



**Auditor of State
Betty Montgomery**

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



Auditor of State
Betty Montgomery

35 North Fourth Street
Second Floor
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

INDEPENDENT ACCOUNTANTS' REPORT

Prairie Township
Franklin County
23 Maple Drive
Columbus, Ohio 43228

To the Board of Trustees:

We have audited the accompanying financial statements of Prairie Township, Franklin County, Ohio (the Township) as of and for the years ended December 31, 2002 and December 31, 2001. 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 described in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2002 and December 31, 2001, 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 January 30, 2003 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 the management, 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.

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

BETTY MONTGOMERY
Auditor of State

January 30, 2003

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

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

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$139,659	\$2,587,188	\$0	\$0	\$2,726,847
Intergovernmental	1,093,552	366,953	335,648	0	1,796,153
Special Assessments	0	81,117	0	0	81,117
Charges for Services	0	40,182	0	0	40,182
Licenses, Permits, and Fees	18,270	33,601	0	0	51,871
Fines, Forfeitures, and Penalties	24,440	0	0	0	24,440
Earnings on Investments	200,877	5,800	0	19	206,696
Other Revenue	110,528	183,958	0	500	294,986
Total Cash Receipts	1,587,326	3,298,799	335,648	519	5,222,292
Cash Disbursements:					
Current:					
General Government	772,090	0	0	0	772,090
Public Safety	299,062	2,444,683	0	0	2,743,745
Public Works	751,614	394,516	0	0	1,146,130
Health	47,395	60,511	0	50	107,956
Conservation - Recreation	430	0	0	0	430
Miscellaneous	0	0	0	517	517
Capital Outlay	254,655	257,197	427,882	0	939,734
Total Cash Disbursements	2,125,246	3,156,907	427,882	567	5,710,602
Total Receipts Over/(Under) Disbursements	(537,920)	141,892	(92,234)	(48)	(488,310)
Other Financing Receipts and (Disbursements):					
Transfers-In	0	0	92,234	0	92,234
Transfers-Out	(92,234)	0	0	0	(92,234)
Other Sources	26,514	0	0	0	26,514
Total Other Financing Receipts/(Disbursements)	(65,720)	0	92,234	0	26,514
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(603,640)	141,892	0	(48)	(461,796)
Fund Cash Balances, January 1	9,245,831	1,485,439	0	2,848	10,734,118
Fund Cash Balances, December 31	\$8,642,191	\$1,627,331	\$0	\$2,800	\$10,272,322
Reserve for Encumbrances, December 31	\$251,845	\$169,508	\$189,108	\$0	\$610,461

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

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$164,176	\$2,724,352	\$0	\$2,888,528
Intergovernmental	1,100,082	416,396	0	1,516,478
Special Assessments	0	82,475	0	82,475
Licenses, Permits, and Fees	20,410	41,928	0	62,338
Fines, Forfeitures, and Penalties	23,789	0	0	23,789
Earnings on Investments	476,807	9,293	35	486,135
Other Revenue	99,166	66,213	1,000	166,379
	<u>1,884,430</u>	<u>3,340,657</u>	<u>1,035</u>	<u>5,226,122</u>
Total Cash Receipts				
	<u>1,884,430</u>	<u>3,340,657</u>	<u>1,035</u>	<u>5,226,122</u>
Cash Disbursements:				
Current:				
General Government	631,978	0	0	631,978
Public Safety	240,220	2,261,431	0	2,501,651
Public Works	1,281,643	511,006	0	1,792,649
Health	51,676	60,988	150	112,814
Conservation - Recreation	17,652	0	0	17,652
Miscellaneous	0	0	529	529
Capital Outlay	12,998	76,440	0	89,438
	<u>2,236,167</u>	<u>2,909,865</u>	<u>679</u>	<u>5,146,711</u>
Total Cash Disbursements				
	<u>2,236,167</u>	<u>2,909,865</u>	<u>679</u>	<u>5,146,711</u>
Total Receipts Over/(Under) Disbursements	<u>(351,737)</u>	<u>430,792</u>	<u>356</u>	<u>79,411</u>
Other Financing Receipts and (Disbursements):				
Other Sources	55,520	0	0	55,520
	<u>55,520</u>	<u>0</u>	<u>0</u>	<u>55,520</u>
Total Other Financing Receipts/(Disbursements)				
	<u>55,520</u>	<u>0</u>	<u>0</u>	<u>55,520</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(296,217)	430,792	356	134,931
Fund Cash Balances, January 1	9,542,048	1,054,647	2,492	10,599,187
Fund Cash Balances, December 31	<u><u>\$9,245,831</u></u>	<u><u>\$1,485,439</u></u>	<u><u>\$2,848</u></u>	<u><u>\$10,734,118</u></u>
Reserve for Encumbrances, December 31	<u>\$80,727</u>	<u>\$102,952</u>	<u>\$0</u>	<u>\$183,679</u>

