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Marietta, OH 45750  
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1907 Grand Central Ave.  
Vienna, WV 26105  
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St. Clairsville, OH 43950  
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1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358



Certified Public Accountants, A.C.

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY  
Regular Audit**

**For the Years Ended December 31, 2016 and 2015**

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- Association of Certified Anti - Money Laundering Specialists •





# Dave Yost • Auditor of State

Board of Trustees  
Springfield Township  
9150 Winton Road  
Cincinnati, Ohio 45231

We have reviewed the *Independent Auditor's Report* of Springfield Township, Hamilton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2015 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Springfield Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 13, 2017

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**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

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## Independent Auditor's Report

May 31, 2017

Springfield Township  
Hamilton County  
9150 Winton Road  
Cincinnati, Ohio 45231

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Springfield Township**, Hamilton County, (the Township) as of and for the years ended December 31, 2016 and 2015.

### ***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 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.

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***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, 2016 and 2015, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Springfield Township, Hamilton County as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2017, 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.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 2,849,792	\$ 11,289,279	\$ 369,462	\$ 14,508,533
Charges for Services	-	967,933	-	967,933
Licenses, Permits and Fees	462,335	-	-	462,335
Fines and Forfeitures	27,165	60,779	-	87,944
Intergovernmental	1,055,731	2,685,832	499,668	4,241,231
Special Assessments	34,960	1,200	-	36,160
Earnings on Investments	89,874	3,874	-	93,748
Miscellaneous	405,399	690,712	-	1,096,111
<i>Total Cash Receipts</i>	<u>4,925,256</u>	<u>15,699,609</u>	<u>869,130</u>	<u>21,493,995</u>
<b>Cash Disbursements</b>				
Current:				
General Government	2,165,370	-	-	2,165,370
Public Safety	-	13,509,888	-	13,509,888
Public Works	666,480	1,427,586	-	2,094,066
Health	35,275	-	-	35,275
Conservation-Recreation	349,243	-	-	349,243
Other	-	23,435	237,301	260,736
Capital Outlay	1,019	275,001	1,037,609	1,313,629
Debt Service:				
Principal Retirement	385,515	854,246	-	1,239,761
Interest and Fiscal Charges	74,992	193,754	-	268,746
<i>Total Cash Disbursements</i>	<u>3,677,894</u>	<u>16,283,910</u>	<u>1,274,910</u>	<u>21,236,714</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,247,362</u>	<u>(584,301)</u>	<u>(405,780)</u>	<u>257,281</u>
<b>Other Financing Receipts (Disbursements)</b>				
Other Debt Proceeds	-	-	291,785	291,785
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>-</u>	<u>291,785</u>	<u>291,785</u>
<i>Net Change in Fund Cash Balances</i>	1,247,362	(584,301)	(113,995)	549,066
<i>Fund Cash Balances, January 1</i>	<u>4,555,594</u>	<u>12,424,764</u>	<u>783,766</u>	<u>17,764,124</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	11,644,052	669,771	12,313,823
Committed	-	196,411	-	196,411
Assigned	207,131	-	-	207,131
Unassigned	5,595,825	-	-	5,595,825
<i>Fund Cash Balances, December 31</i>	<u>\$ 5,802,956</u>	<u>\$ 11,840,463</u>	<u>\$ 669,771</u>	<u>\$ 18,313,190</u>

The accompanying notes are an integral part of the Financial Statements.

