



OHIO AUDITOR OF STATE
KEITH FABER



**SPRINGFIELD TOWNSHIP
GALLIA COUNTY
DECEMBER 31, 2019 AND 2018**

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OHIO AUDITOR OF STATE KEITH FABER



53 Johnson Road
The Plains, Ohio 45780-1231
(740) 594-3300 or (800) 441-1389
SoutheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Springfield Township
Gallia County
P. O. Box 22
Bidwell, Ohio 45614

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Springfield Township, Gallia County, Ohio (the Township), as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Springfield Township, Gallia County, Ohio, as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 10 to the 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2020, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 12, 2020

Springfield Township

Gallia County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2019

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$52,922	\$92,623	\$145,545
Charges for Services	0	9,312	9,312
Licenses, Permits and Fees	2,694	0	2,694
Intergovernmental	37,935	135,381	173,316
Earnings on Investments	1,129	301	1,430
<i>Total Cash Receipts</i>	<u>94,680</u>	<u>237,617</u>	<u>332,297</u>
Cash Disbursements			
Current:			
General Government	118,681	0	118,681
Public Safety	0	75,855	75,855
Public Works	0	196,913	196,913
Health	10,370	0	10,370
Capital Outlay	0	10,000	10,000
<i>Total Cash Disbursements</i>	<u>129,051</u>	<u>282,768</u>	<u>411,819</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(34,371)</u>	<u>(45,151)</u>	<u>(79,522)</u>
Other Financing Receipts (Disbursements)			
Other Financing Sources	1,301	0	1,301
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,301</u>	<u>0</u>	<u>1,301</u>
<i>Net Change in Fund Cash Balances</i>	(33,070)	(45,151)	(78,221)
<i>Fund Cash Balances, January 1</i>	<u>268,393</u>	<u>157,133</u>	<u>425,526</u>
Fund Cash Balances, December 31			
Restricted	0	111,982	111,982
Assigned	98,544	0	98,544
Unassigned (Deficit)	136,779	0	136,779
<i>Fund Cash Balances, December 31</i>	<u>\$235,323</u>	<u>\$111,982</u>	<u>\$347,305</u>

See accompanying notes to the basic financial statements

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Springfield Township
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Springfield Township, Gallia County (the Township), as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection.

Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund The gasoline tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Fire Levy Fund The fire levy fund receives property tax money to provide fire protection.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

Springfield Township
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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 the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D) permit.

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, 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. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must 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 canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2019 budgetary activity appears in Note 4.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Springfield Township
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded the appropriation authority in the Gasoline Tax fund by \$35,562 for the year ended December 31, 2019.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$97,809	\$95,981	(\$1,828)
Special Revenue	206,750	237,617	30,867
Total	\$304,559	\$333,598	\$29,039

Springfield Township
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Budgetary Activity (Continued)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$141,493	\$129,051	\$12,442
Special Revenue	275,700	282,768	(7,068)
Total	\$417,193	\$411,819	\$5,374

Note 5 – Deposits

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

	2019
Demand deposits	\$347,305

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 7 – Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Springfield Township
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 – Risk Management (Continued)

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2019</u>
Cash and investments	\$33,097,416
Actuarial liabilities	\$ 7,874,610

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Note 9 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4 percent during calendar year 2019.

Note 10 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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Springfield Township

Gallia County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2018

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$51,645	\$82,580	\$134,225
Charges for Services	0	2,963	2,963
Licenses, Permits and Fees	2,702	0	2,702
Intergovernmental	33,699	128,841	162,540
Earnings on Investments	356	52	408
Miscellaneous	5,845	1,278	7,123
<i>Total Cash Receipts</i>	<u>94,247</u>	<u>215,714</u>	<u>309,961</u>
Cash Disbursements			
Current:			
General Government	113,576	0	113,576
Public Safety	0	60,303	60,303
Public Works	0	65,779	65,779
Health	10,625	0	10,625
Debt Service:			
Principal Retirement	0	15,000	15,000
Interest and Fiscal Charges	0	675	675
<i>Total Cash Disbursements</i>	<u>124,201</u>	<u>141,757</u>	<u>265,958</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(29,954)</u>	<u>73,957</u>	<u>44,003</u>
Other Financing Receipts (Disbursements)			
Other Financing Uses	(4,000)	0	(4,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(4,000)</u>	<u>0</u>	<u>(4,000)</u>
<i>Net Change in Fund Cash Balances</i>	(33,954)	73,957	40,003
<i>Fund Cash Balances, January 1</i>	<u>302,347</u>	<u>83,176</u>	<u>385,523</u>
Fund Cash Balances, December 31			
Restricted	0	143,658	143,658
Committed	0	13,475	13,475
Assigned	43,684	0	43,684
Unassigned (Deficit)	224,709	0	224,709
<i>Fund Cash Balances, December 31</i>	<u>\$268,393</u>	<u>\$157,133</u>	<u>\$425,526</u>

