

FRANKLIN TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
REPORT ON AUDIT OF  
FINANCIAL STATEMENTS  
JANUARY 1, 1999 -  
DECEMBER 31, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees  
Franklin Township  
6983 Winfield-Strasburg Rd NW  
Strasburg, Ohio 44680

We have reviewed the Independent Auditor's Report of Franklin Township, Tuscarawas County, prepared by Tope & Willoughby, for the audit period January 1, 1999 through December 31, 2000. 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. Franklin Township is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

November 7, 2001

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FRANKLIN TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
REPORT ON AUDIT OF  
FINANCIAL STATEMENTS  
JANUARY 1, 1999 -  
DECEMBER 31, 2000

FISCAL YEARS AUDITED UNDER  
GAGAS: 1999/2000

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FRANKLIN TOWNSHIP  
TUSCARAWAS COUNTY, OHIO  
6983 Winfield-Strasburg Road, NW  
Strasburg, Ohio 44680

ELECTED OFFICIALS  
AS OF DECEMBER 31, 2000

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<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>
Michael Fondriest 6153 Race Road, NW Strasburg, Ohio 44680	Trustee	12/08/00-01/01/02	(B)	\$ 5,000
Ted Shetler 7235 Winfield-Strasburg Rd., NW Strasburg, Ohio 44680	Trustee	01/01/98-01/01/02	(A)	\$ 1,000
Douglas Hensel 4564 Garber Dr., NW Strasburg, Ohio 44680	Trustee	01/01/00-01/01/04	(B)	\$ 1,000
Peter Angelo 6983 Winfield-Strasburg Road, NW Strasburg, Ohio 44680	Clerk	04/01/00-04/01/04	(A)	\$ 3,000
STATUTORY LEGAL COUNSEL Amanda Spies-Bornhorst Tuscarawas County Prosecutor Tuscarawas County Courthouse New Philadelphia, Ohio 44663				

(A) The Personal Service Insurance Company

(B) Western Surety Insurance Company



# TOPE & WILLOUGHBY, INC.

*Certified Public Accountants*

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663

Phone (330) 602-1322 • Fax (330) 602-2610

November 2, 2001

Board of Trustees  
Franklin Township  
Tuscarawas County  
6983 Winfield-Strasburg Road, NW  
Strasburg, Ohio 44680

## INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of Franklin Township, Tuscarawas 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 Trustees. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 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 of Franklin Township, Tuscarawas County, Ohio, 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 a report dated November 2, 2001, on our consideration of the Township's internal control structure and on its compliance with laws and regulations. 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.

This report is intended solely for the information and use of management, the 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 these specified parties.

FRANKLIN TOWNSHIP  
TUSCARAWAS COUNTY, OHIO

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

	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
<b>CASH RECEIPTS:</b>			
Local taxes	\$ 49,624	\$ 115,481	\$ 165,105
Intergovernmental	59,179	70,727	129,906
Interest	2,373	0	2,373
All other	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total cash receipts</b>	<u>111,176</u>	<u>186,208</u>	<u>297,384</u>
<b>CASH DISBURSEMENTS:</b>			
Current:			
Security of persons and property	0	7,045	7,045
Public health services	594	36,705	37,299
Public works	0	124,322	124,322
General government	87,982	0	87,982
Capital outlays	0	0	0
Debt Service:			
Redemption of principal	0	6,288	6,288
Interest	<u>0</u>	<u>758</u>	<u>758</u>
<b>Total cash disbursements</b>	<u>88,576</u>	<u>175,118</u>	<u>263,694</u>
Excess of cash receipts over cash disbursements	22,600	11,090	33,690
Fund cash balances, January 1, 2000	<u>71,910</u>	<u>35,258</u>	<u>107,168</u>
Fund cash balances, December 31, 2000	<u>\$ 94,510</u>	<u>\$ 46,348</u>	<u>\$ 140,858</u>



