



**BEARFIELD TOWNSHIP  
PERRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1998-1997**



**JIM PETRO  
AUDITOR OF STATE**

STATE OF OHIO



**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 1998 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 1997 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

**This Page Intentionally Left Blank**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701

Telephone 740-594-3300  
800-441-1389

Facsimile 740-594-2110

## REPORT OF INDEPENDENT ACCOUNTANTS

Bearfield Township  
Perry County  
1795 Township Road 320  
Crooksville, Ohio 43731

To the Board of Trustees:

We have audited the accompanying financial statements of Bearfield Township, Perry County, Ohio (the Township) as of and for the years ended December 31, 1998 and December 31, 1997. 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 described 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 Bearfield Township, Perry County, as of December 31, 1998 and December 31, 1997, and its combined cash receipts and cash 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 February 18, 2000, 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.

This report is intended solely for the information and use of the Township Trustees, management 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.

**Jim Petro**  
Auditor of State

February 18, 2000



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Governmental Fund Types</b>		<b>Total</b>
	<b>General</b>	<b>Special Revenue</b>	<b>(Memorandum Only)</b>
<b>Cash Receipts:</b>			
Local Taxes	\$18,736	\$13,140	\$31,876
Licenses, Permits & Fees	0	7,500	7,500
Intergovernmental	17,634	56,763	74,397
Interest	3,452	653	4,105
Miscellaneous	0	100	100
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	39,822	78,156	117,978
<b>Cash Disbursements:</b>			
General Government	17,465	47,394	64,859
Public Safety	300	5,617	5,917
Public Works	0	20,064	20,064
Health	10,375	0	10,375
Miscellaneous	1,839	7,694	9,533
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	29,979	80,769	110,748
Excess of Cash Receipts Over/(Under) Cash Disbursements	9,843	(2,613)	7,230
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	9,850	33,616	43,466
<b>Fund Cash Balances, December 31</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>\$19,693</b>	<b>\$31,003</b>	<b>\$50,696</b>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>			
Local Taxes	\$11,673	\$11,679	\$23,352
Charges for Services	0	5,012	5,012
Intergovernmental	17,053	57,195	74,248
Interest	1,221	0	1,221
Miscellaneous	0	688	688
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	29,947	74,574	104,521
<b>Cash Disbursements:</b>			
General Government	43,477	0	43,477
Public Safety	300	5,157	5,457
Public Works	0	57,024	57,024
Health	360	0	360
Miscellaneous	0	110	110
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	44,137	62,291	106,428
Excess of Cash Receipts Over/(Under) Cash Disbursements	(14,190)	12,283	(1,907)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	24,040	21,333	45,373
<b>Fund Cash Balances, December 31</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>\$9,850</b>	<b>\$33,616</b>	<b>\$43,466</b>

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



**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1997**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Entity**

Bearfield Township, Perry County, (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 and a publically elected Clerk. The Township provides general governmental services, police services, street lighting, and maintenance of Township roads.

The Township's management believes these financial statements represent 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 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 had only one account and had no investments during our audit period.

**D. 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 - This fund received gasoline tax monies to construct, maintain and repair Township roadways.

Cemetery Fund - This fund received tax monies, donations and fees for the maintenance and upkeep of the Township cemeteries.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998-1997**  
**(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 (i.e., 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. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus beginning of the year fund cash balances. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1998 and 1997 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.

**2. EQUITY IN POOLED CASH**

The Township maintains a cash 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:

	<u>1998</u>	<u>1997</u>	
Demand Deposits	<u>\$50,696</u>	<u>\$43,466</u>	
Total Deposits	<u>\$50,696</u>	<u>\$43,466</u>	

**Deposits:** The Township's deposits are insured by the Federal Deposit Insurance Corporation.

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998-1997  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1998 and December 31, 1997, was as follows:

**1998 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$30,827	\$39,822	\$8,995
Special Revenue	<u>67,050</u>	<u>78,156</u>	<u>11,106</u>
Total	<u>\$97,877</u>	<u>\$117,978</u>	<u>\$20,101</u>

**1998 Budgeted vs. Actual Disbursements**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Disbursements</u>	<u>Variance</u>
General	\$40,677	\$29,979	\$10,698
Special Revenue	<u>100,667</u>	<u>80,769</u>	<u>19,898</u>
Total	<u>\$141,344</u>	<u>\$110,748</u>	<u>\$30,596</u>

**1997 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$27,528	\$29,947	\$2,419
Special Revenue	<u>74,190</u>	<u>74,574</u>	<u>384</u>
Total	<u>\$101,718</u>	<u>\$104,521</u>	<u>\$2,803</u>

**1997 Budgeted vs. Actual Disbursements**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Disbursements</u>	<u>Variance</u>
General	\$51,568	\$44,137	\$7,431
Special Revenue	<u>95,524</u>	<u>62,291</u>	<u>33,233</u>
Total	<u>\$147,092</u>	<u>\$106,428</u>	<u>\$40,664</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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998-1997**  
**(Continued)**

**4. PROPERTY TAX (Continued)**

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. RETIREMENT SYSTEMS**

The Township's employees and officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is 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 1998 and 1997, members of PERS 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, 1998.

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance coverage for the following risks:

- General liability and casualty
- Public officials' liability
- Vehicles
- Property



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701

Telephone 740-594-3300  
800-441-1389

Facsimile 740-594-2110

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

Bearfield Township  
Perry County  
1795 Township Road 320  
Crooksville, Ohio 43731

To The Board of Trustees:

We have audited the accompanying financial statements of Bearfield Township, Perry County, Ohio, (the Township) as of and for the years ended December 31, 1998 and December 31, 1997, and have issued our report thereon dated February 18, 2000. 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, 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*. We also noted a certain immaterial instance of noncompliance that we have reported to the management of the Township in a separate letter dated February 18, 2000.

**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. However, we noted another matter involving the control over financial reporting that does not require inclusion in this report, that we have reported to the management of the Township in a separate letter dated February 18, 2000.

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

**Jim Petro**  
Auditor of State

February 18, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

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

**BEARFIELD TOWNSHIP**

**PERRY 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  
MARCH 21, 2000**