

**PARIS TOWNSHIP**

**INDEPENDENT AUDITOR'S REPORT**

FOR THE YEARS ENDED  
DECEMBER 31, 2000 AND DECEMBER 31, 1999





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Board of Trustees  
Paris Township  
Paris, Ohio

We have reviewed the Independent Auditor's Report of Paris Township, Stark County, prepared by Gary B. Fink & Associates, Inc., for the audit period January 1, 1999 to 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. Paris Township is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

July 1, 2001

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**PARIS TOWNSHIP  
FOR THE YEARS ENDED  
DECEMBER 31, 2000 AND DECEMBER 31, 1999**

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**PARIS TOWNSHIP**

**ELECTED OFFICIALS  
AS OF DECEMBER 31, 2000**

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Lawrence A. Palmer	Trustee	01/01/98-12/31/01	(A)	\$1,000	01/01/98- 12/31/01
Terry L. Gram	Trustee	01/01/98-12/31/01	(A)	\$1,000	01/01/98- 12/31/01
Walter E. Seaburn	Trustee	01/01/00-12/31/03	(A)	\$1,000	01/01/00- 12/31/03
Carol Jean Smith	Clerk	04/01/00-03/31/04	(A)	\$1,000	04/01/00- 03/31/04

(A) Whittaker-Myers Insurance Company

**STATUTORY LEGAL COUNSEL**

Mr. David Bridenstine  
Prosecutor  
Stark County Offices  
PO Box 20049  
110 Central Plaza South  
Suite 510  
Canton, OH 44701-0049

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Paris Township, Stark County  
14220 Freed Street  
Paris, OH 44669

We have audited the accompanying financial statements of Paris Township, Stark County (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, 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 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 fund cash balances of the Township as of December 31, 2000 and December 31, 1999, 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 June 21, 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 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

June 21, 2001



*FINANCIAL STATEMENTS*

**Paris 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>			
Property Taxes	\$56,837	\$242,254	\$299,091
Licenses, Permits and Fees	24,815	9,124	33,939
Intergovernmental Receipts	115,694	94,524	210,218
Special Assessments	0	4,472	4,472
Interest	9,312	2,900	12,212
All Other Receipts	54	28,823	28,877
	<u>206,712</u>	<u>382,097</u>	<u>588,809</u>
<b>Cash Disbursements</b>			
General Government	68,910	0	68,910
Public Safety	278	63,643	63,921
Public Works	50,267	310,261	360,528
Health	10,329	14,098	24,427
Capital Outlay	117,909	20,473	138,382
Debt Service:			
Principal	0	0	0
Interest and Fiscal Charges	0	0	0
	<u>247,693</u>	<u>408,475</u>	<u>656,168</u>
Total Receipts (Under) Disbursements	(40,981)	(26,378)	(67,359)
Fund Cash Balances, January 1, 2000	<u>156,931</u>	<u>242,849</u>	<u>399,780</u>
Fund Cash Balances, December 31, 2000	<u><u>\$115,950</u></u>	<u><u>\$216,471</u></u>	<u><u>\$332,421</u></u>

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

**Paris Township**  
**Combined Statement of Cash Receipts, Cash Disbursements and**  
**Changes in Fund Cash Balances - All Governmental Fund Types**  
**For the Year Ended December 31, 1999**

	General	Special Revenue	Debt Service	Total (Memorandum Only)
<b>Cash Receipts</b>				
Property Taxes	\$57,026	\$219,410	\$5,168	\$281,604
Licenses, Permits and Fees	28,854	11,534	0	40,388
Intergovernmental Receipts	81,681	90,295	0	171,976
Special Assessments	0	3,482	0	3,482
Interest	4,274	1,127	0	5,401
All Other Receipts	127	11,879	0	12,006
	<u>171,962</u>	<u>337,727</u>	<u>5,168</u>	<u>514,857</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements</b>				
General Government	60,618	0	0	60,618
Public Safety	0	54,225	0	54,225
Public Works	28,357	210,951	0	239,308
Health	12,247	9,084	0	21,331
Capital Outlay	16,695	2,035	0	18,730
Debt Service:				
Principal	0	0	9,750	9,750
Interest and Fiscal Charges	0	0	555	555
	<u>117,917</u>	<u>276,295</u>	<u>10,305</u>	<u>404,517</u>
<b>Total Cash Disbursements</b>				
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	0	44	0	44
Operating Transfers Out	0	0	(44)	(44)
	<u>0</u>	<u>44</u>	<u>(44)</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>				
Total Receipts Over (Under) Disbursements	54,045	61,476	(5,181)	110,340
<b>Fund Cash Balances, January 1, 1999</b>				
(Restated, See Note 2)	<u>102,886</u>	<u>181,373</u>	<u>5,181</u>	<u>289,440</u>
<b>Fund Cash Balances, December 31, 1999</b>				
	<u><u>\$156,931</u></u>	<u><u>\$242,849</u></u>	<u><u>\$0</u></u>	<u><u>\$399,780</u></u>