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 2,290,725	\$ 11,479,027	\$ -	\$ 385,303	\$ 14,155,055
Charges for Services	-	1,005,667	-	-	1,005,667
Licenses, Permits and Fees	441,784	-	-	-	441,784
Fines and Forfeitures	28,272	67,752	-	-	96,024
Intergovernmental	961,242	3,014,912	-	404,690	4,380,844
Special Assessments	59,895	1,146	-	-	61,041
Earnings on Investments	87,590	3,728	-	-	91,318
Miscellaneous	322,012	285,725	-	34,433	642,170
<i>Total Cash Receipts</i>	<u>4,191,520</u>	<u>15,857,957</u>	<u>-</u>	<u>824,426</u>	<u>20,873,903</u>
<b>Cash Disbursements</b>					
Current:					
General Government	1,760,462	-	-	-	1,760,462
Public Safety	-	12,344,983	-	-	12,344,983
Public Works	811,063	1,309,113	-	-	2,120,176
Health	36,696	-	-	-	36,696
Human Services	-	295	-	-	295
Conservation-Recreation	342,451	-	-	-	342,451
Other	-	21,377	-	248,819	270,196
Capital Outlay	167,689	285,558	-	800,782	1,254,029
Debt Service:					
Principal Retirement	236,829	615,193	7,775,000	-	8,627,022
Interest and Fiscal Charges	96,909	172,349	159,289	-	428,547
<i>Total Cash Disbursements</i>	<u>3,452,099</u>	<u>14,748,868</u>	<u>7,934,289</u>	<u>1,049,601</u>	<u>27,184,857</u>
<i>Excess of Receipts Over Disbursements</i>	<u>739,421</u>	<u>1,109,089</u>	<u>(7,934,289)</u>	<u>(225,175)</u>	<u>(6,310,954)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	-	74,329	-	-	74,329
Other Debt Proceeds	-	-	-	350,993	350,993
Sale of Bonds	-	-	7,440,000	-	7,440,000
Premium and Accrued Interest on Debt	-	-	634,679	-	634,679
Discount on Debt	-	-	(60,560)	-	(60,560)
Cost of Issuance	-	-	(79,830)	-	(79,830)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>74,329</u>	<u>7,934,289</u>	<u>350,993</u>	<u>8,359,611</u>
<i>Net Change in Fund Cash Balances</i>	739,421	1,183,418	-	125,818	2,048,657
<i>Fund Cash Balances, January 1</i>	<u>3,816,173</u>	<u>11,241,346</u>	<u>-</u>	<u>657,948</u>	<u>15,715,467</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	-	12,173,925	-	783,766	12,957,691
Committed	-	250,839	-	-	250,839
Assigned	24,841	-	-	-	24,841
Unassigned	4,530,753	-	-	-	4,530,753
<i>Fund Cash Balances, December 31</i>	<u>\$ 4,555,594</u>	<u>\$ 12,424,764</u>	<u>\$ -</u>	<u>\$ 783,766</u>	<u>\$ 17,764,124</u>

The accompanying notes are an integral part of the Financial Statements.

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Springfield Township, Hamilton County (the Township) as a body corporate and politic. The subdivision was established in 1795 and is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, police and fire protection, emergency medical services, zoning, senior services, and parks and recreation. The Township also contracts with the Colerain Township to provide fire protection and emergency medical services.

The Township participates in jointly governed organizations and a public entity risk pool. Notes 6, 10, 11, and 12 to the financial statements provides additional information for these entities. These organizations are:

Public Entity Risk Pool:

The Ohio Plan Risk Management (OPRM), is a risk sharing pool available to Ohio Townships.

Jointly Governed Organizations:

The Township participates in a jointly governed organization with the City of Mt. Healthy known as the Springfield Township – Mt. Healthy Joint Economic Development District (JEDD) and the Springfield Township – Mt. Healthy Joint Economic Development Zone (JEDZ)

Northeast Hamilton County Drug Task Force (DART)

Joint Ventures:

Springfield Township Community Improvement Corporation

Related Organizations:

Springfield Township Arts and Enrichment Council

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 receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

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

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

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

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Special Revenue Funds (Continued)***

***Police District Fund*** This fund receives property tax revenue to provide police protection in the Township.

***Fire District Fund*** This fund receives property tax revenue to provide fire protection in the Township.

***Road District Fund*** This fund receives property tax revenue for the purpose of constructing, reconstructing, resurfacing or improving public roads.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds

***Bond Retirement Fund*** This fund accounts for the payoff and proceeds of bond refunding in the Township.

***Capital Projects Funds*** These funds account for receipts restricted to acquiring or constructing major Capital projects (except those financed through enterprise or trust funds). The Township had the following Capital Project Funds:

***Public Improvement Tax Increment Fund*** – This fund captures all activity related to real property improvements funded with tax increment financing.

***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 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. 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 117-2-03 (D) permit.

***Budgetary Process***

***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. 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 reappropriated.

A summary of 2016 and 2015 budgetary activity appears in Note 3.

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***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.

The Township enters into written repurchase agreements with North Side Bank and Trust Company for the investment of interim deposits.

