



**SPRINGFIELD TOWNSHIP
WILLIAMS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SPRINGFIELD TOWNSHIP
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REPORT OF INDEPENDENT ACCOUNTANTS

Springfield Township
Williams County
5717 County Road 2050
Stryker, Ohio 43557-9771

To the Board of Trustees:

We have audited the accompanying financial statements of Springfield Township, Williams County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 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 and reserves for encumbrances of the Township as of December 31, 1999 and 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 July 26, 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

July 26, 2000

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**SPRINGFIELD TOWNSHIP
 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$26,965	\$117,341		\$144,306
Intergovernmental	49,008	73,265	\$17,298	139,571
Licenses, Permits, and Fees	999			999
Earnings on Investments	6,004	2,087		8,091
Other Revenue	2,872	16,745		19,617
	<u>85,848</u>	<u>209,438</u>	<u>17,298</u>	<u>312,584</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	73,159			73,159
Public Safety		42,137		42,137
Public Works		78,943		78,943
Health	3,447			3,447
Redemption of Principal		36,238		36,238
Interest and Fiscal Charges		5,465		5,465
Capital Outlay		33,097	17,298	50,395
	<u>76,606</u>	<u>195,880</u>	<u>17,298</u>	<u>289,784</u>
Total Cash Disbursements				
Total Receipts Over Disbursements	9,242	13,558		22,800
Fund Cash Balances, January 1	48,692	129,531		178,223
Fund Cash Balances, December 31	<u>\$57,934</u>	<u>\$143,089</u>		<u>\$201,023</u>
Reserve for Encumbrances, December 31		<u>\$102</u>		<u>\$102</u>

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

**SPRINGFIELD TOWNSHIP
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$26,336	\$114,456	\$140,792
Intergovernmental	33,132	72,504	105,636
Licenses, Permits, and Fees	945		945
Earnings on Investments	6,112	2,610	8,722
Other Revenue	4,177	4,055	8,232
	<u>70,702</u>	<u>193,625</u>	<u>264,327</u>
Total Cash Receipts			
	<u>70,702</u>	<u>193,625</u>	<u>264,327</u>
Cash Disbursements:			
Current:			
General Government	52,291		52,291
Public Safety		35,276	35,276
Public Works		83,057	83,057
Health	4,577	250	4,827
Redemption of Principal		32,579	32,579
Interest and Fiscal Charges		9,114	9,114
Capital Outlay		51,669	51,669
	<u>56,868</u>	<u>211,945</u>	<u>268,813</u>
Total Cash Disbursements			
	<u>56,868</u>	<u>211,945</u>	<u>268,813</u>
Total Receipts Over/(Under) Disbursements	<u>13,834</u>	<u>(18,320)</u>	<u>(4,486)</u>
Other Financing Receipts:			
Sale of Fixed Assets		8,000	8,000
		<u>8,000</u>	<u>8,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<u>13,834</u>	<u>(10,320)</u>	<u>3,514</u>
Fund Cash Balances, January 1	<u>34,858</u>	<u>139,851</u>	<u>174,709</u>
Fund Cash Balances, December 31	<u><u>\$48,692</u></u>	<u><u>\$129,531</u></u>	<u><u>\$178,223</u></u>
Reserve for Encumbrances, December 31	<u><u>\$117</u></u>	<u><u>\$5,215</u></u>	<u><u>\$5,332</u></u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Springfield Township, Williams 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.

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 certificates of deposit are 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:

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

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

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

Fire Levy Tax Fund - This fund receives revenue derived from a levy to provide fire protection for the Township.

3. Capital Projects Fund

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 fund:

Issue II Fund - The Township received a grant from the State of Ohio for maintaining Township roads.

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 function 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 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.

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:

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$106,023	\$98,223
Certificates of deposit	<u>95,000</u>	<u>80,000</u>
Total deposits and investments	<u><u>\$201,023</u></u>	<u><u>\$178,223</u></u>

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

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$66,890	\$85,848	\$18,958
Special Revenue	187,747	209,438	21,691
Capital Projects		<u>17,298</u>	<u>17,298</u>
Total	<u><u>\$254,637</u></u>	<u><u>\$312,584</u></u>	<u><u>\$57,947</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$110,099	\$76,606	\$33,493
Special Revenue	344,342	195,982	148,360
Capital Projects		<u>17,298</u>	<u>(17,298)</u>
Total	<u><u>\$454,441</u></u>	<u><u>\$289,886</u></u>	<u><u>\$164,555</u></u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$51,070	\$70,702	\$19,632
Special Revenue	<u>174,800</u>	<u>201,625</u>	<u>26,825</u>
Total	<u><u>\$225,870</u></u>	<u><u>\$272,327</u></u>	<u><u>\$46,457</u></u>

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

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$84,620	\$56,985	\$27,635
Special Revenue	396,771	217,160	179,611
Total	\$481,391	\$274,145	\$207,246

4. COMPLIANCE

The Township received \$17,298 in Issue II benefits during 1999 that were not recorded on the Township records and consequently, the Trustees did not appropriate the expenditure of these benefits.

5. 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.

6. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$106,209	5.41-5.9%

The general obligation notes were issued to finance the purchase of a new fire truck and township building.

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

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

Year ending December 31:	General Obligation Notes
2000	\$24,420
2001	18,655
2002	18,655
2003	18,655
2004	18,655
Subsequent	27,975
Total	\$127,015

7. RETIREMENT SYSTEMS

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

8. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- General Liability
- Public Officials Liabilities
- Vehicles
- Property Coverage

The Township also provides health insurance to elected officials and employees through a private carrier.

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

Springfield Township
Williams County
5717 County Road 2050
Stryker, Ohio 43557-9771

To the Board of Trustees:

We have audited the accompanying financial statements of Springfield Township, Williams County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 26, 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 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 1999-40186-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated July 26, 2000.

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 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 July 26, 2000.

Springfield Township
Williams 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

July 26, 2000

**SPRINGFIELD TOWNSHIP
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 1999-40186-001

Ohio Revised Code § 5705.42 states when the United States government or the state or any department, division, agency authority or unit thereof makes a grant or loan of money to any political subdivision of the state to aid in paying the cost of any program, activity or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated for such purposes by the taxing authority of such subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in the process of collection within the meaning of § 5705.41 of the Ohio Revised Code.

In 1999, the Township was the beneficiary of \$17,298 in Issue II. This activity was not recorded on the ledgers of the Township. The accompanying financial statements were adjusted to reflect the amount in the Capital Project Fund which caused expenditures to exceed appropriations in the Capital Projects Fund by \$17,298, contrary to Ohio Revised Code § 5705.41(B), which requires all expenditures to be appropriated.

It is recommended that the Township record all benefits received from State and Federal Grants as a memo receipt and expenditure on the Township's records, request an amended certificate of estimated resources for these funds and the Council approve a corresponding appropriation for the expenditure. The Township should also refer to the accounting and budgeting guidance the Auditor of State issued in Management Advisory Services Bulletin 89-17 and Auditor of State Bulletin 2000-08.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SPRINGFIELD TOWNSHIP

WILLIAMS 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
AUGUST 24, 2000**