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

PARIS TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Entity

Paris Township, Stark 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. The Township provides general governmental services, including maintenance and repair of roads and fire 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. Accordingly, 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Township maintained repurchase agreements during the audit period and received interest from an interest bearing checking account.

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:

**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 legally restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**Gasoline Tax Fund** - This fund receives gasoline taxes from the County Auditor for maintaining and repairing Township roads.

PARIS TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

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

Road and Bridge Fund - This fund receives property taxes from the County Auditor for maintaining and repairing Township roads and bridges.

Fire District Fund - This fund receives voted millage for support of fire services.

**Debt Service Fund** - This fund is used to account for the accumulation of resources for, and the payment of, bonds and note indebtedness. The Township had a General Note Retirement Fund for retirement of a note that was obtained to purchase a dump truck.

E. 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 reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 4.

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.

PARIS TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

2. **RESTATEMENT OF PRIOR YEAR FUND BALANCE**

The Township has reclassified its special assessment fund to special revenue funds.

The restatement to the beginning fund balance is as follows:

	<u>Special Revenue</u>	<u>Special Assessments</u>
Fund Balance as Stated at December 31, 1998	\$166,714	\$ 14,659
Fund Reclassification	<u>14,659</u>	<u>(14,659)</u>
Fund Balances as stated at January 1, 1999	<u>\$181,373</u>	<u>\$ 0</u>

3. **EQUITY IN POOLED CASH AND INVESTMENTS**

The Township maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, 2000 was \$39,889 and at December 31, 1999 was \$399,780.

Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township.

Investments

The Township's investment balances for 2000:

<u>2000</u>	<u>1999</u>
\$292,532	\$0

4. **BUDGETARY ACTIVITY**

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

2000 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$205,598	\$206,712	\$ 1,114
Special Revenue	<u>362,557</u>	<u>382,097</u>	<u>19,540</u>
Total	<u>\$568,155</u>	<u>\$588,809</u>	<u>\$20,654</u>

PARIS TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

4. **BUDGETARY ACTIVITY** (continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditure</u>	<u>Variance</u>
General	\$307,887	\$247,693	\$ 60,194
Special Revenue	<u>604,487</u>	<u>408,475</u>	<u>196,012</u>
Total	<u>\$912,374</u>	<u>\$656,168</u>	<u>\$256,206</u>

1999 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$157,165	\$171,962	\$14,797
Special Revenue	317,390	337,771	20,381
Debt Service	<u>5,168</u>	<u>5,168</u>	<u>0</u>
Total	<u>\$479,723</u>	<u>\$514,901</u>	<u>\$35,178</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditure</u>	<u>Variance</u>
General	\$260,050	\$117,917	\$142,133
Special Revenue	498,764	276,295	222,469
Debt Service	<u>10,349</u>	<u>10,349</u>	<u>0</u>
Total	<u>\$769,163</u>	<u>\$404,561</u>	<u>\$364,602</u>

5. **DEBT**

The Township had no debt outstanding as of December 31, 2000 and December 31, 1999.

6. **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. The second half payment is due the following June 20.

PARIS TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND DECEMBER 31, 1999

6. **PROPERTY TAX** (continued)

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.

7. **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).

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. In 2000, the Retirement Board instituted a temporary employer contribution rollback. The rollback was 20%. The 2000 employer contribution rate was 10.84% of covered payroll. The 1999 employer contribution rate was 13.55% of covered payroll. The Township has paid all contributions required through December 31, 2000.

8. **RISK MANAGEMENT**

The Township has obtained commercial insurance through the Ohio Township Risk Association Management Authority for the following risks:

- a. Comprehensive property and general liability
- b. Public officials and employee liability
- c. Vehicles

The Township also provides health insurance for all Township employees through a private carrier.



**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  
Paris Township, Stark County  
14220 Freed Street  
Paris, OH 44669

We have audited the financial statements of Paris Township, Stark County (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 21, 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 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

June 21, 2001



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

**PARIS TOWNSHIP**

**STARK 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 24, 2001**