See accompanying notes to the basic financial statements

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Springfield Township
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Springfield Township, Gallia County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection.

Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund The gasoline tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Fire Levy Fund The fire levy fund receives property tax money to provide fire protection.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

Springfield Township
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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 the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D) permit.

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, 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. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must 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 canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2018 budgetary activity appears in Note 4.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Springfield Township
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Fire Levy fund by \$17,476 for the year ended December 31, 2018.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$84,622	\$94,247	\$9,625
Special Revenue	179,739	215,714	35,975
Total	\$264,362	\$309,961	\$45,599

Springfield Township
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 4 – Budgetary Activity (Continued)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$158,650	\$128,201	\$30,449
Special Revenue	170,855	141,757	29,098
Total	\$329,505	\$269,958	\$59,547

Note 5 – Deposits

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

	2018
Demand deposits	\$425,526

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 7 – Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Springfield Township
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 – Risk Management (Continued)

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2018</u>
Cash and investments	\$33,097,416
Actuarial liabilities	\$ 7,874,610

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

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OHIO AUDITOR OF STATE KEITH FABER



53 Johnson Road
The Plains, Ohio 45780-1231
(740) 594-3300 or (800) 441-1389
SoutheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Springfield Township
Gallia County
P.O. Box 22
Bidwell, Ohio 45614

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Springfield Township, Gallia County, Ohio (the Township), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated June 12, 2020 wherein we noted the Township followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code §117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings, that we consider material weaknesses. We consider findings 2019-005 and 2019-006 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2019-001 through 2019-004.

Township's Responses to Findings

The Township's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not subject the Township's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 12, 2020

**SPRINGFIELD TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2019-001

Finding for Recovery Resolved Under Audit/Noncompliance

Ohio Rev. Code § 505.24(A) provides each township trustee is entitled to compensation in an amount for each day of service in the business of the township, to be paid from the township treasury as follows: In townships having a budget of more than five hundred thousand but not more than seven hundred fifty thousand dollars, forty-nine dollars and sixty-three cents per day for not more than two hundred days; in townships having a budget of more than seven hundred fifty thousand but not more than one million five hundred thousand dollars, fifty-six dollars and seventy-one cents per day for not more than two hundred days.

The Township's annual budget was between \$500,000.01-\$750,000 for 2018 and 2019. Based on this budget amount, Ohio Rev. Code §505.24(A) limits the annual salary of Township Trustees to \$9,926. However, Trustees Scott Howell, Vaughn Taylor and James Thevenir were paid at the budget amount of \$750,000.01-\$1,500,000 each year which provided for an annual salary limited to \$11,342. Using the incorrect budget amount, the trustees were each paid \$11,341 which resulted in Trustees Scott Howell, Vaughn Taylor and James Thevenir each being overpaid \$1,415 in 2018 and \$1,415 in 2019 for a total overpayment of \$2,830 each.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery is hereby issued for public money illegally expended against Scott Howell, Township Trustee, and his surety company, Ohio Township Association Risk Management Authority, Bond No. 618-2R, jointly and severally, in the amount of \$2,830, in favor of the General Fund.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery is hereby issued for public money illegally expended against Vaughn Taylor, Township Trustee, and his surety company, Ohio Township Association Risk Management Authority, Bond No. 618-1R, jointly and severally, in the amount of \$2,830, in favor of the General Fund.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery is hereby issued for public money illegally expended against James Thevenir, Township Trustee, and his surety company, Ohio Township Association Risk Management Authority, Bond No. 618-4R, jointly and severally, in the amount of \$2,830, in favor of the General Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code § 9.39; *State ex rel. Village of Linndale v. Masten*, 18 Ohio St.3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Att'y Gen. No. 80-074.