FRANKLIN TOWNSHIP  
TUSCARAWAS COUNTY, OHIO

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>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
<b>CASH RECEIPTS:</b>			
Local taxes	\$ 51,958	\$ 117,486	\$ 169,444
Intergovernmental	54,760	73,593	128,353
Interest	1,866	0	1,866
All other	<u>0</u>	<u>380</u>	<u>380</u>
<b>Total cash receipts</b>	<u>108,584</u>	<u>191,459</u>	<u>300,043</u>
<b>CASH DISBURSEMENTS:</b>			
Current:			
Security of persons and property	0	29,767	29,767
Public health services	594	40,900	41,494
Public works	0	115,355	115,355
General government	88,007	0	88,007
Capital outlays	0	0	0
Debt Service:			
Redemption of principal	0	7,571	7,571
Interest	<u>0</u>	<u>1,879</u>	<u>1,879</u>
<b>Total cash disbursements</b>	<u>88,601</u>	<u>195,472</u>	<u>284,073</u>
Excess (deficit) of cash receipts over cash disbursements	19,983	(4,013)	15,970
Fund cash balances, January 1, 1999	<u>51,927</u>	<u>39,271</u>	<u>91,198</u>
Fund cash balances, December 31, 1999	<u>\$ 71,910</u>	<u>\$ 35,258</u>	<u>\$ 107,168</u>

NOTE 1: **Summary of Significant Accounting Policies**

Description of the Entity

Franklin Township (the Township) is a body politic and corporate 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 ditch maintenance, cemeteries, and fire protection. The Township contracts with the Tuscarawas County Sheriff's department to provide security of persons and property.

The Township's Trustees believe these financial statements present all activities for which the Township is financially accountable.

Basis of Accounting

These financial statements were prepared on the cash basis of accounting which is prescribed or permitted by the Auditor of State and which is a comprehensive basis of accounting other than generally accepted accounting principles. 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.

Fund Accounting

The Township uses fund accounting to segregate cash that is 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 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 and the Road District Fund - These funds receive tax revenues from the County Auditor for constructing, maintaining and repairing Township roads.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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.

NOTE 1: **Summary of Significant Accounting Policies (continued)**

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.

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 reappropriated.

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

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.

Unpaid Vacation and Sick Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Township.

NOTE 2: **Equity in Pooled Cash and Investments**

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>\$140,858</u>	<u>\$107,168</u>

Deposits

Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

NOTE 3: **Budgetary Activity**

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 90,702	\$ 111,176	\$ 20,474
Special Revenue	<u>175,524</u>	<u>186,208</u>	<u>10,684</u>
Total	<u>\$ 266,226</u>	<u>\$ 297,384</u>	<u>\$ 31,158</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 161,213	\$ 88,576	\$ 72,637
Special Revenue	<u>214,577</u>	<u>175,118</u>	<u>39,459</u>
Total	<u>\$ 375,790</u>	<u>\$ 263,694</u>	<u>\$ 112,096</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 84,098	\$ 108,584	\$ 24,486
Special Revenue	<u>175,817</u>	<u>191,459</u>	<u>15,642</u>
Total	<u>\$ 259,915</u>	<u>\$ 300,043</u>	<u>\$ 40,128</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 121,929	\$ 88,601	\$ 33,328
Special Revenue	<u>210,965</u>	<u>195,472</u>	<u>15,493</u>
Total	<u>\$ 332,894</u>	<u>\$ 284,073</u>	<u>\$ 48,821</u>

NOTE 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.

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.

NOTE 5: **Retirement Systems**

The Township's full-time 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 post retirement health care 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 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, 2000.

NOTE 6: **Debt**

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Note	\$ 17,604	6%

A general obligation note was issued to finance a portion of the Township's share of the cost of a fire truck. This note will be paid over a five year period.

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

<u>Year ending December 31,</u>	<u>General Obligation Note</u>
2001	\$ 9,450
2002	<u>9,493</u>
Total	<u>\$ 18,943</u>

NOTE 7: **Risk Management**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions



# TOPE & WILLOUGHBY, INC.

*Certified Public Accountants*

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663

Phone (330) 602-1322 • Fax (330) 602-2610

November 2, 2001

Board of Trustees  
Franklin Township  
Tuscarawas County, Ohio  
6983 Winfield-Strasburg Road, NW  
Strasburg, Ohio 44680

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of Franklin Township, Tuscarawas County, Ohio (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated November 2, 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 Franklin 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 required to be reported herein under Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered Franklin 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.

This report is intended for the information of the Township Trustees and management, and is not intended and should not be used by anyone other than these specified parties.

*Tope & Willoughby, Inc.*







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**FRANKLIN 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  
NOVEMBER 15, 2001**