



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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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, (the Township) as of and for the years ended December 31, 2001 and 2000. 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.

Except as discussed in the following paragraph, 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.

Charges for services reported in the Special Revenue Fund Type for the year ended December 31, 2001 were processed by a service organization that is independent of the Township. The service organization did not provide us with information we requested regarding the design or proper operation of its internal control relative to processing the Township's charges for services transactions. We were unable to perform procedures to satisfy ourselves as to the proper processing of ambulance billings recorded as charges for services. Those charges for services represent 6.85% of the receipts for the Special Revenue Fund Type.

In our opinion, except for the effects of such adjustments, if any as might have been determined to be necessary had we been able to examine certain information regarding charges for services, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Moorefield Township, Clark County as of December 31, 2001 and 2000, 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 May 8, 2002 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 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

May 8, 2002

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$63,598	\$1,142,950		\$1,206,548
Intergovernmental	434,615	206,234		640,849
Charges for Services		116,004		116,004
Licenses, Permits, and Fees	4,358			4,358
Fines, Forfeitures, and Penalties	12,486			12,486
Earnings on Investments	47,227	14,134		61,361
Other Revenue	87,217	13,827		101,044
	<u>649,501</u>	<u>1,493,149</u>		<u>2,142,650</u>
Cash Disbursements:				
Current:				
General Government	151,873			151,873
Public Safety	45,441	386,467		431,908
Public Works	116,374	369,442		485,816
Health	6,286	170,832		177,118
Debt Service:				
Redemption of Principal	72,081		\$102,919	175,000
Interest and Fiscal Charges	1,669		2,402	4,071
Capital Outlay	169,741	511,367		681,108
	<u>563,465</u>	<u>1,438,108</u>	<u>105,321</u>	<u>2,106,894</u>
Total Receipts Over/(Under) Disbursements	<u>86,036</u>	<u>55,041</u>	<u>(105,321)</u>	<u>35,756</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sale of Public Debt		200,000		200,000
		<u>200,000</u>		<u>200,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	86,036	255,041	(105,321)	235,756
Fund Cash Balances, January 1	<u>822,671</u>	<u>483,879</u>	<u>105,321</u>	<u>1,411,871</u>
Fund Cash Balances, December 31	<u>\$908,707</u>	<u>\$738,920</u>	<u>\$0</u>	<u>\$1,647,627</u>
Reserve for Encumbrances, December 31	<u>\$26,460</u>	<u>\$0</u>	<u>\$0</u>	<u>\$26,460</u>

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

MOOREFIELD TOWNSHIP
CLARK COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Fiduciary Fund Types</u>
	<u>Nonexpendable Trust</u>
Non-Operating Cash Receipts:	
Earnings on Investments	\$60
Fund Cash Balances, January 1	1,131
Fund Cash Balances, December 31	<u>\$1,191</u>
Reserves for Encumbrances, December 31	<u>\$0</u>

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

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$60,872	\$839,378	\$221,218	\$1,121,468
Intergovernmental	315,075	172,168	21,635	508,878
Licenses, Permits, and Fees	4,183			4,183
Fines, Forfeitures, and Penalties	10,363			10,363
Earnings on Investments	68,455	15,413		83,868
Other Revenue	116,901	26,928	1,264	145,093
	<u>575,849</u>	<u>1,053,887</u>	<u>244,117</u>	<u>1,873,853</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	175,561			175,561
Public Safety	34,356	308,010		342,366
Public Works	67,365	407,291		474,656
Health	20,532	163,219		183,751
Debt Service:				
Redemption of Principal		60,229	64,771	125,000
Interest and Fiscal Charges		9,201		9,201
Capital Outlay	41,998	202,715	162,322	407,035
	<u>339,812</u>	<u>1,150,665</u>	<u>227,093</u>	<u>1,717,570</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>236,037</u>	<u>(96,778)</u>	<u>17,024</u>	<u>156,283</u>
Fund Cash Balances, January 1	<u>586,634</u>	<u>580,657</u>	<u>88,297</u>	<u>1,255,588</u>
Fund Cash Balances, December 31	<u>\$822,671</u>	<u>\$483,879</u>	<u>\$105,321</u>	<u>\$1,411,871</u>
Reserve for Encumbrances, December 31	<u>\$11,356</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11,356</u>

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

MOOREFIELD TOWNSHIP
CLARK COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Fiduciary Fund Types</u>
	<u>Nonexpendable Trust</u>
Non-Operating Cash Receipts:	
Earnings on Investments	\$40
Fund Cash Balances, January 1	1,091
Fund Cash Balances, December 31	<u>\$1,131</u>
Reserves for Encumbrances, December 31	<u>\$0</u>

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

MOOREFIELD TOWNSHIP
Clark COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

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, 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 included in 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.

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 gasoline tax money to construct, maintain and repair Township roads.

MOOREFIELD TOWNSHIP
Clark COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Capital Projects 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 significant capital projects fund in 2000:

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

4. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant 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.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

MOOREFIELD TOWNSHIP
Clark COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and 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:

	2001	2000
Demand deposits	\$570,269	\$548,741
Certificates of Deposit	461,254	461,191
Total deposits	1,031,523	1,009,932
Repurchase Agreement - Investment	617,295	403,070
Total deposits and investments	\$1,648,818	\$1,413,002

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or 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. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$340,098	\$649,501	\$309,403
Special Revenue	1,603,252	1,693,149	89,897
Fiduciary	0	60	60
Total	\$1,943,350	\$2,342,710	\$399,360

MOOREFIELD TOWNSHIP
Clark COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,144,604	\$589,925	\$554,679
Special Revenue	1,877,447	1,438,108	439,339
Capital Project	105,321	105,321	0
Fiduciary	1,131	0	1,131
Total	<u>\$3,128,503</u>	<u>\$2,133,354</u>	<u>\$995,149</u>

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$289,231	\$575,849	\$286,618
Special Revenue	1,131,287	1,053,887	(77,400)
Capital Projects	248,780	244,117	(4,663)
Fiduciary	0	40	40
Total	<u>\$1,669,298</u>	<u>\$1,873,893</u>	<u>\$204,595</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$857,732	\$351,168	\$506,564
Special Revenue	1,471,331	1,150,665	320,666
Capital Projects	272,590	227,093	45,497
Fiduciary	1,091	0	1,091
Total	<u>\$2,602,744</u>	<u>\$1,728,926</u>	<u>\$873,818</u>

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 payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township. Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

MOOREFIELD TOWNSHIP
Clark COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Fire Fighting Equipment Notes	200,000	4.00%
Total	\$200,000	

The Notes were obtained to finance the construction of a new Fire House and to purchase a new fire truck. 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	Fire Fighting Equipment Notes
2002	\$107,123
2003	104,000
Total	\$211,123

6. RETIREMENT SYSTEM

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. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

7. 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.

**MOOREFIELD TOWNSHIP
Clark COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

8. SUBSEQUENT EVENTS

On April 24, 2002, the Township accepted a bid for the purchase of fire equipment in the amount of \$56,700.



STATE OF OHIO
OFFICE OF THE AUDITOR

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

Moorefield Township
Clark County
4820 Bosart Road
Springfield, OH 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, 2001 and 2000, and have issued our report thereon dated May 8, 2002, which was qualified for the year ended December 31, 2001 since certain information relating to Special Revenue Fund Type Charges for Services receipts was not available to be audited. Except for this matter, 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 8, 2002.

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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control financial reporting that, in our judgement, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2001-40312-001.

**Internal Control Over Financial Reporting
(Continued)**

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above as item 2001-40312-001 to be a material weakness. We also 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 May 8, 2002.

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.



Jim Petro
Auditor of State

May 8, 2002

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF FINDING
DECEMBER 31, 2001 AND 2000**

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

FINDING NUMBER 2001-40312-001

Emergency Medical Services Billings and Service Organization

The Township delegated emergency medical services (EMS) billing and collection services to a third-party administrator. The Fire Department prepared individual EMS run forms which were submitted to the service organization for billing and collection. Payments were received by the Township Clerk and posted to the general ledger. However, the Township did not perform any reconciliation or monitoring of the amounts received versus the amounts submitted to be billed and collected. Additionally, the Township did not establish procedures to determine whether the service organization had sufficient controls in place and operating effectively to reduce the risk that these services have not been completely and accurately processed in accordance with the Township's contract.

The Township should develop and implement procedures to monitor the service organization's processing of the Township's EMS accounts for reasonableness. This procedure should provide assurance over the completeness and accuracy of billing and should reduce the risk of errors or omissions by the service organization. This may be accomplished by an annual audit of the service provider processing. Statement on Auditing Standards (SAS) No. 70 as amended, prescribes standards for reporting on the processing (i.e. control design and operation) of transactions by service organizations. An unqualified Tier II "Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" in accordance with SAS No. 70, should provide the Township with an appropriate level of assurance that EMS billings are being processed in conformance with the contract. The Township should consider specifying in their next contract with the third-party administrator that an annual Tier II SAS #70 audit report be performed and conducted in accordance with American institute of Certified Public Accountants' (AICPA) standards by a firm registered and considered in "good standing" with the Accountancy Board of the respective state. The Township should be provided a copy of the SAS 70 report timely and should review the report's content. If the third-party administrator refuses to provide a Tier II SAS 70 report, we recommend that the Township only contract with a third-party administrator that will provide such a report.

**MOOREFIELD TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END**

Finding Number	Finding Summary	Fully Corrected ?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-40312-001	ORC 5705.41(D), certification of availability of funds prior to purchase comittment.	Yes	N/A



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
JUNE 11, 2002**