Former Fiscal Officer, Pamela Riley, approved these payments in 2018 and 2019 for Trustees Howell, Taylor and Thevenir. Accordingly, Pamela Riley and her bonding company, Travelers Casualty and Surety Company of America, Bond No. 106403907-16-0287, will be jointly and severally liable in the amount of \$8,490 and in favor of the Springfield Township General Fund, to the extent that recovery is not obtained from Scott Howell, Vaughn Taylor and James Thevenir.

**SPRINGFIELD TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2019-001 (Continued)

Finding for Recovery Resolved Under Audit/Noncompliance (Continued)

On June 18, 2020, Trustee Vaughn Taylor signed a repayment agreement to repay \$2,830. Also on June 18, 2020, Trustee Scott Howell signed a repayment agreement to repay \$2,830. Finally, on June 23, 2020, Trustee James Thevenir signed a repayment agreement to repay \$2,830.

Officials' Response: Township has a payment plan in place. Fiscal Officer will monitor amended certificates for pay scale.

FINDING NUMBER 2019-002

Finding for Recovery Resolved Under Audit/Noncompliance

Ohio Rev. Code 507.09(A) provides a township fiscal officer shall be entitled to compensation as follows: In townships having a budget of more than five hundred thousand but not more than seven hundred fifty thousand dollars, fifteen thousand five hundred ninety-seven dollars; in townships having a budget of more than seven hundred fifty thousand but not more than one million five hundred thousand dollars, eighteen thousand seven hundred and seventeen dollars.

The Township's annual budget was between \$500,000.01-\$750,000 for 2018 and 2019. Based on this budget amount, Ohio Rev. Code §507.09(A) limited the annual salary of former Fiscal Officer, Pamela D. Riley to \$15,597. However, the former Fiscal Officer, Pamela D. Riley was paid at the budget amount of \$750,000.01-\$1,500,000 limiting annual salary to \$18,717. Using the incorrect budget amount resulted in former Fiscal Officer Pamela Riley being overpaid \$3,120 for 2018 and \$3,120 for 2019, for a total overpayment of \$6,240.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery is hereby issued for public money illegally expended against Pamela D. Riley, former Township Fiscal Officer, and her surety company, Travelers Casualty and Surety Company of America, Bond No. 106403907-16-0287, jointly and severally, in the amount of \$6,240, in favor of the General Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code § 9.39; *State ex rel. Village of Linndale v. Masten*, 18 Ohio St.3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Att'y Gen. No. 80-074.

Trustees Scott Howell, Vaughn Taylor, and James Thevenir approved these payments in 2018 and 2019 for former Fiscal Officer Pamela Riley. Accordingly, Scott Howell and his surety company, Ohio Township Association Risk Management Authority, Bond No. 618-2R, Vaughn Taylor and his surety company, Ohio Township Association Risk Management Authority, Bond No. 618-1R, and James Thevenir and his surety company, Ohio Township Association Risk Management Authority, Bond No. 618-4R, will be jointly and severally liable in the amount of \$6,240 and in favor of the Springfield Township General Fund, to the extent that recovery is not obtained from Pamela Riley.

**SPRINGFIELD TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

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

FINDING NUMBER 2019-002 (Continued)

Finding for Recovery Resolved Under Audit/Noncompliance (Continued)

On June 19, 2020, former Fiscal Officer Pamela Riley signed a repayment agreement to repay \$6,240.

Officials' Response: Township has a payment plan in place. Fiscal Officer will monitor amended certificates for pay scale.

FINDING NUMBER 2019-003

Noncompliance – Ohio Rev. Code §5705.41(B)

Ohio Rev. Code § 5705.41(B) prohibits subdivisions or taxing authorities from expending money unless it has been appropriated.

At December 31, 2019 expenditures exceed appropriations as follows:

Fund	Appropriations	Expenditures	Variance
Gasoline Tax Fund	\$90,000	\$125,562	(\$35,562)

At December 31, 2018 expenditures exceed appropriations as follows:

Fund	Appropriations	Expenditures	Variance
Fire Levy Fund	\$58,525	\$76,001	(\$17,476)

Appropriations in the UAN computer system did not agree to the approved appropriations. As a result, expenditures exceeded approved appropriations. The practice of allowing expenditures to exceed appropriations could result in negative fund balances for the Township.

The Fiscal Officer should compare expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, the Board of Trustees should adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations or reduce spending. The Fiscal Officer should deny requests for payment when appropriations are not available.

