



**SPRINGFIELD TOWNSHIP
MAHONING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SPRINGFIELD TOWNSHIP
MAHONING COUNTY
TABLE OF CONTENTS**

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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REPORT OF INDEPENDENT ACCOUNTANTS

Springfield Township
Mahoning County
3475 East South Range Road
New Springfield, Ohio 44443

To the Board of Trustees:

We have audited the accompanying financial statements of Springfield Township, Mahoning County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 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 audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and December 31, 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 1, 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 audit.

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 1, 2001

**SPRINGFIELD TOWNSHIP
MAHONING 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:				
Taxes	\$233,510	\$518,176		\$751,686
Charges for Services		51,038		51,038
Licenses, Permits, and Fees	93,358			93,358
Fines, Forfeitures, and Penalties	8,091	328		8,419
Intergovernmental Receipts	129,389	192,935		322,324
Special Assessments		7,507		7,507
Earnings on Investments	42,683	2,546		45,229
Other Revenue	1,453	1,658		3,111
	<u>508,484</u>	<u>774,188</u>		<u>1,282,672</u>
Total Cash Receipts				
Cash Disbursements:				
General Government	180,635	335,974		516,609
Public Safety	28,427	102,283		130,710
Public Works		200,294		200,294
Health	25,520	4,000		29,520
Conservation - Recreation		2,115		2,115
Capital Outlay	109,743	1,880		111,623
	<u>344,325</u>	<u>646,546</u>		<u>990,871</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>164,159</u>	<u>127,642</u>		<u>291,801</u>
Other Financing Receipts/(Disbursements):				
Operating Transfers-In		23,965	\$50,000	73,965
Operating Transfers-Out	(23,965)	(50,000)		(73,965)
Advances-In	58,400	57,886		116,286
Advances-Out	(57,886)	(58,400)		(116,286)
Sale of Assets	15,356			15,356
Other Financing Sources	2,832			2,832
	<u>(5,263)</u>	<u>(26,549)</u>	<u>50,000</u>	<u>18,188</u>
Total Other Financing Sources/(Uses)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	158,896	101,093	50,000	309,989
Fund Cash Balances, January 1	<u>531,543</u>	<u>256,382</u>		<u>787,925</u>
Fund Cash Balances, December 31	<u>\$690,439</u>	<u>\$357,475</u>	<u>\$50,000</u>	<u>\$1,097,914</u>
Reserve for Encumbrances, December 31		<u>\$24,990</u>		<u>\$24,990</u>

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

**SPRINGFIELD TOWNSHIP
MAHONING 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>Debt Service</u>	
Cash Receipts:				
Taxes	\$207,172	\$494,423		\$701,595
Licenses, Permits and Fees	100			100
Fines and Forfeitures	9,132	603		9,735
Intergovernmental Receipts	153,964	152,738		306,702
Special Assessments		7,242		7,242
Earnings on Investments	34,007	2,013		36,020
Other Revenue	83,869	6,936		90,805
	<u>488,244</u>	<u>663,955</u>		<u>1,152,199</u>
Cash Disbursements:				
Current:				
General Government	150,253	298,456		448,709
Public Safety	33,564	34,083		67,647
Public Works	18,825	151,748		170,573
Health	21,152			21,152
Capital Outlay	216,103	235,705		451,808
	<u>439,897</u>	<u>719,992</u>		<u>1,159,889</u>
Total Receipts Over/(Under) Disbursements	<u>48,347</u>	<u>(56,037)</u>		<u>(7,690)</u>
Other Financing Receipts/(Disbursements):				
Advances-In	30,703	33,186		63,889
Advances-Out	(33,186)	(30,703)		(63,889)
Sale of Assets	8,247			8,247
Contingencies			(\$15)	(15)
	<u>5,764</u>	<u>2,483</u>	<u>(15)</u>	<u>8,232</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	54,111	(53,554)	(15)	542
Fund Cash Balances as Restated, January 1	<u>477,432</u>	<u>309,936</u>	<u>15</u>	<u>787,383</u>
Fund Cash Balances, December 31	<u>\$531,543</u>	<u>\$256,382</u>		<u>\$787,925</u>
Reserve for Encumbrances, December 31	<u>\$18,357</u>			<u>\$18,357</u>

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

**SPRINGFIELD TOWNSHIP
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Springfield Township, Mahoning 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, fire protection and police protection.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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:

Police Fund - This fund is used to pay for payroll expenses and purchases for the police department.

Fire and Rescue Fund - This fund is used to purchase supplies for the fire and rescue department.

**SPRINGFIELD TOWNSHIP
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Debt Service Fund

This fund accounts for the accumulation of resources for, and the payment of, debt principal and interest.

4. Capital Project Funds

This fund is 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).

Miscellaneous Capital Projects Fund - This fund is being used for the purpose of renovating Fire Station #3's building.

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 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 re-appropriated.

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
MAHONING COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand Deposits	(\$63,077)	(\$71,799)
Repurchase Agreements	<u>\$1,160,991</u>	<u>\$859,724</u>
Total Deposits and Investments	<u><u>\$1,097,914</u></u>	<u><u>\$787,925</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: Repurchase agreements are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Township's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$405,274	\$526,672	\$121,398
Special Revenue	749,157	798,153	48,996
Capital Projects	<u>50,000</u>	<u>50,000</u>	<u>\$0</u>
Total	<u><u>\$1,204,431</u></u>	<u><u>\$1,374,825</u></u>	<u><u>\$170,394</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$555,403	\$368,290	\$187,113
Special Revenue	825,269	721,536	103,733
Capital Projects	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$1,380,672</u></u>	<u><u>\$1,089,826</u></u>	<u><u>\$290,846</u></u>

**SPRINGFIELD TOWNSHIP
MAHONING COUNTY**

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

3. BUDGETARY ACTIVITY - Continued

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$355,807	\$496,491	\$140,684
Special Revenue	621,796	663,955	42,159
Debt Service	0	0	0
Capital Projects	0	0	0
Total	\$977,603	\$1,160,446	\$182,843

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$581,704	\$458,254	\$123,450
Special Revenue	819,523	719,992	99,531
Debt Service	15	15	0
Capital Projects	1,500	0	1,500
Total	\$1,402,742	\$1,178,261	\$224,481

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 payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

**SPRINGFIELD TOWNSHIP
MAHONING COUNTY**

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

5. RETIREMENT SYSTEMS

Full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, law enforcement employees and full-time Township employees contributed 9% and 8.5% respectively. The Township contributed an amount equal to 16% for law enforcement employees and 10.84% in 2000 and 13.55% for 1999 for full-time Township employees. 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
- Errors and omissions

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

7. PRIOR PERIOD ADJUSTMENT

The 1999 fund balances in special revenue fund 2401 and capital projects fund 4501 were posted incorrectly. The UAN conversion from the old fund numbering system to the new numbering system incorrectly posted special assessment monies to 4501 instead of 2401.

The following shows the adjustment which will correct the error made:

1999	Balance 01/01/99	Adjustment	Balance 01/01/99
Capital Projects 4501	24,657	(24,657)	0
Street Lighting 2401	0	24,657	24,657

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

Springfield Township
Mahoning County
3475 East South Range Road
New Springfield, Ohio 44443

To the Board of Trustees:

We have audited the accompanying financial statements of Springfield Township, Mahoning County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 1, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 1, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 1, 2001.

Springfield Township
Mahoning 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 1, 2001



STATE OF OHIO
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JIM PETRO, AUDITOR OF STATE

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SPRINGFIELD TOWNSHIP

MAHONING 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 3, 2001**