***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.

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

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

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

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

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

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,464,268	\$ 4,925,256	\$ 1,460,988
Special Revenue	15,256,457	15,699,609	443,152
Capital Projects	1,228,454	1,160,915	(67,539)
Total	<u>\$ 19,949,179</u>	<u>\$ 21,785,780</u>	<u>\$ 1,836,601</u>

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,917,098	\$ 3,885,025	\$ 1,032,073
Special Revenue	19,590,192	16,778,776	2,811,416
Capital Projects	1,810,781	1,282,110	528,671
Total	<u>\$ 26,318,071</u>	<u>\$ 21,945,911</u>	<u>\$ 4,372,160</u>

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,615,096	\$ 4,191,520	\$ 1,576,424
Special Revenue	15,155,830	15,932,286	776,456
Debt Service	8,074,679	8,074,679	-
Capital Projects	1,202,261	1,175,419	(26,842)
Total	<u>\$ 27,047,866</u>	<u>\$ 29,373,904</u>	<u>\$ 2,326,038</u>

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,467,118	\$ 3,476,940	\$ 990,178
Special Revenue	18,300,591	15,010,521	3,290,070
Debt Service	8,074,679	8,074,679	-
Capital Projects	1,589,792	1,060,701	529,091
Total	<u>\$ 32,432,180</u>	<u>\$ 27,622,841</u>	<u>\$ 4,809,339</u>

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 4 – Deposits and Investments**

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

	<u>2016</u>	<u>2015</u>
Demand deposits	<u>\$180,295</u>	<u>\$(118,638)</u>
Total deposits	<u>180,295</u>	<u>(118,638)</u>
Repurchase agreement	<u>18,132,895</u>	<u>17,882,762</u>
Total investments	<u>18,132,895</u>	<u>17,882,762</u>
Total deposits and investments	<u><u>\$18,313,190</u></u>	<u><u>\$17,764,124</u></u>

***Deposits***

Deposits are collateralized by the financial institution's public entity deposit pool.

***Investments***

U.S. Treasury Notes and federal government agency securities held by the bank as collateral are marked to market daily and meet the requirement that the value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least 2 percent.

**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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

**Note 6 – Risk Management**

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty.

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 6 – Risk Management (Continued)**

Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014 (the latest information available).

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	(9,112,030)	(8,942,504)
Members' Equity	<u>\$5,531,637</u>	<u>\$5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 7 - Self-Insurance**

The Township is self-insured for employee health insurance. The Township pays a fixed monthly cost per employee as well as all claims up to \$75,000 annually per employee (including his/her dependents.) All claims above \$75,000 annually are paid by the Township's stop loss carrier, Optum. The monthly fixed costs and claims are paid directly from the General, Police, Fire or DART fund depending on which fund is charged for the employee's salary expenses. Amounts reasonably sufficient are appropriated annually in the General, Police, Fire and DART funds to cover claims costs.

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

One full-time, one part-time and the elected officials in the Township 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. Law Enforcement members contributed 13% of their wages and the Township contributed an amount equaling 18.1%. The Township has paid all contributions required through December 31, 2016.



**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 8 - Defined Benefit Pension Plans (Continued)**

***Ohio Police and Fire Retirement System***

The Township's full time Fire Fighters belong to the 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 healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. For January 1, 2015 – June 30, 2015, OP&F participants contributed 11.5% of their wages. For July 1, 2015 – December 31, 2016, OP&F participants contributed 12.25% of their wages. For 2015 and 2016, the Township contributed to OP&F an amount equal to 19.5% of full time fire fighters members' wages. The Township has paid all contributions required through December 31, 2016.

***Social Security***

Springfield Township's part-time fire-fighters contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participant's gross salaries. The Township has paid all contributions required through December 31, 2016.

**Note 9 – Debt**

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
OPWC - CB12F	\$ 96,832	0%
OPWC - CB18N	380,582	0%
OPWC - CB22D	136,750	0%
OPWC - CB21Q	151,443	0%
OPWC - CB42R	136,310	0%
Series 2004 Bonds	1,000,000	2.30%
Series 2015 Bonds	6,865,000	2-4%
Total	\$ 8,766,917	

The general obligation bonds and Ohio Public Works Commission project loans are collateralized by the Township's taxing authority are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. Debt is paid from the General, Police District, Fire District, Road District and Permissive Motor Vehicle License Tax Funds. We noted the prior audit did not disclose the debt proceeds for OPWC - CB21Q in the amount of \$159,413. The OWPC – CB42R loan amortization schedule was not available as of December 31, 2016.

