



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Springfield Township
Lucas County
7617 Angola Road
Holland, Ohio 43528-8602

To the Board of Trustees:

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 21, 2001

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$1,038,106	\$1,410,082		\$2,448,188
Intergovernmental	581,048	287,515		868,563
Special Assessments			\$254,074	254,074
Charges for Services		556,497		556,497
Licenses, Permits, and Fees	33,713	12,140		45,853
Earnings on Investments	261,415	19,891		281,306
Other Revenue	130,246	39,223		169,469
	<u>2,044,528</u>	<u>2,325,348</u>	<u>254,074</u>	<u>4,623,950</u>
Total Cash Receipts				
	<u>2,044,528</u>	<u>2,325,348</u>	<u>254,074</u>	<u>4,623,950</u>
Cash Disbursements:				
Current:				
General Government	1,078,358			1,078,358
Public Safety		1,604,122		1,604,122
Public Works	562	533,238	252,705	786,505
Health	71,647	5,546		77,193
Conservation - Recreation	95,991			95,991
Capital Outlay	54,670	241,792		296,462
	<u>1,301,228</u>	<u>2,384,698</u>	<u>252,705</u>	<u>3,938,631</u>
Total Cash Disbursements				
	<u>1,301,228</u>	<u>2,384,698</u>	<u>252,705</u>	<u>3,938,631</u>
Total Receipts Over/(Under) Disbursements	<u>743,300</u>	<u>(59,350)</u>	<u>1,369</u>	<u>685,319</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	361,085	164,259		525,344
Transfers-Out	(164,259)		(361,085)	(525,344)
	<u>196,826</u>	<u>164,259</u>	<u>(361,085)</u>	
Total Other Financing Receipts/(Disbursements)				
	<u>196,826</u>	<u>164,259</u>	<u>(361,085)</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>940,126</u>	<u>104,909</u>	<u>(359,716)</u>	<u>685,319</u>
Fund Cash Balances, January 1	<u>1,769,316</u>	<u>1,322,250</u>	<u>514,463</u>	<u>3,606,029</u>
Fund Cash Balances, December 31	<u><u>\$2,709,442</u></u>	<u><u>\$1,427,159</u></u>	<u><u>\$154,747</u></u>	<u><u>\$4,291,348</u></u>
Reserve for Encumbrances, December 31	<u><u>\$173,834</u></u>	<u><u>\$110,652</u></u>		<u><u>\$284,486</u></u>

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

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$962,570	\$1,325,128		\$2,287,698
Intergovernmental	343,593	295,631		639,224
Special Assessments			\$251,324	251,324
Charges for Services		536,355		536,355
Licenses, Permits, and Fees	44,464	12,840		57,304
Earnings on Investments	179,621	15,272		194,893
Other Revenue	101,995	26,762		128,757
	<u>1,632,243</u>	<u>2,211,988</u>	<u>251,324</u>	<u>4,095,555</u>
Total Cash Receipts				
	<u>1,632,243</u>	<u>2,211,988</u>	<u>251,324</u>	<u>4,095,555</u>
Cash Disbursements:				
Current:				
General Government	1,141,411			1,141,411
Public Safety		1,468,483		1,468,483
Public Works		488,201	233,009	721,210
Health	25,506	2,397		27,903
Conservation - Recreation	89,791			89,791
Capital Outlay	323,700	184,418	760,535	1,268,653
	<u>1,580,408</u>	<u>2,143,499</u>	<u>993,544</u>	<u>4,717,451</u>
Total Cash Disbursements				
	<u>1,580,408</u>	<u>2,143,499</u>	<u>993,544</u>	<u>4,717,451</u>
Total Receipts Over/(Under) Disbursements	<u>51,835</u>	<u>68,489</u>	<u>(742,220)</u>	<u>(621,896)</u>
Other Financing Receipts/(Disbursements):				
Transfers-In			1,120,070	1,120,070
Transfers-Out	(1,120,070)			(1,120,070)
Other Sources	4,894	15		4,909
	<u>(1,115,176)</u>	<u>15</u>	<u>1,120,070</u>	<u>4,909</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(1,115,176)</u>	<u>15</u>	<u>1,120,070</u>	<u>4,909</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(1,063,341)</u>	<u>68,504</u>	<u>377,850</u>	<u>(616,987)</u>
Fund Cash Balances, January 1	<u>2,832,657</u>	<u>1,253,746</u>	<u>136,613</u>	<u>4,223,016</u>
Fund Cash Balances, December 31	<u><u>\$1,769,316</u></u>	<u><u>\$1,322,250</u></u>	<u><u>\$514,463</u></u>	<u><u>\$3,606,029</u></u>
Reserve for Encumbrances, December 31	<u><u>\$184,810</u></u>	<u><u>\$68,184</u></u>		<u><u>\$252,994</u></u>