Officials' Response: The Fiscal Officer will more closely monitor expenditures to appropriations.

FINDING NUMBER 2019-004

Noncompliance

Ohio Rev. Code § 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

**SPRINGFIELD TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2019-004 (Continued)

Noncompliance – Ohio Rev. Code § 5705.41(D) (Continued)

There are several exceptions to the standard requirement stated above that a fiscal officer’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates, and super blanket certificates, which are provided for in §§ 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. “Then and Now” certificate – If the fiscal officer can certify that both at the time that the contract or order was made (“then”), and at the time that the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

2. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

Seventy-Five percent (75%) of disbursements tested were not certified by the Fiscal Officer prior to or at the time the commitment was incurred and there was no evidence that the Township followed the aforementioned exceptions. In addition, the Township had unrecorded encumbrances of \$1,451 at December 31, 2019 and \$2,352 at December 31, 2018. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the Township uses the exceptions noted above, prior certification is not only required by statute, but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township’s funds exceeding budgetary spending limitations, the Fiscal Officer should certify that the funds are, or will be, available prior to obligation by the Township. When prior certification is not possible, “then and now” certification should be used.

**SPRINGFIELD TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

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

FINDING NUMBER 2019-004 (Continued)

Noncompliance – Ohio Rev. Code § 5705.41(D) (Continued)

The Fiscal Officer should certify the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that indicate the certification language § 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of § 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Officials' Response: The Fiscal Officer will attempt to certify funds so that disbursements are certified.

FINDING NUMBER 2019-005

Material Weakness

In our audit engagement letter, as required by AU-C § 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C § 210 paragraphs .A14 & .A16.

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The Township utilized the UAN system. However, the amounts recorded in the UAN system for Appropriations and Estimated Receipts did not agree to the approved amounts for the year ended December 31, 2019 as follows:

Fund	Approved Appropriations	UAN Appropriations	Variance
General Fund	\$141,493	\$154,793	(\$13,300)
Gasoline Tax Fund	90,000	130,000	(40,000)
Fire Levy Fund	99,100	103,300	(4,200)

**SPRINGFIELD TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

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

FINDING NUMBER 2019-005 (Continued)

Material Weakness (Continued)

Fund	Approved Estimated Receipts	UAN Estimated Receipts	Variance
General Fund	\$97,809	\$92,734	\$5,075
MVL Fund	10,011	12,011	(2,000)
Gasoline Tax Fund	80,109	130,109	(50,000)
Fire Levy Fund	73,955	84,855	(10,900)
Permissive MVL Fund	23,044	21,544	1,500

The amounts recorded in the UAN system for Appropriations and Estimated Receipts did not agree to the approved amounts for the year ended December 31, 2018 as follows:

Fund	Approved Appropriations	UAN Appropriations	Variance
General Fund	\$158,650	\$166,650	(\$8,000)
Road & Bridge Fund	18,000	18,497	(497)
Fire Levy Fund	58,525	83,243	(24,718)

Fund	Approved Estimated Receipts	UAN Estimated Receipts	Variance
General Fund	\$84,622	\$86,695	(\$2,073)
MVL Fund	9,000	16,015	(7,015)
Gasoline Tax Fund	75,000	98,050	(23,050)
Fire Levy Fund	57,199	56,873	326
Permissive MVL Fund	20,000	25,000	(5,000)

Also, the Township did not include estimated receipts in its notes to the financial statements for 2018 or 2019. In addition, the appropriations included in the notes to the financial statements for 2018 were overstated for the General Fund by \$226,947 and for the Special Revenue Funds by \$109,181 and for 2019 were overstated for the General Fund by \$13,300 and for the Special Revenue Funds by \$44,200.

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Board were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not properly posted to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the notes to the financial statements.

**SPRINGFIELD TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2019-005 (Continued)

Material Weakness (Continued)

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response: Fiscal Officer will monitor the posting of receipts and fund balances.

FINDING NUMBER 2019-006

Material Weakness

In our audit engagement letter, as required by AU-C § 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C § 210 paragraphs .A14 & .A16.