The Township refunded the Series 2006 Bonds with a new Series 2015 Bonds in the amount of \$7,440,000.

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 9 – Debt (Continued)**

Amortization of the previously mentioned debt, including interest, is as follows:

Year	OPWC Loans	Series 2004 Bonds	Series 2015 Bonds
2017	\$ 88,292	\$ 171,200	\$ 757,200
2018	88,292	165,425	756,300
2019	88,292	159,650	759,950
2020	88,292	153,954	763,000
2021	88,292	148,100	760,450
2022-2026	252,404	409,666	3,819,050
2027-2031	39,850	-	764,400
2032-2036	31,895	-	-
<b>Total</b>	<b>\$ 765,609</b>	<b>\$ 1,207,995</b>	<b>\$ 8,380,350</b>

**Note 10 – Jointly Governed Organizations**

**Joint Economic Development District 1**

Springfield Township participates in a Joint Economic Development District (JEDD) with the City of Mt. Healthy. The JEDD I is located entirely within Springfield Township, Hamilton County. The purpose of the JEDD I is to facilitate the development of jobs and employment opportunities along with improving the welfare of people in the State of Ohio and the area of the contracting parties.

The proceeds of the JEDD I are used to provide expanded public services to the JEDD I, for example, police protection, fire protection, civil defense, local government, administration, and so forth commensurate with economic growth.

The joint venture between the Township and the City of Mt. Healthy is defined in the following manner:

Springfield Township receives 75% of the net income tax revenue collected.  
The City of Mt. Healthy receives 25% of the net income tax revenue collected.

The City of Mt. Healthy contracts with the Regional Income Tax Agency (RITA) to administer and collect the income tax and the City of Mt. Healthy reports monthly to Springfield Township.

**Joint Economic Development Zone 1**

Springfield Township residents voted on May 6, 2014 to establish a Joint Economic Development Zone I (JEDZ I). The creation of the JEDZ I enables the implementation of an earnings tax of 1.5% on individuals working in the zone and on the net profits of businesses located in the zone. State law requires a partnering jurisdiction to implement any earnings tax for townships. Springfield Township partners with the City of Mt. Healthy. The City of Mt. Healthy contracts with the Regional Income Tax Agency (RITA) for tax collection. The revenue generated through the JEDZ I earnings tax is used to continue current services and implement economic development initiatives for the improvement of existing commercial districts and the neighborhoods that support local businesses.

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 10 – Jointly Governed Organizations (Continued)**

**Joint Economic Development Zone 1 (Continued)**

The joint venture between the governmental entities is defined in the following manner:

Springfield Township receives 85% of the net income revenue collected up to 1,500,000. Once gross collections exceed \$1,500,000, the Township receives 90%.

The City of Mt. Healthy receives 15% of the net income revenue collected up to \$1,500,000. Once gross collections exceed \$1,500,000, the City receives 10%.

The City of Mt. Healthy contracts with the Regional Income Tax Agency (RITA) to administer and collect the income tax and the City of Mt. Healthy reports monthly to Springfield Township.

**Dart**

Springfield Township is the administering agency for the Northeast Hamilton County Drug Task Force (DART). Springfield Township receives, allocates, and expenses funds from federal, state and local sources for the purposes established by the DART Collaboration Board. Springfield Township participates in a cooperative and supportive arrangement with Cheviot, Colerain Township, Delhi Township, Evendale, Fairfax, Forest Park, Greenhills, Green Township, Harrison, Lockland, Loveland, Madeira, Mariemont, Montgomery, Mt. Healthy, North College Hill, Norwood and Springdale. DART is primarily funded through federal and state grants.

**Note 11 – Component Unit**

**Springfield Township Community Improvement Corporation**

The Springfield Township Community Improvement Corporation (CIC) is a non-profit 501(c)(3) that was created by the Springfield Township Trustees and certified by the State of Ohio, Secretary of State in February 2014. The CIC was created in order to advance, encourage and promote industrial, economic, commercial, housing and civic development in Springfield Township. The CIC has been designated by the Springfield Township Board of Trustees as the Economic Development agent for Springfield Township. Springfield Township contributed \$250,000 to the CIC in 2016 to support economic development grant programs.