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

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Springfield Township, Lucas County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Repurchase agreements are valued at cost.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Fire District Fund - This fund receives proceeds of a special levy to maintain the Township fire department.

Emergency Medical Services Fund - This fund receives contract payments from Lucas County to provide EMS services to Township residents.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

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

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds:

Nature Works Round 4 Fund - The Township transferred money from the General Fund for improvements at Homecoming Park.

Lighting Assessment Fund - This fund receives special assessments to provide street lighting in the Township.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

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

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

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

2. EQUITY IN POOLED CASH

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

	<u>2000</u>	<u>1999</u>
Demand deposits	(\$106,630)	(\$172,682)
Overnight repurchase agreements	<u>4,397,978</u>	<u>3,778,711</u>
Total deposits and investments	<u><u>4,291,348</u></u>	<u><u>3,606,029</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: The Township and its financial institution have an agreement in which account balances are automatically invested in an overnight repurchase agreement. The financial institution maintains records identifying the Township as owner.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,844,252	\$2,405,613	(\$438,639)
Special Revenue	2,556,443	2,489,607	(66,836)
Capital Projects	<u>498,680</u>	<u>254,074</u>	<u>(244,606)</u>
Total	<u><u>\$5,899,375</u></u>	<u><u>\$5,149,294</u></u>	<u><u>(\$750,081)</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,568,725	\$1,639,321	\$1,929,404
Special Revenue	3,753,200	2,495,350	1,257,850
Capital Projects	<u>1,013,142</u>	<u>613,790</u>	<u>399,352</u>
Total	<u><u>\$8,335,067</u></u>	<u><u>\$4,748,461</u></u>	<u><u>\$3,586,606</u></u>

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,166,280	\$1,637,137	(\$1,529,143)
Special Revenue	2,629,323	2,212,003	(417,320)
Capital Projects	1,576,000	1,371,394	(204,606)
Total	\$7,371,603	\$5,220,534	(\$2,151,069)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,767,794	\$2,885,288	\$1,882,506
Special Revenue	3,495,208	2,211,683	1,283,525
Capital Projects	1,490,640	993,544	497,096
Total	\$9,753,642	\$6,090,515	\$3,663,127

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of OP&F contributed 10% of their wages to the OP&F. The Township contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Township is self-insured for full-time employee health coverage. Interfund rates are charged based upon claims approved by the claims administrator, Western Reserve.

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

7. COMPLIANCE AND ACCOUNTABILITY

Contrary to Ohio law, rollback and homestead tax monies, due to the Road and Bridge and Fire Funds, were erroneously allocated and posted to the General Fund. The financial statements have been adjusted to reflect the proper allocation of rollback and homestead tax monies to their respective funds.

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

Springfield Township
Lucas County
7617 Angola Road
Holland, Ohio 43528-8602

To the Board of Trustees:

We have audited the accompanying financial statements of Springfield Township, Lucas County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 21, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-40148-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 21, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 21, 2001.

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

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 21, 2001

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

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

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

FINDING NUMBER 2000-40148-001

Noncompliance Citation

Ohio Revised Code § 5705.10 requires that all revenue derived from a source other than the general property tax, and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose.

In 2000, the Township received rollback and homestead tax monies, due to the Road and Bridge and Fire Funds, in the amounts of \$17,959 and \$53,775, respectively. These monies were allocated and posted to the General Fund rather than the required funds mentioned above.

The Township has corrected it's records to show the above tax monies credited to the Road and Bridge and Fire Funds rather than the General Fund, as reflected in the audited financial statements.



STATE OF OHIO
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JIM PETRO, AUDITOR OF STATE

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SPRINGFIELD TOWNSHIP

LUCAS 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 31, 2001**