



**Auditor of State
Betty Montgomery**

SUFFIELD TOWNSHIP
PORTAGE COUNTY

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**Auditor of State
Betty Montgomery**

REPORT OF INDEPENDENT ACCOUNTANTS

Suffield Township
Portage County
2239 Trares Road
Suffield, Ohio 44260

To the Board of Trustees:

We have audited the accompanying financial statements of the Suffield Township (the Township) as of and for the years ended December 31, 2003 and 2002. 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, 2003 and 2002, 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 22, 2004 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.

Suffield Township
Portage County
Report of Independent Accountants
Page 2

This report is intended solely for the information and use of the audit committee, management, the Board 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

June 22, 2004

**SUFFIELD TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$40,638	\$494,884	\$96,334		\$631,856
Intergovernmental	233,199	151,902		49,809	434,910
Charges for Services		20,113			20,113
Licenses, Permits, and Fees	7,531				7,531
Earnings on Investments	4,587	694			5,281
Other Revenue	27,791	21,952			49,743
Total Cash Receipts	<u>313,746</u>	<u>689,545</u>	<u>96,334</u>	<u>49,809</u>	<u>1,149,434</u>
Cash Disbursements:					
Current:					
General Government	191,177				191,177
Public Safety		321,459			321,459
Public Works	30,278	301,114			331,392
Health	4,284				4,284
Debt Service:					
Redemption of Principal			102,447		102,447
Interest and Fiscal Charges			16,101		16,101
Capital Outlay		348,074		49,809	397,883
Total Cash Disbursements	<u>225,739</u>	<u>970,647</u>	<u>118,548</u>	<u>49,809</u>	<u>1,364,743</u>
Total Receipts Over/(Under) Disbursements	<u>88,007</u>	<u>(281,102)</u>	<u>(22,214)</u>		<u>(215,309)</u>
Other Financing Receipts and (Disbursements):					
Proceeds from Sale of Public Debt:					
Sale of Notes		135,000			135,000
Total Other Financing Receipts/(Disbursements)		<u>135,000</u>			<u>135,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	88,007	(146,102)	(22,214)		(80,309)
Fund Cash Balances, January 1	120,315	452,965	36,441		609,721
Fund Cash Balances, December 31	<u>\$208,322</u>	<u>\$306,863</u>	<u>\$14,227</u>	<u>\$0</u>	<u>\$529,412</u>
Reserve for Encumbrances, December 31	<u>\$1,880</u>	<u>\$69,503</u>	<u>\$0</u>	<u>\$0</u>	<u>\$71,383</u>

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

**SUFFIELD TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$39,674	\$552,637	\$36,430		\$628,741
Intergovernmental	98,424	146,094		66,249	310,767
Charges for Services		22,573			22,573
Licenses, Permits, and Fees	6,560				6,560
Earnings on Investments	6,558	1,049			7,607
Other Revenue	48,747	18,096			66,843
Total Cash Receipts	<u>199,963</u>	<u>740,449</u>	<u>36,430</u>	<u>66,249</u>	<u>1,043,091</u>
Cash Disbursements:					
Current:					
General Government	179,259				179,259
Public Safety		296,443			296,443
Public Works	76,776	268,536			345,312
Health	3,060				3,060
Debt Service:					
Redemption of Principal			32,236		32,236
Interest and Fiscal Charges			5,978		5,978
Capital Outlay		166,174		66,249	232,423
Total Cash Disbursements	<u>259,095</u>	<u>731,153</u>	<u>38,214</u>	<u>66,249</u>	<u>1,094,711</u>
Total Receipts Over/(Under) Disbursements	<u>(59,132)</u>	<u>9,296</u>	<u>(1,784)</u>		<u>(51,620)</u>
Other Financing Receipts and (Disbursements):					
Proceeds from Sale of Public Debt:					
Sale of Notes		280,844			280,844
Total Other Financing Receipts/(Disbursements)		<u>280,844</u>			<u>280,844</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(59,132)	290,140	(1,784)		229,224
Fund Cash Balances, January 1	179,447	162,825	38,225		380,497
Fund Cash Balances, December 31	<u>\$120,315</u>	<u>\$452,965</u>	<u>\$36,441</u>	<u>\$0</u>	<u>\$609,721</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$209,312</u>	<u>\$0</u>	<u>\$0</u>	<u>\$209,312</u>

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

**SUFFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Suffield Township, Portage 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, cemetery maintenance, 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 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.

