



**Auditor of State  
Betty Montgomery**



**RICHFIELD TOWNSHIP  
SUMMIT COUNTY**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Richfield Township  
Summit County  
4410 W. Streetsboro Road  
Richfield, Ohio 44286-0191

To the Board of Trustees:

We have audited the accompanying financial statements of Richfield Township (the Township) as of and for the years ended December 31, 2002 and 2001. 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 reserves for encumbrances of the Township as of December 31, 2002 and 2001 and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As described in Note 9, subsequent to the year ended December 31, 2002, a judgement was rendered by the Summit County Court of Common Pleas which will effectively require the Township to cease to exist. The Summit County Council will be responsible for apportioning the assets of the Township between the Village of Richfield and a newly formed township. Summit County Council will also appoint all officials for the newly formed township.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2003, 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 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 25, 2003

RICHFIELD TOWNSHIP  
SUMMIT 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, 2002**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>						
Local Taxes	\$198,247	\$458,494	\$0			\$656,741
Intergovernmental	262,159	130,088				392,247
Licenses, Permits, and Fees		15,211				15,211
Fines, Forfeitures, and Penalties	3,155					3,155
Earnings on Investments	9,083	1,294			\$1,412	11,789
Other Revenue	61,460	80,663		\$13,000		155,123
<b>Total Cash Receipts</b>	<b>534,104</b>	<b>685,750</b>	<b>0</b>	<b>13,000</b>	<b>1,412</b>	<b>1,234,266</b>
<b>Cash Disbursements:</b>						
Current:						
General Government	575,022	20,935				595,957
Public Safety	71,250	508,458		63,060		642,768
Public Works	196,830	148,386				345,216
Health	31,985					31,985
Conservation - Recreation	19,631				12,500	32,131
Contract Services		3,051				3,051
Miscellaneous		13,000				13,000
Debt Service:						
Redemption of Principal			675			675
<b>Total Cash Disbursements</b>	<b>894,718</b>	<b>693,830</b>	<b>675</b>	<b>63,060</b>	<b>12,500</b>	<b>1,664,783</b>
Total Receipts Over/(Under) Disbursements	(360,614)	(8,080)	(675)	(50,060)	(11,088)	(430,517)
<b>Other Financing Receipts/(Disbursements):</b>						
Transfers-In		35,512	675			36,187
Transfers-Out	(36,187)					(36,187)
Other Sources	2,645					2,645
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(33,542)</b>	<b>35,512</b>	<b>675</b>	<b>0</b>	<b>0</b>	<b>2,645</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(394,156)	27,432	0	(50,060)	(11,088)	(427,872)
Fund Cash Balances, January 1	613,582	135,749	0	116,774	79,013	945,118
<b>Fund Cash Balances, December 31</b>	<b>\$219,426</b>	<b>\$163,181</b>	<b>\$0</b>	<b>\$66,714</b>	<b>\$67,925</b>	<b>\$517,246</b>
Reserves for Encumbrances, December 31	\$0	\$0	\$0	\$114	\$0	\$114

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

**RICHFIELD TOWNSHIP  
SUMMIT 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, 2001**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>						
Local Taxes	\$210,443	\$573,447	\$0			\$783,890
Intergovernmental	374,791	143,741		\$57,189		575,721
Charges for Services	5,456					5,456
Licenses, Permits, and Fees		19,539				19,539
Fines, Forfeitures, and Penalties	4,669	50				4,719
Earnings on Investments	37,690	1,338			\$4,026	43,054
Other Revenue	29,034	32,404		12,000		73,438
<b>Total Cash Receipts</b>	<b>662,083</b>	<b>770,519</b>	<b>0</b>	<b>69,189</b>	<b>4,026</b>	<b>1,505,817</b>
<b>Cash Disbursements:</b>						
Current:						
General Government	542,185	22,155				564,340
Public Safety	7,872	658,955				666,827
Public Works	142,427	194,532		14,155		351,114
Health	30,580					30,580
Contract Services		14,958				14,958
Conservation - Recreation	12,049				43,139	55,188
Debt Service:						
Redemption of Principal			675			675
Capital Outlay				11,859		11,859
<b>Total Cash Disbursements</b>	<b>735,113</b>	<b>890,600</b>	<b>675</b>	<b>26,014</b>	<b>43,139</b>	<b>1,695,541</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(73,030)</b>	<b>(120,081)</b>	<b>(675)</b>	<b>43,175</b>	<b>(39,113)</b>	<b>(189,724)</b>
<b>Other Financing Receipts/(Disbursements):</b>						
Transfers-In		15,576	675	30,000		46,251
Transfers-Out	(46,251)					(46,251)
Other Sources	9,196					9,196
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(37,055)</b>	<b>15,576</b>	<b>675</b>	<b>30,000</b>	<b>0</b>	<b>9,196</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>(110,085)</b>	<b>(104,505)</b>	<b>0</b>	<b>73,175</b>	<b>(39,113)</b>	<b>(180,528)</b>
<b>Fund Cash Balances, January 1</b>	<b>723,667</b>	<b>240,254</b>	<b>0</b>	<b>43,599</b>	<b>118,126</b>	<b>1,125,646</b>
<b>Fund Cash Balances, December 31</b>	<b>\$613,582</b>	<b>\$135,749</b>	<b>\$0</b>	<b>\$116,774</b>	<b>\$79,013</b>	<b>\$945,118</b>
<b>Reserves for Encumbrances, December 31</b>	<b>\$6,300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,300</b>

