



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 West Second Street,  
Suite 2040  
Dayton, Ohio 45402

Telephone 937-285-6677  
800-443-9274

Facsimile 937-285-6688

## REPORT OF INDEPENDENT ACCOUNTANTS

Moorefield Township  
Clark County  
4820 Bosart Road  
Springfield, Ohio 45503

To the Board of Trustees:

We have audited the accompanying financial statements of Moorefield Township, Clark County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 combined fund cash balances and reserves for encumbrances of the Township as of December 31, 1999 and 1998, 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 March 21, 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 management and 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

March 21, 2000



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Fund</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$60,981	\$816,366	\$221,496	\$0	\$1,098,843
Intergovernmental	187,690	168,670	21,044		377,404
Licenses, Permits, and Fees	3,839				3,839
Fines, Forfeitures, and Penalties	9,680				9,680
Earnings on Investments	65,057	1,386		141	66,584
Other Revenue	43,655	4,098			47,753
<b>Total Cash Receipts</b>	<u>370,902</u>	<u>990,520</u>	<u>242,540</u>	<u>141</u>	<u>1,604,103</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	156,146	163,007			319,153
Public Safety	17,892	260,093			277,985
Public Works	136,687	307,992			444,679
Health	11,012				11,012
Capital Outlay	10,698	317,366	661,627		989,691
<b>Total Cash Disbursements</b>	<u>332,435</u>	<u>1,048,458</u>	<u>661,627</u>	<u>0</u>	<u>2,042,520</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>38,467</u>	<u>(57,938)</u>	<u>(419,087)</u>	<u>141</u>	<u>(438,417)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Sale of Public Debt:					
Sale of Notes			300,000		300,000
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>300,000</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>38,467</u>	<u>(57,938)</u>	<u>(119,087)</u>	<u>141</u>	<u>(138,417)</u>
<b>Fund Cash Balances, January 1</b>	543,369	645,546	207,384	950	1,397,249
Fund Balance Adjustments (Note 3)		783			783
<b>Fund Cash Balances, December 31</b>	<u>\$581,836</u>	<u>\$588,391</u>	<u>\$88,297</u>	<u>\$1,091</u>	<u>\$1,259,615</u>
<b>Reserve for Encumbrances, December 31</b>	<u>\$11,608</u>	<u>\$117,525</u>	<u>\$56,481</u>	<u>\$0</u>	<u>\$185,614</u>

*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 AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Fund</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$53,844	\$731,750	\$207,384	\$0	\$992,978
Intergovernmental	193,604	171,035			364,639
Licenses, Permits, and Fees	2,821				2,821
Fines, Forfeitures, and Penalties	250				250
Earnings on Investments	63,838	1,602			65,440
Other Revenue	72,277	17,421			89,698
<b>Total Cash Receipts</b>	<u>386,634</u>	<u>921,808</u>	<u>207,384</u>	<u>0</u>	<u>1,515,826</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	140,053	156,813			296,866
Public Safety	2,563	264,053			266,616
Public Works	77,044	352,184			429,228
Health	11,971				11,971
Capital Outlay	69,596	166,362			235,958
<b>Total Cash Disbursements</b>	<u>301,227</u>	<u>939,412</u>	<u>0</u>	<u>0</u>	<u>1,240,639</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>85,407</u>	<u>(17,604)</u>	<u>207,384</u>	<u>0</u>	<u>275,187</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Other Sources	528				528
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>528</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>528</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>85,935</u>	<u>(17,604)</u>	<u>207,384</u>	<u>0</u>	<u>275,715</u>
Fund Cash Balances, January 1	457,313	663,093		950	1,121,356
Fund Balance Adjustments (Note 3)	121	57			178
<b>Fund Cash Balances, December 31</b>	<u>\$543,369</u>	<u>\$645,546</u>	<u>\$207,384</u>	<u>\$950</u>	<u>\$1,397,249</u>
Reserve for Encumbrances, December 31	<u>\$334</u>	<u>\$734</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,068</u>

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



**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Moorefield Township, Clark 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 general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Clark County Sheriff to provide police protection 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**

Certificates of deposit, and overnight sweep account are valued at cost.

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:

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

Fire Fund - This fund receives tax monies assessed and levied on general assessed valuation of real and personal property and it utilized for the operation of the fire department.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

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

**D. Fund Accounting (Continued)**

**3. Capital Project Fund**

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 capital project fund:

Capital Fire Improvement Fund - The Township is receiving property tax proceeds from a three year tax levy approved by the voters for the purpose of constructing a new Fire House.

