



**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1998 - 1997**



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

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying financial statements of Prairie Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 1998 and December 31, 1997. 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 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 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 and reserves for encumbrances of Prairie Township, Franklin County, Ohio, as of December 31, 1998 and December 31, 1997, 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 August 6, 1999 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 Board of Trustees, management and other 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.

**JIM PETRO**  
Auditor of State

August 6, 1999

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Fund</u>	<u>(Memorandum Only) Total</u>
<b>Cash Receipts:</b>						
Local Taxes	\$154,384	\$2,001,344	\$82,095	\$0	\$0	\$2,237,823
Intergovernmental	2,777,136	333,178	0	284,867	0	3,395,182
Special Assessments	0	97,687	0	0	0	97,687
Licenses, Permits and Fees	14,354	27,591	0	0	0	41,945
Fines, Forfeitures, and Penalties	20,033	0	0	0	0	20,033
Earnings on Investments	424,289	7,926	0	0	71	432,286
Other Revenue	77,061	62,085	0	0	18,892	158,038
<b>Total Cash Receipts</b>	<u>3,467,257</u>	<u>2,529,811</u>	<u>82,095</u>	<u>284,867</u>	<u>18,963</u>	<u>6,382,994</u>
<b>Cash Disbursements:</b>						
Current:						
General Government	488,710	0	0	0	45	488,755
Public Safety	203,433	2,017,326	0	0	0	2,220,759
Public Works	313,062	407,066	0	0	0	720,128
Health	40,547	28,787	0	0	250	69,585
Conservation - Recreation	33,866	0	0	0	0	33,866
Miscellaneous	0	0	0	0	500	500
Debt Service:						
Redemption of Principal	0	0	75,000	0	0	75,000
Interest and Fiscal Charges	0	0	7,095	0	0	7,095
Capital Outlay	30,431	409,650	0	378,586	0	818,667
<b>Total Cash Disbursements</b>	<u>1,110,048</u>	<u>2,862,830</u>	<u>82,095</u>	<u>378,586</u>	<u>795</u>	<u>4,434,354</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>2,357,209</u>	<u>(333,018)</u>	<u>0</u>	<u>(93,719)</u>	<u>18,168</u>	<u>1,948,640</u>
<b>Other Financing Receipts/(Disbursements):</b>						
Transfers-In	0	262,647	0	106,477	0	369,123
Advances-In	5,000	5,000	0	0	0	10,000
Transfers-Out	(369,123)	0	0	0	0	(369,123)
Advances-Out	(5,000)	(5,000)	0	0	0	(10,000)
Other Sources	70,269	0	0	0	0	70,269
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(298,855)</u>	<u>262,647</u>	<u>0</u>	<u>106,477</u>	<u>0</u>	<u>70,269</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>2,058,354</u>	<u>(70,372)</u>	<u>0</u>	<u>12,758</u>	<u>18,168</u>	<u>2,018,908</u>
<b>Fund Cash Balances, January 1, 1998</b>	<u>5,750,543</u>	<u>719,363</u>	<u>0</u>	<u>0</u>	<u>(212)</u>	<u>6,469,694</u>
<b>Fund Cash Balances, December 31, 1998</b>	<u><b>\$7,808,897</b></u>	<u><b>\$648,991</b></u>	<u><b>\$0</b></u>	<u><b>\$12,758</b></u>	<u><b>\$17,956</b></u>	<u><b>\$8,488,602</b></u>
<b>Reserve for Encumbrances, December 31, 1998</b>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$207,225</b></u>	<u><b>\$0</b></u>	<u><b>\$207,225</b></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 FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1997**

