



**SPRINGFIELD TOWNSHIP  
SUMMIT COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2000**



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

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**STATE OF OHIO**



SPRINGFIELD TOWNSHIP  
SUMMIT COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental and Expendable Trust Fund Types For the Year Ended December 31, 2000 .....	3
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required By <i>Government Auditing Standards</i> .....	13

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## REPORT OF INDEPENDENT ACCOUNTANTS

Springfield Township  
Summit County  
2459 Canfield Road  
Akron, Ohio 44312

To the Board of Trustees:

We have audited the accompanying financial statements of Springfield Township, Summit County, (the Township) as of and for the year ended December 31, 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.

We conducted our audit 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 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.

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, 2000, and its combined cash receipts and cash disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 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 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 audit committee, 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.

**Jim Petro**  
Auditor of State

June 21, 2001

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**SPRINGFIELD TOWNSHIP  
SUMMIT COUNTY**

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

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>						
Local Taxes	\$355,964	\$2,318,649	\$58,169	\$0	\$0	\$2,732,782
Intergovernmental	943,176	443,320				1,386,496
Special Assessments		436				436
Charges for Services		323,896				323,896
Licenses, Permits, and Fees	116,283					116,283
Fines, Forfeitures, and Penalties	25,209				1,050	26,259
Earnings on Investments	324,036	554				324,590
Other	69,144	85,242			6,380	160,766
<b>Total Cash Receipts</b>	<b>1,833,812</b>	<b>3,172,097</b>	<b>58,169</b>	<b>0</b>	<b>7,430</b>	<b>5,071,508</b>
<b>Cash Disbursements:</b>						
Current:						
General Government	596,105					596,105
Public Safety	15,016	2,864,935				2,879,951
Public Works	41,643	573,554				615,197
Health	6,345					6,345
Conservation - Recreation	84,559					84,559
Miscellaneous		175,782				175,782
Debt Service:						
Redemption of Principal			55,000			55,000
Interest and Fiscal Charges			3,169			3,169
Capital Outlay		79,928		66,115		146,043
<b>Total Cash Disbursements</b>	<b>743,668</b>	<b>3,694,199</b>	<b>58,169</b>	<b>66,115</b>	<b>0</b>	<b>4,562,151</b>
Total Cash Receipts Over/(Under) Cash Disbursements	1,090,144	(522,102)	0	(66,115)	7,430	509,357
<b>Other Financing Receipts/(Disbursements):</b>						
Transfers-In		313,922		867,913		1,181,835
Transfers-Out	(1,107,767)	(74,068)				(1,181,835)
Other Uses	(13,385)				(4,380)	(17,765)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(1,121,152)</b>	<b>239,854</b>	<b>0</b>	<b>867,913</b>	<b>(4,380)</b>	<b>(17,765)</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(31,008)	(282,248)		801,798	3,050	491,592
Fund Cash Balances, January 1	765,783	1,709,480	33	2,493,713	5,956	4,974,965
<b>Fund Cash Balances, December 31</b>	<b>\$734,775</b>	<b>\$1,427,232</b>	<b>\$33</b>	<b>\$3,295,511</b>	<b>\$9,006</b>	<b>\$5,466,557</b>
Reserves for Encumbrances, December 31	\$58,967	\$104,457	\$0	\$101,800	\$0	\$265,224

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

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**SPRINGFIELD TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the entity**

Springfield Township, Summit 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, 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 investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer. The investment in an overnight repurchase agreement is valued at cost.

**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.

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

**SPRINGFIELD TOWNSHIP  
SUMMIT COUNTY**

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

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

**D. Fund accounting (Continued)**

**2. Special Revenue Funds (Continued)**

Police District Fund - This fund receives local property tax money for the general operation of the police department.

Fire District Fund - This fund receives local property tax money for the general operation of the fire department.

EMS Special Levy Fund - This fund is used for the operation of emergency medical services.

**3. Debt Service Fund**

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

EMS Note Retirement Fund - This fund is used to pay principal and interest due on two separate notes issued for the purchase of an ambulance and emergency medical equipment.

