



OHIO AUDITOR OF STATE
KEITH FABER



**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY
DECEMBER 31, 2020**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2020	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - Fiduciary Fund Types - For the Year Ended December 31, 2020	6
Notes to the Financial Statements for the Year Ended December 31, 2020.....	7
Schedule of Expenditures of Federal Awards	17
Notes to the Schedule of Expenditures of Federal Awards.....	18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	21
Schedule of Findings.....	23
Prepared by Management:	
Corrective Action Plan	27
Summary Schedule of Prior Audit Findings.....	29

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Springfield Township
Summit County
2459 Canfield Road
Akron, Ohio 44312

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and related notes of the Springfield Township, Summit County, Ohio (the Township).

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 Section 117.38 and Ohio Administrative Code Section 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 Section 117.38 and Ohio Administrative Code Section 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 Section 117.38 and Ohio Administrative Code Section 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, 2020, and the respective changes in financial position thereof for the year then ended.

Basis for Additional Opinion Qualification

Miscellaneous Cash Receipts are reported at \$100,113 for the year ended December 31, 2020, which is 7.4 percent of General Fund receipts for the year ended December 31, 2020. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as miscellaneous cash receipts in the General Fund. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2. We believe the audit evidence we obtained is sufficient and appropriate to support our adverse and qualified audit opinions.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Matters

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards (schedule) presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2022, 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

March 25, 2022

This page intentionally left blank.

Springfield Township
Summit 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, 2020*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$388,720	\$4,029,999	\$0	\$4,418,719
Charges for Services		408,229		408,229
Licenses, Permits and Fees	193,612	6,115		199,727
Fines and Forfeitures	122	9,507		9,629
Intergovernmental	656,936	2,629,916		3,286,852
Special Assessments	6,491			6,491
Earnings on Investments	69	7		76
Miscellaneous	100,113	87,626		187,739
<i>Total Cash Receipts</i>	<u>1,346,063</u>	<u>7,171,399</u>	<u>0</u>	<u>8,517,462</u>
Cash Disbursements				
Current:				
General Government	739,378	262,049		1,001,427
Public Safety		4,480,975		4,480,975
Public Works	112,874	842,202		955,076
Health	118,182			118,182
Human Services	48,926			48,926
Conservation-Recreation	206,111	8,038		214,149
Capital Outlay		366,428	15,852	382,280
Debt Service:				
Principal Retirement		63,637		63,637
Interest and Fiscal Charges		14,553		14,553
<i>Total Cash Disbursements</i>	<u>1,225,471</u>	<u>6,037,882</u>	<u>15,852</u>	<u>7,279,205</u>
<i>Excess of Receipts Over Disbursements</i>	<u>120,592</u>	<u>1,133,517</u>	<u>(15,852)</u>	<u>1,238,257</u>
Other Financing Receipts (Disbursements)				
Advances In	332,500	7,500		340,000
Advances Out	(7,500)	(332,500)		(340,000)
Inception Lease		328,858		328,858
SIB Loan Issued			15,852	15,852
Other Financing Sources	(39,178)			(39,178)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>285,822</u>	<u>3,858</u>	<u>15,852</u>	<u>305,532</u>
<i>Net Change in Fund Cash Balances</i>	406,414	1,137,375	0	1,543,789
<i>Fund Cash Balances, January 1</i>	922,193	1,856,449	0	2,778,642
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,328,607</u>	<u>\$ 2,993,824</u>	<u>\$ -</u>	<u>\$ 4,322,431</u>

See accompanying notes to the basic financial statements

Springfield Township
Summit County, Ohio
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2020

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$62,588
Other Amounts Collected for Distribution	26,769
<i>Total Additions</i>	89,357
Deductions	
Distributions as Fiscal Agent	77,682
Other Distributions	49,615
<i>Total Deductions</i>	127,297
<i>Net Change in Fund Balances</i>	(37,940)
<i>Fund Cash Balances, January 1</i>	84,046
<i>Fund Cash Balances, December 31</i>	\$46,106

See accompanying notes to the basic financial statements

Springfield Township
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

Description of the Entity

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

Joint Ventures, Public Entity Risk Pools and Related Organizations

The Township participates in one public entity risk pool, two joint ventures, and one related organization. Notes 7, 12, and 13 to the financial statements provide additional information for these entities.

