



**Auditor of State
Betty Montgomery**

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types For the Year Ended December 31, 2002.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Agency Fund For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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, 2002. 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 auditing standards generally accepted in the United States of America 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, 2002, and its combined cash receipts and 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 February 21, 2003 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.

Springfield Township
Summit County
Independent Accountants' Report
Page 2

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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 21, 2003

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$366,679	\$2,873,214		\$0	\$3,239,893
Intergovernmental	832,387	633,806			1,466,193
Charges for Services		360,869			360,869
Licenses, Permits, and Fees	83,486				83,486
Fines, Forfeitures, and Penalties	29,719				29,719
Earnings on Investments	110,725	250			110,975
Other	34,544	79,873	\$176,858		291,275
Total Cash Receipts	<u>1,457,540</u>	<u>3,948,012</u>	<u>176,858</u>	<u>0</u>	<u>5,582,410</u>
Cash Disbursements:					
Current:					
General Government	729,636				729,636
Public Safety	73,251	3,017,598			3,090,849
Public Works	145,478	658,092			803,570
Health	8,562				8,562
Conservation - Recreation	100,508				100,508
Miscellaneous		178,049			178,049
Capital Outlay		34,504	261,350		295,854
Total Cash Disbursements	<u>1,057,435</u>	<u>3,888,243</u>	<u>261,350</u>	<u>0</u>	<u>5,207,028</u>
Total Receipts Over/(Under) Disbursements	<u>400,105</u>	<u>59,769</u>	<u>(84,492)</u>	<u>0</u>	<u>375,382</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		30,000	400,000		430,000
Transfers-Out	(430,000)				(430,000)
Advances-In		1,500			1,500
Advances-Out	(1,500)				(1,500)
Other Uses		(57,245)			(57,245)
Total Other Financing Receipts/(Disbursements)	<u>(431,500)</u>	<u>(25,745)</u>	<u>400,000</u>	<u>0</u>	<u>(57,245)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(31,395)	34,024	315,508		318,137
Fund Cash Balances, January 1	537,133	1,799,420	3,566,295	500	5,903,348
Fund Cash Balances, December 31	<u>\$505,738</u>	<u>\$1,833,444</u>	<u>\$3,881,803</u>	<u>\$500</u>	<u>\$6,221,485</u>
Reserves for Encumbrances, December 31	<u>\$113,639</u>	<u>\$139,935</u>	<u>\$3,019,335</u>	<u>\$0</u>	<u>\$3,272,909</u>

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

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Agency Fund</u>
Operating Cash Receipts:	
Other	\$21,220
Operating Cash Disbursements:	
Miscellaneous	<u>11,859</u>
Total Receipts Over/(Under) Disbursements	<u>9,361</u>
Fund Cash Balance, January 1	<u>2,718</u>
Fund Cash Balance, December 31	<u><u>\$12,079</u></u>
Reserves for Encumbrances, December 31	<u><u>\$0</u></u>

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

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

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 road and bridge maintenance, cemetery maintenance, police protection, 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

Investments are included in the fund cash balances. 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.

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.

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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 Fund:

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

3. 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 trust funds). The Township had the following significant Capital Project Funds:

Permanent Improvement Fund - This fund receives transfers from the General Fund and is used to account for infrastructure projects.

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

4. 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:

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

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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 measure and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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.

A summary of 2002 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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investment 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>2002</u>
Demand deposits	<u>(\$120,489)</u>
STAR Ohio	4,239,053
Repurchase agreement	<u>2,115,000</u>
Total investments	<u>6,354,053</u>
Total deposits and investments	<u><u>\$6,233,564</u></u>

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

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 is covered by resources that are available by the overnight repurchase agreement.

Investments: The Township's agent holds securities collateralizing repurchase agreement. The securities are not in the Township's name. Investments in STAR Ohio are not evidences by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2002 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,240,888	\$1,457,540	\$216,652
Special Revenue	4,322,009	3,978,012	(343,997)
Capital Projects	400,400	576,858	176,458
Total	\$5,963,297	\$6,012,410	\$49,113

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,652,567	\$1,601,074	\$51,493
Special Revenue	4,614,438	4,085,423	529,015
Capital Projects	3,406,000	3,280,685	125,315
Total	\$9,673,005	\$8,967,182	\$705,823

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

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 certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F 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 2002, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. PERS (law enforcement) contributed 10.1% of their salaries. The Township contributed an amount equal to 16.7% of participants' gross salaries. The Township has paid all contributions required through December 31, 2002.

6. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA). 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
- Vehicles; and
- Buildings

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

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

7. JOINT VENTURE

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

8. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. 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.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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 accompanying financial statements of Springfield Township, Summit County, (the Township) as of and for the year ended December 31, 2002, and have issued our report thereon dated February 21, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 February 21, 2003.

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.

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 February 21, 2003.

111 Second St., NW / Fourth Floor / Canton, OH 44702
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

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

This report is intended solely 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 21, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
APRIL 1, 2003**