursements	<u>(9,191)</u>	<u>(5,258)</u>	<u>6</u>	<u>(14,443)</u>
Fund Cash Balances, January 1	<u>59,184</u>	<u>42,437</u>	<u>325</u>	<u>101,946</u>
Fund Cash Balances, December 31	<u><u>\$49,993</u></u>	<u><u>\$37,179</u></u>	<u><u>\$331</u></u>	<u><u>\$87,503</u></u>

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

**CROSS CREEK TOWNSHIP
JEFFERSON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Cross Creek Township, Jefferson 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, and police protection. The Township contracts with three volunteer fire departments to provide fire protection. The Township contracts with four emergency medical service providers to provide ambulance 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. 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:

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

Fire Levy Fund - This fund receives tax levy money to pay for fire protection within the Township.

3. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Township had the following significant fiduciary fund:

**CROSS CREEK TOWNSHIP
JEFFERSON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cemetery Bequest Fund - This fund receives interest receipts, which are used for cemetery maintenance.

D. 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 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. 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 canceled and reappropriated in the subsequent year.

A summary of 2000 and 1999 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. The carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	<u>\$81,473</u>	<u>\$87,503</u>

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

**CROSS CREEK TOWNSHIP
JEFFERSON COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$134,517	\$131,703	(\$2,814)
Special Revenue	475,257	447,772	(27,485)
Non-Expendable Trust	14	6	(8)
Total	<u>\$609,788</u>	<u>\$579,481</u>	<u>(\$30,307)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$184,510	\$171,239	\$13,271
Special Revenue	512,436	414,272	98,164
Non-Expendable Trust	345	0	345
Total	<u>\$697,291</u>	<u>\$585,511</u>	<u>\$111,780</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$165,823	\$163,400	(\$2,423)
Special Revenue	448,527	427,054	(21,473)
Non-Expendable Trust	13	6	(7)
Total	<u>\$614,363</u>	<u>\$590,460</u>	<u>(\$23,903)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$225,007	\$172,591	\$52,416
Special Revenue	490,964	432,312	58,652
Non-Expendable Trust	338	0	338
Total	<u>\$716,309</u>	<u>\$604,903</u>	<u>\$111,406</u>

**CROSS CREEK TOWNSHIP
JEFFERSON COUNTY**

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

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.

Public utilities are also taxed on personal and real property located within the Township.

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 was as follows:

	Principal	Interest Rate
Truck Loan	\$27,757	5.50%
Police Car Loan	12,372	5.97%
Total	\$40,129	

Loan proceeds were used to purchase a truck and police cruiser for the Township.

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

Year ending December 31:	Truck Loan	Police Car Loan
2001	\$11,272	\$3,969
2002	11,272	3,969
2003	11,272	3,969
2004	0	1,985
Total	\$33,816	\$13,892

6. RETIREMENT SYSTEM

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.

**CROSS CREEK TOWNSHIP
JEFFERSON COUNTY**

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

6. RETIREMENT SYSTEM (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries during 1999 and 10.84% during 2000. 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
- Errors and omissions
- Public official's liability

The Township also provides health insurance and dental and vision 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**

Cross Creek Township
Jefferson County
P.O. Box 2202
Wintersville, Ohio 43953

We have audited the financial statements of Cross Creek Township as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 30, 2001. 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 Cross Creek 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the Township in a separate letter dated April 30, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cross Creek 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 a matter involving the internal control over financial reporting, which we have reported to management of Cross Creek Township in a separate letter dated April 30, 2001.

This report is intended for the information and use of the audit committee, 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

April 30, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CROSS CREEK TOWNSHIP

JEFFERSON 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
MAY 29, 2001**