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 and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) fiduciary fund type which are all 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:

1. ***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.
2. ***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Police District Fund The Police District fund accounts for and reports the receipt of property tax monies restricted for general operations of the police department.

Fire District Fund The Fire District fund accounts for and reports the receipt of property tax monies and grants restricted to provide fire protection services to Township residents.

Road and Bridge Fund The Road and Bridge fund accounts for and reports the receipt of property tax monies and grants restricted to provide road services to Township residents

Springfield Township
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2020

3. **Capital Project Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

SIB (State Infrastructure Bank) Loan Fund – This fund accounts for the activity related to the Township’s SIB loan.

4. **Fiduciary Funds** Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township’s custodial fund accounts for the activities of the Springfield Township Local Cable Communications Board for which the Township acts as fiscal agent, and accounts for fire claims – insurance escrow amounts.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-203(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. 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 Section 117.38 and Ohio Administrative Code Section 117-203(D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) 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. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated.

A summary of 2020 budgetary activity appears in Note 3.

Springfield Township
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

Springfield Township
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,420,012	\$1,678,563	\$258,551
Special Revenue	7,024,590	7,507,757	483,167
Capital Projects		15,852	15,852
Total	\$8,444,602	\$9,202,172	\$757,570

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,360,389	\$1,329,180	\$1,031,209
Special Revenue	7,642,685	6,587,156	1,055,529
Capital Projects		15,852	(15,852)
Total	\$10,003,074	\$7,932,188	\$2,070,886

The negative variance is due to an audit adjustment that increased Capital Projects Fund disbursements.

Note 4 - Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	12/31/2020
<i>Cash Management Pool:</i>	
Demand deposits	\$4,368,537
Total deposits	4,368,537

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the Township is holding \$82,888 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Depository Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Springfield Township
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 5 – 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.

Public utilities are also taxed on personal and real property located within the Township.

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

Note 6 - Interfund Balances

Outstanding advances at December 31, 2020 consisted of \$2,000 advanced to the Flood Mitigation Grant Fund (Special Revenue) from the General Fund for a flood mitigation project.

Note 7 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

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 & Casualty
- Public Officials Liability
- Cyber
- Law Enforcement Liability
- Automobile Liability
- Vehicles
- Property
- Equipment Breakdown

Springfield Township
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Pool reported the following summary of assets and actuarially-measured liabilities to pay those liabilities as of December 31, 2020:

Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most Township 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. Full-time police officers contributed 13% of their gross salaries and the Township contributed an amount equal to 18.10% of participants gross salaries. All other OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants gross salaries. The Township has paid all contributions required through December 31, 2020.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F 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. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of the full-time firefighters' wages. The Township has paid all contributions required through December 31, 2020.

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Note 9 – Post Employment Benefits

Both OPERS and OP&F 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 traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Springfield Township
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2020

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 10 – Debt

Debt outstanding on December 31, 2020 was as follows:

	Principal	Interest Rate
SIB Loan	\$19,053	3.00%

The Township has entered into a contractual agreement for the Canton and Waterloo Streets Decorative Lighting Project from the State Infrastructure Bank (SIB). Under the terms of the agreement, the SIB will directly pay the construction costs of the approved project. A line of credit has been established with the SIB in the amount of \$227,000. The balance of the loan at December 31, 2020 was \$19,053. The repayment of the SIB loan is scheduled to begin on November 1, 2021 and will be repaid over nine years at an interest rate of 3.00 percent.

