



**SPRINGFIELD TOWNSHIP
RICHLAND COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SPRINGFIELD TOWNSHIP
RICHLAND COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Springfield Township
Richland County
P.O. Box 133
Ontario, Ohio 44862

To the Board of Trustees:

We have audited the accompanying financial statements of Springfield Township, Richland County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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 the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 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 audits.

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.

Jim Petro
Auditor of State

March 3, 2001

**SPRINGFIELD TOWNSHIP
RICHLAND COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$46,551	\$844,588	\$891,139
Special Assessments		1,968	1,968
Intergovernmental	216,996	135,008	352,004
Licenses, Permits and Fees	1,250		1,250
Earnings on Investments	88,147	13,025	101,172
Miscellaneous	8,941	15,653	24,594
	<u>361,885</u>	<u>1,010,242</u>	<u>1,372,127</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	55,505		55,505
Public Safety		474,441	474,441
Public Works	1,033	226,292	227,325
Health		2,562	2,562
Capital Outlay	293,302	162,649	455,951
	<u>349,840</u>	<u>865,944</u>	<u>1,215,784</u>
Total Cash Disbursements			
Total Cash Receipts Over Cash Disbursements	<u>12,045</u>	<u>144,298</u>	<u>156,343</u>
Fund Cash Balances, January 1	<u>647,500</u>	<u>1,413,842</u>	<u>2,061,342</u>
Fund Cash Balances, December 31	<u>\$659,545</u>	<u>\$1,558,140</u>	<u>\$2,217,685</u>
Reserves for Encumbrances, December 31	<u>\$355,098</u>	<u>\$219,000</u>	<u>\$574,098</u>

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

**SPRINGFIELD TOWNSHIP
RICHLAND COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$49,537	\$893,618		\$943,155
Special Assessments		1,935		1,935
Intergovernmental	43,754	125,743	\$101,060	270,557
Licenses, Permits and Fees	1,235			1,235
Earnings on Investments	40,061	10,031		50,092
Miscellaneous	10,304	9,064		19,368
				<hr/>
Total Cash Receipts	144,891	1,040,391	101,060	1,286,342
				<hr/>
Cash Disbursements:				
Current:				
General Government	78,599			78,599
Public Safety		445,852		445,852
Public Works	1,115	370,842		371,957
Health	500	1,567		2,067
Capital Outlay		370,859	101,060	471,919
				<hr/>
Total Cash Disbursements	80,214	1,189,120	101,060	1,370,394
				<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	64,677	(148,729)	0	(84,052)
				<hr/>
Fund Cash Balances, January 1	582,823	1,562,571	0	2,145,394
				<hr/>
Fund Cash Balances, December 31	\$647,500	\$1,413,842	\$0	\$2,061,342
				<hr/>
Reserves for Encumbrances, December 31	\$0	\$0	\$0	\$0
				<hr/>

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

**SPRINGFIELD TOWNSHIP
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Springfield Township, Richland 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 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 cash 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

Certificates of deposit are valued at cost. The Township has no investments.

D. Fund Accounting

The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

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 capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Fire District Fund - This fund receives monies from a special levy for providing fire protection and emergency medical services.

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

**SPRINGFIELD TOWNSHIP
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Fund

This fund is 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 Fund:

Public Works Fund - The Township received a grant from the State of Ohio to be used on a road widening project.

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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as 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 cash basis of accounting used by the Township.

**SPRINGFIELD TOWNSHIP
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. EQUITY IN POOLED CASH

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$1,967,685	\$1,811,342
Certificates of deposit	<u>250,000</u>	<u>250,000</u>
Total deposits	<u><u>\$2,217,685</u></u>	<u><u>\$2,061,342</u></u>

At December 31, 2000 and 1999, \$191,618 and \$7,226 of respective deposits were not insured or collateralized, contrary to Ohio Revised Code Section 135.18.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 144,978	\$ 361,885	\$ 216,907
Special Revenue	<u>1,037,779</u>	<u>1,010,242</u>	<u>(27,537)</u>
Total	<u><u>\$ 1,182,757</u></u>	<u><u>\$ 1,372,127</u></u>	<u><u>\$ 189,370</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 792,478	\$ 704,938	\$ 87,540
Special Revenue	<u>2,451,621</u>	<u>1,084,944</u>	<u>1,366,677</u>
Total	<u><u>\$ 3,244,099</u></u>	<u><u>\$ 1,789,882</u></u>	<u><u>\$ 1,454,217</u></u>

**SPRINGFIELD TOWNSHIP
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 149,230	\$ 144,891	\$ (4,339)
Special Revenue	1,006,330	1,040,391	34,061
Capital Projects	101,060	101,060	0
Total	\$ 1,256,620	\$ 1,286,342	\$ 29,722

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 732,053	\$ 80,214	\$ 651,839
Special Revenue	2,568,900	1,189,120	1,379,780
Capital Projects	101,060	101,060	0
Total	\$ 3,402,013	\$ 1,370,394	\$ 2,031,619

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. RETIREMENT SYSTEMS

The Township's full-time fire department personnel belong to the Police and Firemen's Disability and Pension Fund (PFDPF). Other full-time 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.

**SPRINGFIELD TOWNSHIP
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, 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 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township is a member of the Ohio Government Risk Management Plan (the Plan). The Plan is an unincorporated non-profit association of its members for the purpose of providing its members a jointly administered self-insurance program. The Plan assumes the risk of loss minus the Township's deductible contribution. The following risks are covered by the Plan:

- Comprehensive property and general liability
- Vehicles
- Commercial inland marine
- General liability
- Public officials' liability
- Employers' liability
- Employee benefits liability
- Cemetery liability

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

7. CONTRACTUAL COMMITMENT

In September, 2000, the Township started construction of a new fire station/township hall building. The project is estimated to be completed in July, 2001 at a total cost of \$803,400. As of December 31, 2000, the Township has spent \$236,370 on this project with an expected future commitment of \$567,030 to be spent in 2001. No debt is expected to be issued to finance this project.

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

Springfield Township
Richland County
P.O. Box 133
Ontario, Ohio 44862

To the Board of Trustees:

We have audited the accompanying financial statements of Springfield Township, Richland County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 3, 2001. 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 the 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2000-40570-001. We also noted immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 3, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain 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 3, 2001.

Springfield Township
Richland County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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.

Jim Petro
Auditor of State

March 3, 2001

**SPRINGFIELD TOWNSHIP
RICHLAND COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2000-40570-001

Noncompliance

Ohio Rev. Code Section 135.18 requires the treasurer of any public subdivision to require all depositories holding public funds to provide security for those public funds in an amount equal to the amount of deposit with the institution.

The Township had funds on deposit with a financial institution at December 31, 2000 and 1999, in the amounts of \$191,618 and \$7,226, respectively, which were not collateralized. Total deposits at December 31, 2000 and 1999 were \$2,041,618 and \$1,857,226, respectively. To ensure public deposits are secured by either the federal deposit insurance, surety company bonds, or pledged securities; the Clerk should require, by agreement, that the financial institution provide security for those public funds deposited. The Clerk should periodically review deposit and collateral amounts to determine whether the required collateral is being provided.



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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SPRINGFIELD TOWNSHIP

RICHLAND 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
APRIL 12, 2001**