The Township invests in an overnight sweep account (repurchase agreement) at their banking institution which is valued at amounts reported by the bank.

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:

**SUFFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fire District Fund - This fund receives property tax money for the general operation of the fire department.

3. Debt Service Funds

These debt service funds is used to accumulate resources for the payment of note indebtedness. The Township had the following significant Debt Service Funds:

Administrative Building Note - In 1998 the Township received note proceeds for the purchase of an administrative building.

Fire Truck Note - In 2002 the Township received note proceeds for the purchase of a fire truck.

Garage Addition Note - In 2003 the Township received note proceeds for the purpose of constructing an addition to the Road Department's Garage.

4. Capital Project Funds

This fund is 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:

Issue II Fund - The Township received a grant from the State of Ohio to repair roads and culverts.

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 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.

**SUFFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2003 and 2002 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. 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 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>2003</u>	<u>2002</u>
Demand deposits	(\$25,588)	(\$25,279)
Repurchase agreement	555,000	635,000
Total deposits and investments	<u>\$529,412</u>	<u>\$609,721</u>

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

The Township uses a local bank to help manage the Township's investments. Each night the available bank balance over \$25,000 is swept into an overnight investment in United States Treasury Notes. The \$25,000 remaining on deposit is either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool. The negative balances presented above are caused by the investments of available moneys on deposit at the bank which includes checks that have been issued by the Township, but not been presented for payment and an overdraft does not actually exist.

Investments: Investments in the sweep account (Repurchase Agreements) are uninsured and unregistered investments for which the securities are held by the counter party or its trust department or agent but not in the Township's name.

**SUFFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$185,272	\$313,746	\$128,474
Special Revenue	669,292	824,545	155,253
Debt Service	96,334	96,334	0
Capital Projects	61,200	49,809	(11,391)
Total	<u>\$1,012,098</u>	<u>\$1,284,434</u>	<u>\$272,336</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$298,000	\$227,619	\$70,381
Special Revenue	1,223,312	1,040,150	183,162
Debt Service	132,774	118,548	14,226
Capital Projects	61,200	49,809	11,391
Total	<u>\$1,715,286</u>	<u>\$1,436,126</u>	<u>\$279,160</u>

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$179,121	\$199,963	\$20,842
Special Revenue	709,783	1,021,293	311,510
Debt Service	36,430	36,430	0
Capital Projects	66,249	66,249	0
Total	<u>\$991,583</u>	<u>\$1,323,935</u>	<u>\$332,352</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$343,315	\$259,095	\$84,220
Special Revenue	1,096,844	940,465	156,379
Debt Service	74,650	38,214	36,436
Capital Projects	66,249	66,249	0
Total	<u>\$1,581,058</u>	<u>\$1,304,023</u>	<u>\$277,035</u>

**SUFFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding 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.

5. DEBT

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Administration Building Note	\$47,224	5.10%
Fire Truck Note	210,633	4.24%
Road Garage Addition Note	135,000	3.74%
	<u>\$392,857</u>	

During 2002 the Township issued a four year promissory note for the purchase of a Fire Truck to be used by the Fire Department. The note is collateralized solely by the Township taxing authority.

In 2003 the Township issued a four year road garage addition promissory note for the expansion of the Township Road Garage building. The note is collateralized solely by the Township taxing authority.

The administration building notes were issued to finance the purchase of an administration building. The notes are collateralized solely by the Township's taxing authority.

**SUFFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

5. DEBT (Continued)

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

	Fire Truck Note	Administration Building Notes	Garage Addition Note
Year ending December 31:			
2004	\$79,142	\$14,214	\$38,799
2005	76,165	13,612	37,537
2006	73,188	13,010	36,374
2007		12,408	35,012
Total	<u>\$228,495</u>	<u>\$53,244</u>	<u>\$147,722</u>

6. RETIREMENT SYSTEMS

The Township's 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002 PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participant's gross salaries for 2003 and 2002. The Township has paid all contributions required through December 31, 2003.

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 to full-time employees through a private carrier.



**Auditor of State
Betty Montgomery**

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

Suffield Township
Portage County
2239 Trares Road
Suffield, Ohio 44260

To the Board of Trustees:

We have audited the accompanying financial statements of the Suffield Township (the Township) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 22, 2004. 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 the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Suffield Township
Portage County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely 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.

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

Betty Montgomery
Auditor of State

June 22, 2004



**Auditor of State
Betty Montgomery**

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SUFFIELD TOWNSHIP

PORTAGE 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
SEPTEMBER 14, 2004**