Leases

The Township has entered into several leases for equipment and other assets, including a fire truck, police vehicles, ambulance, and Stryker Cots and Load Systems. The Township disbursed \$78,181 to pay lease costs for the year ended December 31, 2020.

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

Year ending December 31:	Leases
2021	\$124,629
2022	\$124,629
2023	\$124,629
2024	\$79,497
2025	\$63,158
2026-2028	<u>\$99,148</u>
Total	\$615,690

Note 11 – Contingent Liabilities

The Township may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Township's financial condition.

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Springfield Township
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 12 – Joint Ventures

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. The Township has no equity interest in the JEDD. Complete financial statements can be obtained from the City of Akron.

The Township participates in the Southwest Summit Council of Governments (Council) which is a statutorily created political subdivision of the State. The Council is a joint venture between Copley Township, the City of Norton, the City of Barberton and Springfield Township. The Council is controlled by an executive board which is composed of a President, Vice President/Secretary, and Fiscal Officer who serve without compensation. Each member's control over the operation of the Council is limited to its representation on the board. The Council was formed to share services, promote cooperative arrangements, and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. Continued existence of the Council is not dependent on the Township's continued participation, and the Township does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the Township. In 2020, the Township contributed \$218,000 to the Council for dispatch and information technology services. Complete financial statements can be obtained from the Southwest Summit Council of Governments, Summit County, Ohio.

Note 13 – Related Organization

The Township appoints four of the five members of the Springfield Township Local Cable Communications Board, Inc. (Board). The Board operates, maintains, manages, and regulates the cable television programming and charges and receives 2% franchise fees on behalf of its member communities (Lakemore Village and Springfield Township). The Board hires and fires its own staff and does not rely on the Township to finance deficits. The Township is not financially accountable for the Board nor is the Board financially dependent on the Township. The Board serves as its own budgeting, taxing and debt issuance authority. Complete financial statements can be obtained from the Springfield Township Cable Communications Board, Inc.

Springfield Township
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 14 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	57,030	216,776		273,806
Total	\$57,030	\$216,776	\$0	\$273,806

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects which would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – Change in Accounting Principle

For 202, the Township has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – fiduciary fund type, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

Note 16 – COVID-19

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

This page intentionally left blank.

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 Coronavirus Relief Fund	21.019	N/A	\$1,014,185
<i>Passed Through County of Summit, Ohio</i>			
COVID-19 Coronavirus Relief Fund	21.019	N/A	<u>414,442</u>
Total U.S. Department of Treasury			<u>1,428,627</u>
Total Expenditures of Federal Awards			<u>\$1,428,627</u>

The accompanying notes are an integral part of this schedule.

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Springfield Township, Summit County (the Township) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position or changes in fund balance of the Township.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Township has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Springfield Township
Summit County
2459 Canfield Road
Akron, Ohio 44312

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 for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and related notes of the Springfield Township, Summit County, (the Township) have issued our report thereon dated March 25, 2022, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, and wherein we qualified the Miscellaneous Cash Receipts in the General Fund for the year ended December 31, 2020. We also noted the Township referred to the financial impact of COVID-19 and the continuing emergency measures which may 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) as a basis for designing 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 2020-001 and 2020-002 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 financial statement. 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2020-001.

Township's Response 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

March 25, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Springfield Township
Summit County
2459 Canfield Road
Akron, Ohio 44312

To the Board of Trustees:

Report on Compliance for the Major Federal Program

We have audited Springfield Township's (the Township) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Springfield Township's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Township's major federal program.

Management's Responsibility

The Township's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Township's compliance for the Township's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Township's major program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on the Major Federal Program

In our opinion, Springfield Township complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Township's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 25, 2022

**SPRINGFIELD TOWNSHIP
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse under GAAP Modified under the regulatory basis
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	COVID-19 Coronavirus Relief Fund – CFDA #21.019
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2020-001

**Noncompliance and Material Weakness:
Ohio Rev. Code § 149.351 - Maintaining Supporting Documentation**

Maintaining organized documentation and support for financial transactions is essential in assuring the Township financial statements are not materially misstated and that all expenditures are made for a proper public purpose and all public records are available for public inspection. Additionally, **Ohio Rev. Code § 149.351** requires all records that are the property of the public office shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Ohio Rev. Code §§149.38 through 149.42.