**4. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant Capital Projects Funds:

Capital Improvement Fund - This fund receives funds transferred from the General Fund and is used to account for infrastructure projects.

Capital Equipment Fund - This fund receives funds transferred from the General Fund and is used to account for equipment purchases.

**5. Fiduciary Fund (Trust Funds)**

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

Escrow Fund - This fund is used to account for bond monies held in escrow in accordance with contracts issued for construction and rehabilitation projects.

**SPRINGFIELD TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000  
(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 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 2000 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay 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.

**SPRINGFIELD TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000  
(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>2000</u>
Demand deposits	(\$161,529)
Investments	
Repurchase agreement	1,630,000
Star Ohio	<u>3,998,086</u>
Total investments	<u>5,628,086</u>
Total deposits and investments	<u>\$5,466,557</u>

**Deposits:**

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

The negative demand deposit balance is covered by resources that are available by the overnight repurchase agreement.

**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 year ending December 31, 2000 follows:

**2000 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$1,445,578	\$1,833,812	\$388,234
Special Revenue	3,684,072	3,486,019	(198,053)
Debt Service	58,191	58,169	(22)
Capital Projects	300,000	867,913	567,913
Expendable Trust	<u>10,078</u>	<u>7,430</u>	<u>(2,648)</u>
Total	<u>\$5,497,919</u>	<u>\$6,253,343</u>	<u>\$755,424</u>

**SPRINGFIELD TOWNSHIP  
SUMMIT COUNTY**

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

**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	\$2,021,909	\$1,923,787	\$98,122
Special Revenue	4,455,035	3,872,724	582,311
Debt Service	58,136	58,169	(33)
Capital Projects	1,756,355	167,915	1,588,440
Expendable Trust	<u>12,111</u>	<u>4,380</u>	<u>7,731</u>
Total	<u><u>\$8,303,546</u></u>	<u><u>\$6,026,975</u></u>	<u><u>\$2,276,571</u></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 payments, 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, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
1998 EMS/Ambulance Notes	\$15,000	4.43%

This note was issued to finance the purchase of ambulance and emergency medical services vehicles and equipment. The notes are collateralized solely by the Township's taxing authority.

**SPRINGFIELD TOWNSHIP  
SUMMIT COUNTY**

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

**5. DEBT (Continued)**

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

<u>Year ending December 31</u>	1998 EMS/Ambulance <u>Note</u>
2001	\$15,665

**6. RETIREMENT SYSTEMS**

The Township's law enforcement staff and full-time firefighters belong to the Police & Firemen's Disability & Pension Fund (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 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 2000, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA). The OTARMA assumes the risk of loss up to the limits of the Township's policy. The OTARMA may assess supplemental premiums. The following risks are covered by the OTARMA:

- General liability and casualty
- Public official's liability
- Vehicles
- Buildings

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

**8. CONTINGENT LIABILITIES**

The Township is defendant in two lawsuits. Although the outcome of these suits is not presently determinable, management believes that the resolution of these matters will not materially or adversely affect the Township's financial condition.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**SPRINGFIELD TOWNSHIP  
SUMMIT COUNTY**

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

**9. JOINT VENTURE**

The Township is a member of a Joint Economic District (JEDD) with the City of Akron. The City of Akron provides city services to businesses and residents within the Township and subsequently is permitted to collect income tax on those businesses and residents. At the same time, the JEDD prevents the annexation of Township property by the City and maintains the Township's property tax base.

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OFFICE OF THE AUDITOR

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

Springfield Township  
Summit County  
2459 Canfield Road  
Akron, Ohio 44312

To the Board of Trustees:

We have audited the financial statements of Springfield Township, Summit County, (the Township) as of and for the year ended December 31, 2000 and have issued our report thereon dated June 21, 2001. We conducted our audit 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 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 an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 21, 2001.

**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.

This report is intended for the information and use of the audit committee, 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

June 21, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**SPRINGFIELD TOWNSHIP**

**SUMMIT 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  
JULY 3, 2001**