The following errors were noted in the financial statements that required audit adjustment or reclassification:

For the year ended December 31, 2019:

- Intergovernmental Receipts were understated and Tax Receipts were overstated in the General Fund in the amount of \$6,950;
- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.176 requires reporting amounts as assigned when subsequent appropriations exceed estimated receipts. The Township incorrectly reported the assigned portion of the General Funds' cash fund balance as unassigned, in the amount of \$98,544;
- Public Safety disbursements were understated and General Government disbursements were overstated in the Fire Levy Fund in the amount of \$27,371;
- Public Safety disbursements were understated and Human Service disbursements were overstated in the Fire Levy Fund in the amount of \$3,000;
- Public Safety disbursements were understated and Capital Outlay disbursements were overstated in the Fire Levy Fund in the amount of \$19,000

For the year ended December 31, 2018:

- Intergovernmental Receipts were understated and Tax Receipts were overstated in the General Fund in the amount of \$7,033
- Miscellaneous Receipts were understated and Other Financing Sources were overstated in the General Fund in the amount of \$5,845;

**SPRINGFIELD TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2019-006 (Continued)

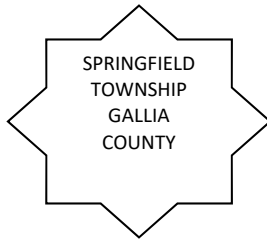
Material Weakness (Continued)

- Miscellaneous Receipts and Cash Fund Balance were understated in the Fire Levy Fund and Other Financing Sources and Cash Fund Balance were overstated in the General Fund in the amount of \$1,278;
- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.176 requires reporting amounts as assigned when subsequent appropriations exceed estimated receipts. The Township incorrectly reported the assigned portion of the General Funds' cash fund balance as unassigned, in the amount of \$43,684;
- Intergovernmental Receipts were understated and Tax Receipts were overstated in the Road and Bridge Fund in the amount of \$2,344;
- Intergovernmental Receipts were understated and Tax Receipts were overstated in the Fire Levy Fund in the amount of \$5,613;
- Intergovernmental Receipts were understated and Other Financing Sources were overstated in the Fire Levy Fund in the amount of \$14,349;
- Principal disbursements were understated in the amount of \$15,000, Interest disbursements were understated in the amount of \$675, General Government disbursements were overstated in the amount of \$1,000, and Public Safety disbursements were overstated in the amount of \$14,675 in the Fire Levy Fund;
- Public Safety disbursements were understated and General Government disbursements were overstated in the Fire Levy Fund in the amount of \$23,881;
- Public Safety disbursements were understated and Human Service disbursements were overstated in the Fire Levy Fund in the amount of \$2,633;
- Public Safety disbursements were understated and Capital Outlay disbursements were overstated in the Fire Levy Fund in the amount of \$19,320;
- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.170-172 requires reporting funds whose revenue had constraints imposed by the Board, which could not be changed without Board approval, as committed. The Township reported the Road and Bridge Fund balance as restricted instead of committed, in the amount of \$13,475

Due to misunderstanding of how receipts and disbursements should be posted, the Fiscal Officer made classification errors as noted above. The audited financial statements and the Township's UAN system have been adjusted for the issues noted above.

The Fiscal Officer should review the Township handbook for guidance on the correct line item to post various receipts and expenditures and also review Auditor of State Bulletin 2011-004 for proper reporting of fund balances to ensure the financial statements are complete and accurate.

Officials' Response: Fiscal Officer will monitor the posting of receipts and disbursements.



**Springfield Twp.
Gallia County
P.O. Box 22
Bidwell, Ohio 45614**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Noncompliance for Ohio Rev. Code §5705.09(C) – Taxes not allocated to pay debt; no debt service fund.	Partially corrected	The loan was paid off in 2018, and no new debt has incurred.
2017-002	Noncompliance for Ohio Rev. Code §5705.41(B) – Expenditures exceeding appropriations	Not corrected	Monitor the expenditure amounts with the set appropriations
2017-003	Noncompliance for Ohio Rev. Code §5705.41(D)(1) – Disbursements were not appropriately certified	Not Corrected	More closely follow guidelines to make sure disbursements are certified
2017-004	Material Weakness for estimated receipts and appropriations approved did not agree to the Township's accounting system	Not Corrected	Monitor the posting of estimated receipts in accounting system
2017-005	Material Weakness for errors in posting receipts, expenditures, and fund balances	Not Corrected	Monitor the posting of receipts and fund balances to find errors that may occur

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OHIO AUDITOR OF STATE KEITH FABER



SPRINGFIELD TOWNSHIP

GALLIA 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 9, 2020**