- The Township did not maintain underlying documentation and support for four of four (100%) Licenses, Permits, and Fees Cash Receipts selected for testing, totaling \$140,533. Alternative audit procedures were able to be performed to gain the necessary audit assurances.
- The Township did not maintain underlying documentation and support for five of five (100%) Miscellaneous Cash Receipts selected for testing, totaling \$2,849. Alternative audit procedures were able to be performed to gain the necessary audit assurances for only one of the five receipts in the amount of \$1,200, resulting in a modified opinion over Miscellaneous Cash Receipts.
- The Township did not maintain the lease payment schedule for a police vehicle lease. Alternative audit procedures were able to be performed to gain the necessary audit assurances.

Failure to maintain underlying documentation and support of financial transactions can increase the risk of fraud, result in financial statement misstatements, and expenditures that are not for a proper public purpose.

The Township should maintain all invoices, receipts, and other supporting documentation for all financial transactions, and records should be maintained in an orderly manner to support all transactions.

Official's Response: See Corrective Action Plan

FINDING NUMBER 2020-002

Material Weakness: Financial Reporting

In our audit engagement letter, as required by AU-C Section 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 Section 210 paragraphs .A14 & .A16.

The following exceptions were noted resulting in adjustments to the financial statements to reflect the proper reporting indicating a deficiency in the design, implementation and maintenance of internal control relevant to preparing and fairly presenting financial statements.

- General Fund Licenses, Permits and Fees Cash Receipts and General Government Cash Disbursements were understated by \$15,936 due to the Township recording cable franchise fees at net of the Custodial Fund share rather than at gross.
- General Fund Advances In were understated, General Fund Ending Fund Cash Balance was understated, Special Revenue Fund Advances Out were understated, and Special Revenue Fund Ending Fund Cash Balance was overstated by \$7,500 due to the Township improperly not recording the return of the advance that was approved by the Board.
- General Fund General Government Cash Disbursements were understated, General Fund Ending Fund Cash Balance was overstated, Custodial Fund Fines, Licenses, and Permits for Distribution Additions were understated, and Custodial Fund Ending Fund Cash Balance was understated by \$31,232 due to the Township improperly recording receipts and disbursements related to cable franchise fees for the Springfield Township Local Cable Communications Board, Inc.
- General Fund Intergovernmental Revenue Cash Receipts were overstated by \$14,953, Property and Other Local Taxes Cash Receipts were understated by \$2,011, and Ending Fund Cash Balance was overstated \$12,942. Special Revenue Fund Intergovernmental Cash Receipts were overstated by \$9,963, Property and Other Local Taxes Cash Receipts were understated by \$24,690, and Ending Fund Cash Balance was understated by \$14,727 due to the Township improperly recording manufactured home tax receipts.
- General Fund General Government Cash Disbursements were understated and Ending Fund Cash Balance was overstated by \$129. Special Revenue Fund Public Works and Public Safety Cash Disbursements were understated by \$221 and \$1,437, respectively, and Ending Fund Cash Balance was overstated by \$1,658 due to the Township improperly recording manufactured home tax receipts at net rather than gross.
- Custodial Fund Distributions as Fiscal Agent Deductions were understated and Other Distributions Deductions were overstated by \$77,682 due to the Township improperly recording quarterly disbursements to the Springfield Township Local Cable Communications Board, Inc.
- Custodial Fund Fines, Licenses, and Permits for Distribution Additions were understated and Other Amounts Collected for Distribution Additions were overstated by \$31,356 due to the Township improperly recording quarterly receipts for the Springfield Township Local Cable Communications Board, Inc.
- Capital Projects Fund Capital Outlay Cash Disbursements and SIB Loan Issued Other Financing Receipts were understated by \$15,852 due to the Township not recording the activity of the State Infrastructure Bank (SIB) Loan that the Ohio Department of Transportation (ODOT) disbursed on behalf of the Township in 2020.
- Special Revenue Fund Capital Outlay Disbursements and Inception of Lease Other Financing Receipts were understated by \$328,858 due to the Township not recording the activity of the three Police Vehicle Leases and Ambulance Lease entered in 2020.
- Special Revenue Fund Capital Outlay Cash Disbursements were overstated by \$49,941, Special Revenue Fund Public Safety Cash Disbursements were overstated by \$28,249, Principal Retirement Cash Disbursements were understated by \$63,637, and Interest and Fiscal Charges Cash Disbursements were understated by \$14,553, due to the Township improperly recording lease payments.
- General Fund Transfers In and Transfers Out were overstated by \$15,000 due to the Township not eliminating the transfers from the General Fund to the Miscellaneous Senior Center Nutrition Fund, which rolls into the General Fund on the financial statements.

