



**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Prairie Township
Franklin County
23 Maple Drive
Columbus, Ohio 43228

To the Board of Trustees:

We have audited the accompanying financial statements of Prairie Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 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 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 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 reserve for encumbrances of the 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 June 18, 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.

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

June 18, 2001

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**PRAIRIE TOWNSHIP
FRANKLIN 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**

	Governmental Fund Types			Fiduciary Fund Types	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Trust and Agency	
Cash Receipts:					
Local Taxes	\$179,189	\$2,583,517	\$0	\$0	\$2,762,706
Intergovernmental	2,835,223	392,681	0	0	3,227,904
Special Assessments	0	90,693	0	0	90,693
Licenses, Permits, and Fees	17,589	32,632	0	0	50,221
Fines, Forfeitures, and Penalties	30,255	0	0	0	30,255
Earnings on Investments	587,787	7,064	0	48	594,899
Other Receipts	96,974	72,358	0	0	169,332
Total Cash Receipts	<u>3,747,017</u>	<u>3,178,945</u>	<u>0</u>	<u>48</u>	<u>6,926,010</u>
Cash Disbursements:					
Current:					
General Government	521,458	0	0	35	521,493
Public Safety	275,161	2,106,520	0	0	2,381,681
Public Works	893,460	474,048	0	0	1,367,508
Health	45,213	55,244	0	250	100,707
Conservation - Recreation	27,569	0	0	0	27,569
Capital Outlay	525,741	149,100	3,589	0	678,430
Total Cash Disbursements	<u>2,288,602</u>	<u>2,784,912</u>	<u>3,589</u>	<u>285</u>	<u>5,077,388</u>
Total Receipts Over/(Under) Disbursements	<u>1,458,415</u>	<u>394,033</u>	<u>(3,589)</u>	<u>(237)</u>	<u>1,848,622</u>
Other Financing Receipts/(Disbursements):					
Sale of Fixed Assets	8,681	0	0	0	8,681
Advances-In	150,000	150,000	0	0	300,000
Advances-Out	(150,000)	(150,000)	0	0	(300,000)
Total Other Financing Receipts/(Disbursements)	<u>8,681</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,681</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>1,467,096</u>	<u>394,033</u>	<u>(3,589)</u>	<u>(237)</u>	<u>1,857,303</u>
Fund Cash Balances, January 1	<u>8,074,952</u>	<u>662,971</u>	<u>3,589</u>	<u>2,729</u>	<u>8,744,241</u>
Fund Cash Balances, December 31	<u>\$9,542,048</u>	<u>\$1,057,004</u>	<u>\$0</u>	<u>\$2,492</u>	<u>\$10,601,544</u>
Reserve for Encumbrances, December 31	<u>\$411,289</u>	<u>\$3,081</u>	<u>\$0</u>	<u>\$0</u>	<u>\$414,370</u>

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

**PRAIRIE TOWNSHIP
FRANKLIN 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**

	Governmental Fund Types				Fiduciary Fund Types	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	
Cash Receipts:						
Local Taxes	\$155,102	\$2,004,782	\$78,548	\$0	\$0	\$2,238,432
Intergovernmental	1,015,977	307,639	0	184,250	0	1,507,866
Special Assessments	0	91,747	0	0	0	91,747
Licenses, Permits, and Fees	12,427	40,489	0	0	0	52,916
Fines, Forfeitures, and Penalties	22,977	0	0	0	0	22,977
Earnings on Investments	439,354	5,980	0	0	54	445,388
Other Receipts	98,293	135,055	0	0	0	233,348
Total Cash Receipts	<u>1,744,130</u>	<u>2,585,692</u>	<u>78,548</u>	<u>184,250</u>	<u>54</u>	<u>4,592,674</u>
Cash Disbursements:						
Current:						
General Government	581,269	0	0	0	37	581,306
Public Safety	146,519	2,039,806	0	0	0	2,186,325
Public Works	633,687	445,953	0	0	0	1,079,640
Health	38,546	40,115	0	0	250	78,911
Conservation - Recreation	45,077	0	0	0	0	45,077
Miscellaneous	0	0	0	0	18,392	18,392
Debt Service:						
Redemption of Principal	0	0	75,000	0	0	75,000
Interest and Fiscal Charges	0	0	3,548	0	0	3,548
Capital Outlay	34,523	45,838	0	193,419	0	273,780
Total Cash Disbursements	<u>1,479,621</u>	<u>2,571,712</u>	<u>78,548</u>	<u>193,419</u>	<u>18,679</u>	<u>4,341,979</u>
Total Receipts Over/(Under) Disbursements	<u>264,509</u>	<u>13,980</u>	<u>0</u>	<u>(9,169)</u>	<u>(18,625)</u>	<u>250,695</u>
Other Financing Receipts/(Disbursements):						
Other Sources	1,546	0	0	0	0	1,546
Total Other Financing Receipts/(Disbursements)	<u>1,546</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,546</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>266,055</u>	<u>13,980</u>	<u>0</u>	<u>(9,169)</u>	<u>(18,625)</u>	<u>252,241</u>
Fund Cash Balances, January 1	<u>7,808,897</u>	<u>648,991</u>	<u>0</u>	<u>12,758</u>	<u>21,354</u>	<u>8,492,000</u>
Fund Cash Balances, December 31	<u>\$8,074,952</u>	<u>\$662,971</u>	<u>\$0</u>	<u>\$3,589</u>	<u>\$2,729</u>	<u>\$8,744,241</u>
Reserve for Encumbrances, December 31	<u>\$545,629</u>	<u>\$30,849</u>	<u>\$0</u>	<u>\$13,805</u>	<u>\$0</u>	<u>\$590,283</u>