							(Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Special Assessment	Fiduciary Funds	Total
<b>Cash Receipts:</b>							
Local Taxes	\$157,791	\$1,750,693	\$87,416	\$0	\$16,212	\$0	\$2,012,112
Intergovernmental	1,400,174	268,782	0	279,494	0	0	1,948,449
Special Assessments	0	0	0	0	96,320	0	96,320
Licenses, Permits and Fees	12,639	18,406	0	0	0	0	31,045
Fines, Forfeitures, and Penalties	25,252	0	0	0	0	0	25,252
Earnings on Investments	346,539	6,364	0	0	0	92	352,995
Other Revenue	55,728	60,431	0	0	0	1,200	117,359
<b>Total Cash Receipts</b>	<b>1,998,123</b>	<b>2,104,676</b>	<b>87,416</b>	<b>279,494</b>	<b>112,532</b>	<b>1,292</b>	<b>4,583,533</b>
<b>Cash Disbursements:</b>							
Current:							
General Government	877,457	0	0	0	0	0	877,457
Public Safety	192,307	1,976,096	0	0	0	0	2,168,404
Public Works	639	382,653	0	0	78,387	0	461,679
Health	38,298	26,093	0	0	0	0	64,391
Conservation - Recreation	25,175	71,426	0	0	0	0	96,601
Miscellaneous	0	0	0	0	11,503	305	11,808
Debt Service:							
Redemption of Principal	0	0	75,000	0	0	0	75,000
Interest and Fiscal Charges	0	0	12,416	0	0	0	12,416
Capital Outlay	187,683	94,492	0	332,984	0	0	615,160
<b>Total Cash Disbursements</b>	<b>1,321,560</b>	<b>2,550,761</b>	<b>87,416</b>	<b>332,984</b>	<b>89,891</b>	<b>305</b>	<b>4,382,916</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>676,563</b>	<b>(446,085)</b>	<b>0</b>	<b>(53,490)</b>	<b>22,642</b>	<b>988</b>	<b>200,617</b>
<b>Other Financing Receipts/(Disbursements):</b>							
Transfers-in	0	527,182	0	50,534	0	0	577,716
Advances-in	1,349	0	0	0	1,349	0	2,699
Transfers-out	(577,716)	0	0	0	0	0	(577,716)
Advances-out	(1,349)	0	0	0	(1,349)	0	(2,699)
Other sources	6,447	28,500	0	0	0	0	34,947
Other uses	0	0	0	0	0	(8,350)	(8,350)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(571,269)</b>	<b>555,682</b>	<b>0</b>	<b>50,534</b>	<b>0</b>	<b>(8,350)</b>	<b>26,597</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>105,294</b>	<b>109,596</b>	<b>0</b>	<b>(2,956)</b>	<b>22,642</b>	<b>(7,362)</b>	<b>227,215</b>
<b>Fund Cash Balances, January 1, 1997</b>	<b>5,645,249</b>	<b>460,280</b>	<b>0</b>	<b>2,956</b>	<b>122,136</b>	<b>7,150</b>	<b>6,237,771</b>
<b>Fund Cash Balances, December 31, 1997</b>	<b>\$5,750,543</b>	<b>\$569,876</b>	<b>\$0</b>	<b>\$0</b>	<b>\$144,778</b>	<b>(\$212)</b>	<b>\$6,464,985</b>
<b>Reserve for Encumbrances, December 31, 1997</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1997**

**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 general governmental services, park operations (leisure time activities), cemetery, and fire protection 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, except employee deferred compensation funds maintained by outside custodians are not included in these financial statements. Assets held by custodians are described in Note 10 to the financial statements.

**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 are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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:

**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.

**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:

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998 AND 1997**  
**(Continued)**

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

**D. FUND ACCOUNTING (Continued)**

**Special Revenue Funds (Continued)**

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

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

**Debt Service Fund**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

General Obligation Bond(Note) Retirement Fund - This fund receives taxes to provide for the Township's indebtedness.

**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 projects fund:

Murray Hill Road Fund - This fund receives money from the State through Issue 2. The proceeds were used for the replacement of road and curbs on Murray Hill Road.

**Special Assessment Funds**

These funds account for the cost of improvements that will be paid by the benefitting property owners.

Prairie Township has eight street lighting assessment funds. The property owners in each lighting district are assessed for a five year period. Funds are used to pay the street light electric bills.

**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 - This fund maintains \$2,000 held in trust. The principal is invested and the interest is used for the upkeep of specified graves.

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998 AND 1997**  
**(Continued)**

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

**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 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.

**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.

**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 1998 and 1997 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. UNPAID VACATION AND SICK LEAVE**

Employees are entitled to cash payments for unused vacation certain circumstances, such as upon leaving employment. Sick leave is never paid out. Unused vacation leave is not reflected as liabilities under the basis of accounting used by the Township.

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1997  
(Continued)**

**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>1998</u>	<u>1997</u>
Demand deposits	\$341,794	\$278,314
Certificates of deposit	<u>2,100,000</u>	<u>2,000,000</u>
Total deposits	<u>2,441,794</u>	<u>2,278,314</u>
STAR Ohio	<u>6,046,808</u>	<u>4,186,671</u>
Total investments	<u>6,046,808</u>	<u>4,186,671</u>
Total deposits and investments	<u>\$8,488,602</u>	<u>\$6,464,985</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:** 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 ending December 31, 1998 and December 31, 1997 are as follows:

**1998 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$1,327,576	\$3,537,526	\$2,209,950
Special Revenue	2,631,230	2,792,458	161,228
Debt Service	82,095	82,095	0
Capital Projects	629,440	391,344	(238,096)
Fiduciary	<u>112</u>	<u>18,963</u>	<u>18,851</u>
Total	<u>\$4,670,453</u>	<u>\$6,822,386</u>	<u>\$2,151,933</u>

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1997  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

**1998 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$2,291,074	\$1,479,171	\$811,903
Special Revenue	3,290,287	2,862,830	427,457
Debt Service	82,095	82,095	0
Capital Projects	529,440	585,811	(56,371)
Fiduciary	<u>820</u>	<u>795</u>	<u>25</u>
Total	<u>\$6,193,716</u>	<u>\$5,010,702</u>	<u>\$1,183,014</u>