Additionally, the 2020 footnote disclosures included various errors and omissions. As an example, the 2020 footnote disclosure included improper budgetary activity amounts and included incorrect leases/debt activity information. As the footnote disclosures are an integral part of the financial statements, complete and accurate footnote disclosures are imperative to the readers of the financial statements.

To help ensure the financial statements are presented properly, the Township should review the design, implementation and maintenance of internal control relevant to preparing and fairly presenting financial statements, and update and/or clarify the procedures and expected practices to help ensure proper reporting.

The Township should also review the Ohio Township Handbook and the Uniform Accounting Network (UAN) manual to help ensure receipts are posted to the proper fund and account.

Furthermore, the Township should formally establish a Capital Projects Fund to properly record the SIB Loan activity.

Official's Response: See Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None noted.



2459 Canfield Road
Akron, OH 44312
(330) 734-4116

www.springfieldtownship.us

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2020

Finding Number: 2020-001
Planned Corrective Action: The Township will update and/or clarify the procedures as necessary in order to ensure maintenance of all invoices, receipts, and other supporting documentation for all financial transactions so that records are maintained in an orderly manner to support all transactions.
Anticipated Completion Date: June 30, 2022
Responsible Contact Person: Michael Spickard

Finding Number: 2020-002
Planned Corrective Action: The Township will review the design, implementation and maintenance of internal control relevant to preparing and fairly presenting financial statements, and will update and/or clarify the procedures and expected practices to help ensure proper reporting. The Township will also review the Ohio Township Handbook and the Uniform Accounting Network (UAN) manual to help ensure receipts are posted to the proper fund and account. Furthermore, the Township will formally establish a Capital Projects Fund to properly record the SIB Loan activity.
Anticipated Completion Date: June 30, 2022
Responsible Contact Person: Michael Spickard

This page intentionally left blank.



2459 Canfield Road
Akron, OH 44312
(330) 734-4116

www.springfieldtownship.us

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Ohio Rev. Code § 149.351 - Maintaining Supporting Documentation – The Township was unable to locate supporting documentation in multiple instances.	Not Corrected	Refer to Finding Number 2020-001
2019-002	Financial Reporting Presentation – The Township had various errors on its financial reports that resulted in adjustments.	Not Corrected	Refer to Finding Number 2020-002
2019-003	Cash Reconciliation Process Errors – The Township did not complete bank reconciliations on a timely basis in 2018 or 2019.	Corrected	None
2019-004	Interfund Advances – The Township’s Board failed to approve multiple advances in 2018 and 2019. Additionally, two advances the Board approved in 2019 were not properly recorded in the accounting system.	Corrected	None
2019-005	Unapproved Pay Raise, Leave Benefits and Additional Hours – The Assistant to the Fiscal Officer was overpaid based on the hours and wages approved by the Board.	Corrected	None

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



SPRINGFIELD TOWNSHIP

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 4/12/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov