

**FAIRFIELD TOWNSHIP  
MADISON COUNTY  
REGULAR AUDIT  
JANUARY 1, 1999 - DECEMBER 31, 2000**

*Whited Seigneur Sams & Rabe*

CERTIFIED PUBLIC ACCOUNTANTS  
213 South Paint Street  
Chillicothe, Ohio 45601-3828  
(740) 702-2600 – Voice (740) 702-2610 – Fax





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

---

**JIM PETRO, AUDITOR OF STATE**

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-728-7398

Board of Trustees  
Fairfield Township  
Madison County  
9100 Big Plain - Circleville Road  
London, OH 43140

We have reviewed the Independent Auditor's Report of Fairfield Township, Madison County, prepared by Whited Seigneur Sams & Rahe, CPAs, for the audit period January 1, 1999 to December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Fairfield Township is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

May 29, 2001

**This Page is Intentionally Left Blank.**

**FAIRFIELD TOWNSHIP  
MADISON COUNTY, OHIO  
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000**

**TABLE OF CONTENTS**

	<b>PAGES</b>
Report of Independent Auditor	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - Cash Basis - For the Year Ended December 31, 2000	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - Cash Basis - For the Year Ended December 31, 1999	2
Notes to the Financial Statements	3-6
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7-8

**This Page is Intentionally Left Blank.**

# Whited Seigneur Sams & Rahe

CERTIFIED PUBLIC ACCOUNTANTS

Jerry B. Whited, CPA  
Donald R. Seigneur, CPA



John R. Sams, CPA  
Barry L. Rahe, CPA

213 South Paint Street  
Chillicothe, Ohio 45601  
(740) 702-2600 – Voice (740) 702-2610 – Fax

---

May 14, 2001

Board of Trustees  
Fairfield Township  
Madison County  
9100 Big Plain – Circleville Road  
London, Ohio 43140

## Report of Independent Auditor

We have audited the accompanying financial statements of Fairfield Township, Madison County, Ohio (the Township) as of and for the years ended December 31, 2000 and 1999. 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 audits.

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. Those standards require that we plan and perform the audits 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 audits provide 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 of Fairfield Township, Madison County, Ohio, as of December 31, 2000 and 1999, 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 a report dated May 14, 2001 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 audits performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of the 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.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE, CPAs



**FAIRFIELD TOWNSHIP  
MADISON COUNTY, OHIO  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES - CASH BASIS -  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General</u>	<u>Special Revenue</u>	<u>Memorandum Only Total</u>
<b><u>CASH RECEIPTS:</u></b>			
Taxes	\$ 29,982	\$ 70,077	\$100,059
Licenses, Permits and Fees	0	1,322	1,322
Intergovernmental Receipts	47,539	61,018	108,557
Interest	8,437	6,542	14,979
Other Revenue	<u>2,472</u>	<u>3,997</u>	<u>6,469</u>
 TOTAL CASH RECEIPTS	 88,430	 142,956	 231,386
<b><u>CASH DISBURSEMENTS:</u></b>			
General Government	52,561	0	52,561
Public Safety	0	103,302	103,302
Public Works	127	38,199	38,326
Health	6,916	4,620	11,536
Capital Outlay	<u>6,319</u>	<u>11,921</u>	<u>18,240</u>
 TOTAL CASH DISBURSEMENTS	 <u>65,923</u>	 <u>158,042</u>	 <u>223,965</u>
 TOTAL CASH RECEIPTS OVER / (UNDER) CASH DISBURSEMENTS	 22,507	 (15,086)	 7,421
<b><u>OTHER FINANCING SOURCES:</u></b>			
Other Financing Sources	<u>1,868</u>	<u>1,150</u>	<u>3,018</u>
 TOTAL OTHER FINANCING SOURCES	 <u>1,868</u>	 <u>1,150</u>	 <u>3,018</u>
 EXCESS OF CASH RECEIPTS AND OTHER FINANCING SOURCES OVER/(UNDER) CASH DISBURSEMENTS	 24,375	 (13,936)	 10,439
 Fund cash balances, January 1, 2000	 <u>34,788</u>	 <u>290,337</u>	 <u>325,125</u>
 Fund cash balances, December 31, 2000	 <u>\$ 59,163</u>	 <u>\$276,401</u>	 <u>\$335,564</u>

