



**SPRINGFIELD TOWNSHIP
ROSS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SPRINGFIELD TOWNSHIP
ROSS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Springfield Township
Ross County
79 Lakewood Drive
Chillicothe, Ohio 45601-9353

We have audited the accompanying financial statements of Springfield Township, Ross County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. 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 of Springfield Township, Ross County, Ohio as of December 31, 1999 and December 31, 1998, 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 March 17, 2000 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 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, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

March 17, 2000

**SPRINGFIELD TOWNSHIP
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Trust Funds</u>	
Cash Receipts:					
Local Taxes	\$20,213	\$134,536	\$7,277	\$0	\$162,026
Intergovernmental	60,118	84,442	0	0	144,560
Earnings on Investments	6,317	391	33	61	6,802
Other Revenue	1,068	6,996	0	0	8,064
	<u>87,716</u>	<u>226,365</u>	<u>7,310</u>	<u>61</u>	<u>321,452</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	46,820	53,170	0	0	99,990
Public Works	11,203	88,002	0	0	99,205
Health	2,785	800	0	0	3,585
Debt Service:					
Redemption of Principal	0	0	5,555	0	5,555
Interest and Fiscal Charges	0	0	1,571	0	1,571
Capital Outlay	0	164,370	0	0	164,370
	<u>60,808</u>	<u>306,342</u>	<u>7,126</u>	<u>0</u>	<u>374,276</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>26,908</u>	<u>(79,977)</u>	<u>184</u>	<u>61</u>	<u>(52,824)</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Note	0	50,000	0	0	50,000
Other Sources	0	32	0	0	32
	<u>0</u>	<u>50,032</u>	<u>0</u>	<u>0</u>	<u>50,032</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	26,908	(29,945)	184	61	(2,792)
Fund Cash Balances, January 1, 1999	<u>34,715</u>	<u>91,503</u>	<u>1,431</u>	<u>1,500</u>	<u>129,149</u>
Fund Cash Balances, December 31, 1999	<u><u>\$61,623</u></u>	<u><u>\$61,558</u></u>	<u><u>\$1,615</u></u>	<u><u>\$1,561</u></u>	<u><u>\$126,357</u></u>

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

**SPRINGFIELD TOWNSHIP
ROSS COUNTY**

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

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Trust Funds</u>	
Cash Receipts:					
Local Taxes	\$17,033	\$107,071	\$26,866	\$0	\$150,970
Intergovernmental	76,012	93,756	0	0	169,768
Earnings on Investment	4,586	440	0	0	5,026
Other Revenue	12,364	14,050	0	0	26,414
Total Cash Receipts	<u>109,995</u>	<u>215,317</u>	<u>26,866</u>	<u>0</u>	<u>352,178</u>
Cash Disbursements:					
Current:					
General Government	64,596	52,509	0	0	117,105
Public Works	54,931	70,000	0	0	124,931
Health	4,212	0	0	0	4,212
Miscellaneous	0	32	0	0	32
Debt Service:					
Redemption of Principal	0	0	32,677	0	32,677
Interest and Fiscal Charges	0	0	3,115	0	3,115
Capital Outlay	611	26,225	0	0	26,836
Total Cash Disbursements	<u>124,350</u>	<u>148,766</u>	<u>35,792</u>	<u>0</u>	<u>308,908</u>
Total Receipts Over/(Under) Disbursements	<u>(14,355)</u>	<u>66,551</u>	<u>(8,926)</u>	<u>0</u>	<u>43,270</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	0	10,219	0	10,219
Transfers-Out	0	(10,219)	0	0	(10,219)
Other Sources	0	5	0	0	5
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>(10,214)</u>	<u>10,219</u>	<u>0</u>	<u>5</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(14,355)	56,337	1,293	0	43,275
Fund Cash Balances, January 1, 1998	<u>33,908</u>	<u>50,328</u>	<u>138</u>	<u>1,500</u>	<u>85,874</u>
Fund Cash Balances, December 31, 1998	<u>\$19,553</u>	<u>\$106,665</u>	<u>\$1,431</u>	<u>\$1,500</u>	<u>\$129,149</u>

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

**SPRINGFIELD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Springfield Township, Ross 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, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Certificate of deposit is valued at cost.

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:

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:

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

Special Levy Fire Tax - This fund receives special levy tax money to pay for fire and EMS protection for the Township.

**SPRINGFIELD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Debt Service Funds

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

General Bond (Note) Retirement - This fund receives tax money to retire debt that has been incurred by the Township.

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 funds:

Cemetery Bequest - This fund receives money to be held in a non-expendable trust by the Township with earnings being used for upkeep and/or improvements to the cemeteries in the Township.

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, object level 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.

2. 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.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 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.

**SPRINGFIELD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 investments pool used by all funds except for the non-expendable trust funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$124,796	\$127,649
Certificates of deposit	<u>1,561</u>	<u>1,500</u>
Total deposits	<u><u>126,357</u></u>	<u><u>129,149</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$84,582	\$87,716	\$3,134
Special Revenue	207,017	276,397	69,380
Debt Service	7,277	7,310	33
Fiduciary	<u>0</u>	<u>61</u>	<u>61</u>
Total	<u><u>\$298,876</u></u>	<u><u>\$371,484</u></u>	<u><u>\$72,608</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$119,297	\$60,808	\$58,489
Special Revenue	298,521	306,342	(7,821)
Debt Service	7,414	7,126	288
Fiduciary	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$425,232</u></u>	<u><u>\$374,276</u></u>	<u><u>\$50,956</u></u>

**SPRINGFIELD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$120,775	\$109,995	(\$10,780)
Special Revenue	186,360	215,322	28,962
Debt Service	26,867	37,085	10,218
Total	\$334,002	\$362,402	\$28,400

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$124,656	\$124,350	\$306
Special Revenue	230,482	158,985	71,497
Debt Service	37,223	35,792	1,431
Total	\$392,361	\$319,127	\$73,234

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.

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, 1999 was as follows:

	Principal	Interest Rate
General Obligation Note - Building	\$20,651	6%
General Obligation Note - Backhoe	50,000	5%
Total	\$70,651	

**SPRINGFIELD TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT (Continued)

The general obligation note - building was issued to repair the Township Hall. The Township Hall was used as collateral for the general obligation note - building. The general obligation note - backhoe was issued to finance the purchase of a new backhoe to be used for Township road maintenance. The backhoe was used as collateral for the general obligation note - backhoe.

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

Year ending December 31:	General Obligation Note - Building	General Obligation Note - Backhoe
2000	7,095	12,575
2001	6,726	12,060
2002	6,364	11,545
2003	5,972	11,030
2004	0	10,516
Total	\$26,157	\$57,726

6. RETIREMENT SYSTEMS

Employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This 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 1999 and 1998, members of PERS 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, 1999.

7. RISK MANAGEMENT

The Township is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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

Board of Trustees
Springfield Township
Ross County
79 Lakewood Drive
Chillicothe, Ohio 45601-9353

We have audited the accompanying financial statements of Springfield Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated March 17, 2000. 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 March 17, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 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 March 17, 2000.

This report is intended 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

March 17, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SPRINGFIELD TOWNSHIP

ROSS 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 1, 2000**