**Note 12 – Related Organizations**

**Springfield Township Art and Enrichment Council**

Springfield Township Board of Trustees passed a resolution on September 26, 2012, authorizing the creation of a 501(c)(3) Arts and Enrichment Council. The Springfield Township Arts and Enrichment Council is now a sustaining resource for arts and enrichment opportunities for the community. The mission of the Springfield Township Arts and Enrichment Council is to create an engaged and vibrant community with quality of life enhancements through the arts, community events, and parks and recreation. The non-profit organization helps to assist the township with community programming and special events. As a 501(c)(3) organization, the arts council is able to qualify for additional grant funding and have the ability to offer tax deductions for private donations. The Arts and Enrichment Council is primarily funded through grants, donations and operations.

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 13 – Leases**

The Township leases park lands under specific lease agreements. The only lease cost associated with these leases is \$1.00 per year payable to the Hamilton County Park District for use of McKelvey Fields. All other lease agreements provide for cancellation and involve no payments.

**Note 14 – Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. 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.



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740.695.1569

1310 Market St., Suite 300  
Wheeling, WV 26003  
304.232.1358

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

May 31, 2017

Springfield Township  
Hamilton County  
9150 Winton Road  
Cincinnati, Ohio 45231

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of **Springfield Township**, Hamilton County, (the Township) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated May 31, 2017 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.

***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a 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 a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider material weaknesses. We consider findings 2016-001 and 2016-002 to be material weaknesses.

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***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item 2016-001.

***Entity'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 audit the Township's responses 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 communication is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2016-001**

**Material Weakness/Noncompliance**

**Ohio Rev. Code Section 5705.09** requires, in part, each subdivision to establish a bond retirement fund for the retirement of serial bonds, notes or certificates of indebtedness.

During 2015, the Township issued a bond refunding and did not establish a debt service fund to account for the bond proceeds or the retirement of the bond. The Township's financial statements reflect all adjustments for the bond refunding.

We recommend the Township establish a debt service fund to account for the proceeds and retirement of future bonds. New funds established should be approved by the Board and documented in the minutes.

**Management's Response** – The Township maintains a debt service fund, #3101, for the retirement of bonds and will appropriately use that fund for all future bond retirements. The early retirement of bonds is a rare occurrence and in this situation, the Township issued new bonds whose proceeds were used to repay previously issued bonds immediately in an effort to take advantage of lower interest rates and effectively provide a significant cost savings to the Township. Because the early retirement of bonds is such a rare occurrence and the outstanding principal did not change, there was a misunderstanding by the Township, regarding how this accounting anomaly should be recorded. The Township strives to adhere to all accounting and auditing requirements and although this situation is unlikely to occur again, the Township now has a better understanding of how to record early bond retirement and re-issuance in the future.

**FINDING NUMBER 2016-002**

**Material Weakness**

**Posting Receipts and Disbursements**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate.

During 2016 and 2015, receipts and disbursements were not always posted or classified correctly. The following errors were noted:

- OPWC loans were improperly recorded as Intergovernmental receipts instead of Debt Proceeds in 2016 and 2015.

Not posting receipts and disbursements resulted in the financial statements requiring several reclassifications. The financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2016-002 (Continued)**

**Material Weakness (Continued)**

**Posting Receipts and Disbursements (Continued)**

We also recommend the Fiscal Officer refer the Ohio Township Handbook or other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**Management's Response** – The Township will take steps to ensure that OPWC loans are recorded as Debt Proceeds in the future. The Township has been very successful obtaining OPWC funding for road construction projects. The funding often comes in the form of a fifty percent grant and fifty percent loan. The OPWC funding has been recorded to the intergovernmental receipts revenue line for many years. The fact that the fifty percent loan funding should be recorded to Debt Proceeds has never been brought to management's attention in the past and we are glad to take the steps to ensure that OPWC loans are appropriately recorded to Debt Proceeds in the future.



**SPRINGFIELD TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2014-001	Bank Reconciliations	Yes	N/A
2014-002	ORC 5705.36 Unfavorable budgeted receipt variances	Yes	N/A

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# Dave Yost • Auditor of State

**SPRINGFIELD TOWNSHIP**

**HAMILTON 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  
SEPTEMBER 26, 2017**