**4. Fiduciary Fund (Trust Fund)**

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 fiduciary fund:

Cemetery Bequest Fund- This fund is a non-expendable trust fund which receives amounts donated which will be maintained in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

**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 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 reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

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

**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:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$427,127	\$936,249
Certificates of deposit	<u>461,148</u>	<u>461,000</u>
Total deposits	<u>888,275</u>	<u>1,397,249</u>
Repurchase Agreement	<u>371,340</u>	<u>0</u>
Total investments	<u>371,340</u>	<u>0</u>
Total deposits and investments	<u><u>\$1,259,615</u></u>	<u><u>\$1,397,249</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:** The Repurchase Agreement represents uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Township's name.

**3. FUND BALANCE ADJUSTMENTS**

In 1998, the Township eliminated several aged, outstanding checks which had been carried as reconciling items for several years. These adjustments resulted in the following fund balance adjustments: General Fund increased by \$121 and the Special Revenue Fund increased by \$57.

In 1999, the Township voided two checks which were written in the previous year due to an error. These adjustments resulted in the following fund balance adjustment: Special Revenue Fund increased by \$783.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$295,845	\$370,902	\$75,057
Special Revenue	999,632	990,520	(9,112)
Capital Projects	537,179	542,540	5,361
Fiduciary	0	141	141
Total	<u>\$1,832,656</u>	<u>\$1,904,103</u>	<u>\$71,447</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$839,992	\$344,043	\$495,949
Special Revenue	1,644,707	1,165,983	478,724
Capital Projects	742,563	718,108	24,455
Fiduciary	0	0	0
Total	<u>\$3,227,262</u>	<u>\$2,228,134</u>	<u>\$999,128</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$276,727	\$387,162	\$110,435
Special Revenue	879,016	921,808	42,792
Capital Projects	207,384	207,384	0
Fiduciary	0	0	0
Total	<u>\$1,363,127</u>	<u>\$1,516,354</u>	<u>\$153,227</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$734,040	\$301,561	\$432,479
Special Revenue	1,542,263	940,146	602,117
Capital Projects	207,384	0	207,384
Fiduciary	0	0	0
Total	<u>\$2,483,687</u>	<u>\$1,241,707</u>	<u>\$1,241,980</u>

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**5. 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.

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.

**6. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Township Building Notes	\$300,000	4.34%

On June 13, 1999, the Township authorized the issuance of \$500,000 Township Building Notes. As of December 31, 1999, the Township had drawn \$300,000 and does not anticipate any future draws. The Township Building Notes were issued to finance the construction of a new Fire House. The notes are backed by the full faith, credit and revenues of the Township. The tax proceeds generated from a voter approved levy for the purpose of constructing the Fire House will be utilized to pay the notes upon maturity.

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

Year ending December 31:	Township Building Notes
2000	\$134,548
2001	132,595
2002	52,170
Total	\$319,313

**7. RETIREMENT SYSTEMS**

All 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 postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**7. RETIREMENT SYSTEMS (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, 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, 1999.

**8. 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. The Township is in an insurance group along with Clark County government.



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 West Second Street,  
Suite 2040  
Dayton, Ohio 45402

Telephone 937-285-6677  
800-443-9274

Facsimile 937-285-6688

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

Moorefield Township  
Clark County  
4820 Bosart Road  
Springfield, Ohio 45503

To the Board of Trustees:

We have audited the accompanying financial statements of Moorefield Township, Clark County, (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 21, 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of finding as item 1999-40312-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 21, 2000.

**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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 21, 2000.

Moorefield Township  
Clark County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended for the information and use of the 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

March 21, 2000



**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 1999-40312-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto 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 encumbrance.

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

Then and Now Certificates: This exception provides that, if the fiscal officer can certify that at both the time that the contract or order was made and at the time the fiscal officer is completing the certification, sufficient funds were available or in the process of collection, to the credit of the proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority 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 fiscal officer 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.

For three of the thirty transactions tested, the date of obligation preceded the date of the fiscal officer's certification. Therefore, the Township was in violation of the above provision, including the exception listed above which indicates the fiscal officer could not properly certify that funds were free from prior encumbrances as is required by the aforementioned section of the Revised Code. The Township should implement procedures to ensure all employees are aware of this requirement and that the certificate is obtain for future purchases.





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

**MOOREFIELD TOWNSHIP**

**CLARK 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  
APRIL 27, 2000**