**FAIRFIELD TOWNSHIP  
MADISON COUNTY, OHIO  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES - CASH BASIS -  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General</u>	<u>Special Revenue</u>	Memorandum <u>Only</u> <u>Total</u>
<b><u>CASH RECEIPTS:</u></b>			
Taxes	\$ 25,912	\$ 71,832	\$ 97,744
Licenses, Permits and Fees	0	1,302	1,302
Intergovernmental Receipts	30,986	70,150	101,136
Interest	12,328	0	12,328
Other Revenue	<u>2,309</u>	<u>0</u>	<u>2,309</u>
 TOTAL CASH RECEIPTS	 71,535	 143,284	 214,819
<b><u>CASH DISBURSEMENTS:</u></b>			
General Government	40,885	848	41,733
Public Safety	0	99,310	99,310
Public Works	128	51,254	51,382
Health	3,239	800	4,039
Capital Outlay	<u>191,711</u>	<u>0</u>	<u>191,711</u>
 TOTAL CASH DISBURSEMENTS	 <u>235,963</u>	 <u>152,212</u>	 <u>388,175</u>
 TOTAL CASH RECEIPTS OVER / (UNDER) CASH DISBURSEMENTS	 (164,428)	 (8,928)	 (173,356)
<b><u>OTHER FINANCING SOURCES:</u></b>			
Other Financing Sources	<u>23,914</u>	<u>1,500</u>	<u>25,414</u>
 TOTAL OTHER FINANCING SOURCES	 <u>23,914</u>	 <u>1,500</u>	 <u>25,414</u>
 EXCESS OF CASH RECEIPTS AND OTHER FINANCING SOURCES OVER/(UNDER) CASH DISBURSEMENTS	 (140,514)	 (7,428)	 (147,942)
 Fund cash balances, January 1, 1999	 <u>175,302</u>	 <u>297,765</u>	 <u>473,067</u>
 Fund cash balances, December 31, 1999	 <u>\$ 34,788</u>	 <u>\$290,337</u>	 <u>\$325,125</u>

**FAIRFIELD TOWNSHIP  
MADISON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- a) Description of the Entity - Fairfield Township, Madison 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 maintenance and repairs, emergency fire services, and cemetery operations.

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 - Demand deposits are valued at cost.
- 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 Fund:

Gasoline Tax - This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

Fire - This fund receives monies from property taxes for providing emergency fire services.

- e) Budgetary Process - The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

**FAIRFIELD TOWNSHIP  
MADISON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Estimated Resources - Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

Encumbrances - The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Fairfield Township does not encumber when commitments are made.

A summary of 2000 and 1999 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.

**NOTE 2 - EQUITY IN POOLED CASH**

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$335,564	\$325,125

Deposits - Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool, or (3) collateralized by securities specifically pledged by the financial institution to the Township.

**NOTE 3 - BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 were as follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 72,798	\$ 90,298	\$ 17,500
Special Revenue	135,369	144,106	8,737
TOTAL	<u>\$208,167</u>	<u>\$234,404</u>	<u>\$ 26,237</u>

**FAIRFIELD TOWNSHIP  
MADISON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**NOTE 3 - BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$116,100	\$ 65,923	\$ 50,177
Special Revenue	<u>415,000</u>	<u>158,042</u>	<u>256,958</u>
TOTAL	<u>\$531,100</u>	<u>\$223,965</u>	<u>\$307,135</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 35,000	\$ 95,449	\$ 60,449
Special Revenue	<u>137,900</u>	<u>144,784</u>	<u>6,884</u>
TOTAL	<u>\$172,900</u>	<u>\$240,233</u>	<u>\$ 67,333</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$267,775	\$235,963	\$ 31,812
Special Revenue	<u>191,799</u>	<u>152,212</u>	<u>39,587</u>
TOTAL	<u>\$459,574</u>	<u>\$388,175</u>	<u>\$ 71,399</u>

**NOTE 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.

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.

**FAIRFIELD TOWNSHIP  
MADISON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**NOTE 5 - RETIREMENT SYSTEMS**

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 post-retirement 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries, except for pay periods from July 1, 2000 through December 31, 2000 in which the Township contributed 8.13025% of the participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**NOTE 6 - RISK MANAGEMENT**

The Township has obtained insurance from a private carrier for the following risks:

- Comprehensive property and general liability
- Automobile
- Inland Marine

The Township also provides health insurance coverage to the elected officials through private carriers.

# Whited Seigneur Sams & Rahe

CERTIFIED PUBLIC ACCOUNTANTS

Jerry B. Whited, CPA  
Donald R. Seigneur, CPA



John R. Sams, CPA  
Barry L. Rahe, CPA

213 South Paint Street  
Chillicothe, Ohio 45601  
(740) 702-2600 – Voice (740) 702-2610 – Fax

---

May 14, 2001

Board of Trustees  
Fairfield Township  
Madison County  
9100 Big Plain – Circleville Road  
London, Ohio 43140

## **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

We have audited the accompanying financial statements of Fairfield Township, Madison County, Ohio (the Township) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated May 14, 2001. 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 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 immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 14 2001.

### **Internal Control Over Financial Reporting**

In planning and performing our audits, 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 matters involving the internal control over financial reporting that we have reported to management of the Township in a separate letter dated May 14, 2001.

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

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE, CPAs





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

**FARIFIELD TOWNSHIP**

**MADISON 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 5, 2001**