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



**RICHFIELD TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Richfield 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 road and bridge maintenance, and cemetery maintenance. The Township contracts with the Village of Richfield to provide police and fire protection and emergency medical 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. Cash and Investments**

Investments are included in the fund cash balances. 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.

Certificates of deposit and overnight 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.

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**D. Fund Accounting (Continued)**

**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 has the following significant Special Revenue Funds:

*Police District Fund* – Through September 30, 2001, this fund received money from a special tax levy to fund the Township's Police Department. Effective October 1, 2001, money received in this fund was used to pay the Village of Richfield for contracted police services.

*Fire District Fund* - This fund receives money from a special tax levy to fund the cost of the Township's fire services contract with the Village of Richfield.

**3. Debt Service Fund**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township's only Debt Service Fund is the Ohio Public Works Commission (OPWC) Briarwood Road Culvert Fund, which is used to accumulate resources for the repayment of a loan from the Ohio Public Works Commission for culvert replacement on Briarwood Road.

**4. Capital Projects 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 has the following significant Capital Project Funds:

*Roads Capital Equipment* - This fund is used to purchase road equipment.

*Road Improvement* - This fund is used to account for projects undertaken to improve the Township's roads.

*Service Area Improvement* - This fund is used to account for costs incurred to maintain and improve the Township's service area upon which salt and storage sheds are located.

*OPWC Hawkins Road* - This fund is used to account for OPWC monies received and disbursed relative to the general improvement of Hawkins Road.

**5. Fiduciary Fund (Expendable Trust Fund)**

This fund is used to account for resources restricted by a legally binding trust agreement. The Township has the following Expendable Trust Fund:

*Rising Valley Bequest Fund* - This fund is used to account for bequests for improvements to Rising Valley Park.

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**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 the appropriation measure 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 2002 and 2001 budgetary activity appears in Note 3.

**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. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

**2. 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 and investments at December 31 was as follows:

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

	2002	2001
Demand deposits	(\$22,754)	(\$44,882)
Repurchase agreement	540,000	990,000
Total deposits and investments	\$517,246	\$945,118

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

The negative demand deposit balance is covered by resources that are available through the overnight repurchase agreement.

**Investments:** The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$484,782	\$536,749	\$51,967
Special Revenue	657,615	721,262	63,647
Debt Service	675	675	0
Capital Projects	12,000	13,000	1,000
Fiduciary	2,500	1,412	(1,088)
Total	\$1,157,572	\$1,273,098	\$115,526

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,131,601	\$930,905	\$200,696
Special Revenue	723,611	693,830	29,781
Debt Service	675	675	0
Capital Projects	127,907	63,174	64,733
Fiduciary	80,000	12,500	67,500
Total	\$2,063,794	\$1,701,084	\$362,710

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$394,354	\$671,279	\$276,925
Special Revenue	787,731	786,095	(1,636)
Debt Service	675	675	0
Capital Projects	370,200	99,189	(271,011)
Fiduciary	6,000	4,026	(1,974)
Total	\$1,558,960	\$1,561,264	\$2,304

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$908,109	\$787,664	\$120,445
Special Revenue	960,548	890,600	69,948
Debt Service	675	675	0
Capital Projects	363,000	26,014	336,986
Fiduciary	124,127	43,139	80,988
Total	\$2,356,459	\$1,748,092	\$608,367

Contrary to Ohio Revised Code Section 5705.41(D), the Township did not certify certain expenditures prior to commitment and inappropriately utilized certain so called blanket certifications.

**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.

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.