**1997 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$1,153,402	\$2,004,570	\$851,168
Special Revenue	2,478,354	2,660,358	182,004
Debt Service	87,416	87,416	0
Capital Projects	396,364	330,028	(66,336)
Special Assessment	93,751	112,532	18,781
Fiduciary	<u>70</u>	<u>92</u>	<u>22</u>
Total	<u>\$4,209,357</u>	<u>\$5,194,996</u>	<u>\$985,640</u>

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1997  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

**1997 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$2,426,422	\$1,899,276	\$527,146
Special Revenue	2,938,914	2,550,761	388,153
Debt Service	87,416	87,416	0
Capital Projects	399,320	332,984	66,336
Special Assessment	89,197	89,891	(694)
Fiduciary	<u>320</u>	<u>8,655</u>	<u>(8,335)</u>
Total	<u>\$5,941,589</u>	<u>\$4,968,983</u>	<u>\$972,606</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.

**5. DEBT**

Debt outstanding at December 31, 1998 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes	<u>\$75,000</u>	4.73%
Total	<u>\$75,000</u>	

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998 AND 1997  
(Continued)**

**5. DEBT (Continued)**

The general obligation notes were issued to finance the renovation, improving, and constructing additions to fire station facilities, furnishing and equipping the same and landscaping and improving the site thereof. The Notes will be repaid in annual installments over 3 years.

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

<u>Year ending December 31:</u>	<u>General Obligation Notes</u>
1999	<u>\$78,548</u>

**6. RETIREMENT SYSTEMS**

The Township's certified Fire Fighters belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide 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 1998 and 1997, members, of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 24% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55 % of participants' gross salaries.

As a benefit to the employees of the Township, the Township pays 100% of the members' share of both PFDPF and PERS. The Township has paid all contributions required through December 31, 1998.

**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.

**8. SUBSEQUENT EVENTS**

The Township passed a 5.5 mill continuing levy in the May 1999 election.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998 AND 1997**  
**(Continued)**

**9. YEAR 2000 ISSUE**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Townships's operations as early as fiscal year 1999.

Prairie Township has completed an inventory of computer systems and other electronic equipment necessary to conducting Township operations:

- ! The Township leases the Auditor of State's Uniform Accounting Network (UAN) system for its financial operations. The Auditor of State is responsible for remediating these systems and is solely responsible for any costs associated with this project. As of December 31, 1998, the Auditor of State was validating and testing the UAN system. The Auditor of State released a validated and testes version of UAN in 1999. Prairie Township must install the updated release prior to the end of 1999 to help assure the continued proper processing of UNA transactions.
- ! Tax collection for the Township is handled by Franklin County. The County is responsible for remediating this system, and is solely responsible for any costs associated with this project.
- ! The Township utilizes an external service organization for its payroll and employee benefit system. The external service organization is responsible for remediating these systems.
- ! The Township also owns buildings with efficient power, heating, and air-conditioning systems. The vendor was engaged to remediate the efficiency systems. The vendor has tested and validated these systems.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Township is or will be Year 2000 ready, that the Township's remediation efforts will be successful in whole or in part, or that parties with whom the Township does business will be year 2000 ready.

**10. CUSTODIANS OF OTHER TOWNSHIP ASSETS**

The following funds are maintained by custodians, as legally required. These assets, and the related receipts and disbursements, are not reflected in the accompanying financial statements.

Deferred Compensation Assets

Certain employees elect to participate in the Ohio Public Employees Deferred Compensation Program (the Program). Amounts withheld from these employee are tax deferred, and are invested by the Program, as directed by the employees. Under Internal Revenue Code Section 457, these assets are contingent assets of the Township. However, management believes it is unlikely it will use these assets to satisfy the claims of general creditors.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998 AND 1997**  
**(Continued)**

**11. FUND BALANCE RECLASSIFICATIONS AND RESTATEMENTS**

At December 31, 1997, posting errors were corrected and the Special Assessment fund type was reclassified to the Special Revenue fund type. The restatements effective the fund balances as stated below:

	<u>Special Revenue</u>	<u>Special Assessment</u>
As previously reported 12/31/97	\$ 569,876	\$ 144,778
Restatement and adjustments	<u>149,487</u>	<u>144,778</u>
Restated balance for 1/1/98	<u>\$ 719,363</u>	<u>\$ 0</u>

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
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800-443-9275  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

We have audited the accompanying financial statements of Prairie Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 1998 and December 31, 1997, and have issued our report thereon dated August 6, 1999. We conducted our audits 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 audits 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 August 6, 1999.

**Internal Control Over Financial Reporting**

In planning and performing our audits, 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 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 August 6, 1999.

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

**JIM PETRO**  
Auditor of State

August 6, 1999



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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

**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  
NOVEMBER 23, 1999**