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

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Prairie Township, Franklin County, Ohio, (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, park operations (leisure time activities) fire protection and emergency medical services. The Township contracts with the Franklin County Sheriff's department to provide security of persons and property.

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

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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:

**PRAIRIE TOWNSHIP
FRANKLIN 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)

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

Fire Fund - This fund receives real estate and personal property taxes to provide for fire services and operations.

3. Debt Service Funds

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

General Obligation Bond(Note) Retirement Fund (1999 only) - This fund receives taxes to provide for the Township's indebtedness.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Murray Hill Road Fund (1999 only) - This fund receives money from the State through Issue 2. The proceeds were used for the replacement of road and curbs on Murray Hill Road.

5. Fiduciary Funds (Trust and Agency 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:

Cemetery Bequest Fund - This fund maintains \$2,000 held in trust. The principal is invested and the interest is used for the upkeep of specified graves.

Permits Fund (1999 only) - This fund receives road cut deposits to be held until the completion of a project. After the project is completed to specifications, the money is refunded to the contractor.

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 and 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 re-appropriated.

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

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.

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:

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	<u>2000</u>	<u>1999</u>
Demand deposits	\$362,617	\$568,937
Certificates of deposit	<u>2,250,000</u>	<u>2,450,000</u>
Total deposits	<u>2,612,617</u>	<u>3,018,937</u>
STAR Ohio	<u>7,984,696</u>	<u>5,721,068</u>
Total investments	<u>7,984,696</u>	<u>5,721,068</u>
Total deposits and investments	<u><u>\$10,597,313</u></u>	<u><u>\$8,740,005</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

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	\$1,608,727	\$3,755,698	\$2,146,971
Special Revenue	3,121,818	3,178,945	57,127
Fiduciary	<u>62</u>	<u>48</u>	<u>(14)</u>
Total	<u><u>\$4,730,607</u></u>	<u><u>\$6,934,691</u></u>	<u><u>\$2,204,084</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,692,309	\$2,699,891	\$992,418
Special Revenue	3,404,263	2,787,994	616,269
Capital Projects	14,055	3,589	10,466
Fiduciary	<u>295</u>	<u>285</u>	<u>10</u>
Total	<u><u>\$7,110,922</u></u>	<u><u>\$5,491,759</u></u>	<u><u>\$1,619,163</u></u>

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,474,299	\$1,745,675	\$271,376
Special Revenue	2,523,252	2,585,692	62,440
Debt Service	78,548	78,548	0
Capital Projects	0	184,250	184,250
Fiduciary	100	54	(46)
Total	<u>\$4,076,199</u>	<u>\$4,594,219</u>	<u>\$518,020</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,437,081	\$2,025,250	\$411,831
Special Revenue	2,995,630	2,602,561	393,069
Debt Service	78,548	78,548	0
Capital Projects	207,225	207,224	1
Fiduciary	18,702	18,679	23
Total	<u>\$5,737,186</u>	<u>\$4,932,262</u>	<u>\$804,924</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 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.

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

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

5. 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 24% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% for 1999 and 10.84% for 2000 of participants' gross salaries.

As a benefit to the employees of the Township, the Township pays 100% of the member's share of both PFDPF and PERS. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

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

7. FUND TYPE BALANCE RESTATEMENT

A correction was made to the beginning fund balance in the Fiduciary Fund Type. The restatement below reflects this correction.

	Fiduciary Fund
As previously reported 12/31/98	\$17,956
Restatement	3,398
	<hr/>
Restated balance for 1/1/99	<u><u>\$21,354</u></u>



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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

Prairie Township
Franklin County
23 Maple Drive
Columbus, Ohio 43228

To the Board of Trustees:

We have audited the accompanying financial statements of Prairie Township, Franklin County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 18, 2001. 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, 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 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 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.

Prairie Township
Franklin County
Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

June 18, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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PRAIRIE TOWNSHIP

FRANKLIN 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 17, 2001**