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

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Prairie Township, Franklin County, Ohio (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, park operations (leisure time activities), fire protection, and emergency medical services. The Township contracts with the Franklin County Sheriff's Department to provide security of persons and property.

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.

Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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:

Fire Fund – This fund receives real estate and personal property taxes to provide for fire services and operations.

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Funds

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 project funds:

Hilton Avenue Road Fund – This fund receives money from Ohio Public Works. The proceeds are used for the replacement of road and curbs on Hilton Avenue.

4. Fiduciary Funds (Trust and Agency Funds)

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 significant fiduciary funds:

Cemetery Bequest Fund (Geyer) – This an expendable trust fund in which investment earnings are used for purchasing flowers to be put on graves in Alton Cemetery.

Permits Fund – This fund receives road cut deposits to be held until the completion of a project. After the project is completed to specifications, the money is refunded to the contractor.

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 2002 and 2001 budgetary activity appears in Note 3.

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Accumulated 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:

	2002	2001
Demand deposits	\$2,584,286	\$3,187,652
Total deposits	2,584,286	3,187,652
STAR Ohio	7,688,036	7,546,466
Total investments	7,688,036	7,546,466
Total deposits and investments	\$10,272,322	\$10,734,118

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

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,700,600	\$1,613,840	(\$86,760)
Special Revenue	3,295,191	3,298,799	3,608
Capital Projects	0	427,882	427,882
Fiduciary	1,043	519	(524)
Total	\$4,996,834	\$5,341,040	\$344,206

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,934,798	\$2,469,325	\$465,473
Special Revenue	3,936,239	3,326,415	609,824
Capital Projects	616,990	616,990	0
Fiduciary	20,758	567	20,191
Total	<u>\$7,508,785</u>	<u>\$6,413,297</u>	<u>\$1,095,488</u>

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,739,061	\$1,939,950	\$200,889
Special Revenue	3,275,195	3,340,657	65,462
Fiduciary	1,062	1,035	(27)
Total	<u>\$5,015,318</u>	<u>\$5,281,642</u>	<u>\$266,324</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,241,364	\$2,316,894	\$924,470
Special Revenue	3,623,359	3,012,817	610,542
Capital Projects	616,990	0	616,990
Fiduciary	1,295	679	616
Total	<u>\$7,483,008</u>	<u>\$5,330,390</u>	<u>\$2,152,618</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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.

**PRAIRIE TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members 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, 2002.

6. 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 and dental and vision coverage to full-time employees through a private carrier.

This page intentionally left blank.



Auditor of State
Betty Montgomery

35 North Fourth Street
Second Floor
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

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

Prairie Township
Franklin County
23 Maple Drive
Columbus, Ohio 43228
To the Board of Trustees:

We have audited the accompanying financial statements of Prairie Township, Franklin County, Ohio (the Township) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated January 30, 2003. 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 a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated January 30, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated January 30, 2003.

Prairie Township
Franklin County
Independent Accountants' Report 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 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

January 30, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

PRAIRIE TOWNSHIP

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 13, 2003**