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$9,786	0%

The Ohio Public Works Commission Loan was issued in 1998 to finance the replacement of the culvert on Briarwood Road. The Ohio Public Works Commission Loan is an interest free loan.

Amortization of the above debt is scheduled as follows:

	Ohio Public Works Commission Loan
Year ending December 31:	
2003	\$675
2004	675
2005	675
2006	675
2007	675
Thereafter	6,411
Total	\$9,786

**6. RETIREMENT SYSTEM**

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, OPERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Township has paid all contributions required through December 31, 2002.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

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

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

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**8. CONTINGENT LIABILITIES**

The Township is a defendant in several lawsuits. Although the outcome of these suits is not presently determinable, management believes that the resolution of these matters will not materially, adversely affect the Township's financial condition.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**9. SUBSEQUENT EVENT**

On February 7, 2003, the Summit County Court of Common Pleas (Case No. CV 2002-02-0980) granted the defendant's motion to dismiss Richfield Township's (the "Township") Complaint for declaratory judgment. In its decision, the Court determined "that Richfield Township lacks standing to challenge the action at issue by its citizens. The Township, likewise, lacks the authority to expend funds to oppose any such action by its citizens." (Judgment Order, p.1). At the same time, in a related case, the Summit County Court of Common Pleas (Case No. CV-1999-07-2672), denied the Township's Motion to Vacate and stated, in part, "Thus, the Court finds that the Township lacks standing in this matter and as such, lacks authority to spend township funds to oppose landowners of the township; as a result the Township is not a necessary party to the original action. Thus this Court had jurisdiction to render declaratory judgment." (Judgment Order p. 9).

As a result of these judgments, the separation of the Township from the Village of Richfield will go forward, such that the new township will be formed and the old one will cease to exist. Summit County will apportion the shared assets between the Village of Richfield and the new township, and appoint all officials for the newly-formed township.

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## **Auditor of State Betty Montgomery**

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

Richfield Township  
Summit County  
4410 W. Streetsboro Road  
Richfield, Ohio 44286-0191

To the Board of Trustees:

We have audited the accompanying financial statements of Richfield Township (the Township) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 25, 2003, in which we noted, subsequent to year end, a judgment by the Summit County Court of Common Pleas which will require the current Township to cease to exist. 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.

#### **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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2002-001 and 2002-002.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 25, 2003.

#### **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 operation that we consider to be material weaknesses.

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However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 25, 2003.

This report is intended solely 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 25, 2003

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2002-001**

**Ohio Rev. Code Section 5705.41(D)** states, in part, that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer (Township Clerk) can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority (Board of Trustees) has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$1,000 may be paid by the Township Clerk without such affirmation of the taxing authority upon completion of the "Then and Now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

During our audit we noted:

- 23% of items tested were not certified by the Township Clerk prior to the commitment. None of the exceptions above were utilized for these items.
- For 1 item tested in 2002, the Township utilized a Then and Now Certificate for an expenditure greater than \$1,000, but it was not approved by resolution of the Board.

The Township should certify the availability of funds prior to incurring the obligation for expenditures. The Township should also implement the use of Then and Now Certificates and Blanket Certificates as further permitted by Ohio Rev. Code Section 5705.41(D) to avoid future noncompliance.

**FINDING NUMBER 2002-002**

**Ohio Rev. Code Section 5705.41(D)** also states fiscal officers may prepare so-called "blanket" certificates not exceeding \$5,000 against any specific line item account over a period not exceeding 3 months or running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

In addition to regular blanket certificates, a subdivision's fiscal officer may also issue so-called "super blanket" certificates for any amount for expenditures and contracts from a specific line-item appropriation account in a specified fund for most professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the fiscal year. More than one super blanket certificate may be outstanding at one particular time for a particular line-item appropriation account.

**FINDING NUMBER 2002-002**  
**(Continued)**

During our audit we noted:

- 6 line item appropriation accounts had 2 to 3 blanket certifications outstanding at the same time.
- 31% of items tested revealed that the Blanket Certificate was open for more than three months and/or was for more than \$5,000.

The Clerk should periodically review the Outstanding Purchase Order Report to ensure only one blanket certificate is outstanding per line item at any particular time. During this review, the Clerk should also ensure that open blanket certificates do not exceed \$5,000, do not exceed three months, and do not run beyond the current fiscal period.

**RICHFIELD TOWNSHIP  
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2000-40977-001	Revised Code 5705.41(D), failure to certify funds	No	Not Corrected; see Finding Number 2002-001





**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**RICHFIELD 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  
JUNE 24, 2003**