



**SPRINGFIELD TOWNSHIP  
LUCAS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2022-2021**

**OHIO AUDITOR OF STATE  
KEITH FABER**





**SPRINGFIELD TOWNSHIP  
LUCAS COUNTY  
DECEMBER 31, 2022 AND 2021**

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**INDEPENDENT AUDITOR'S REPORT**

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

To the Board of Trustees:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of Springfield Township, Lucas County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

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

In our opinion, the accompanying 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 years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position thereof for the year then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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

October 11, 2023

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**Springfield Township**  
*Lucas 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, 2022*

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$1,375,004	\$5,279,529		\$6,654,533
Charges for Services	1,306	1,795,687		1,796,993
Licenses, Permits and Fees	240,594			240,594
Intergovernmental	1,763,327	2,241,247	\$342,933	4,347,507
Special Assessments		461,462		461,462
Earnings on Investments	60,703	2,010		62,713
Miscellaneous	342,150	246,078		588,228
<i>Total Cash Receipts</i>	<u>3,783,084</u>	<u>10,026,013</u>	<u>342,933</u>	<u>14,152,030</u>
<b>Cash Disbursements</b>				
Current:				
General Government	1,859,683	12,174		1,871,857
Public Safety		7,618,934		7,618,934
Public Works		1,436,460		1,436,460
Health		42,417		42,417
Conservation-Recreation	188,835			188,835
Capital Outlay	55,281	351,123	855,984	1,262,388
Debt Service:				
Principal Retirement	368,289	115,424	109,042	592,755
Interest and Fiscal Charges	233,956	32,911		266,867
<i>Total Cash Disbursements</i>	<u>2,706,044</u>	<u>9,609,443</u>	<u>965,026</u>	<u>13,280,513</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,077,040</u>	<u>416,570</u>	<u>(622,093)</u>	<u>871,517</u>
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued			116,172	116,172
Sale of Capital Assets			44,149	44,149
Transfers In			482,054	482,054
Transfers Out	(482,054)			(482,054)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(482,054)</u>		<u>642,375</u>	<u>160,321</u>
<i>Net Change in Fund Cash Balances</i>	594,986	416,570	20,282	1,031,838
<i>Fund Cash Balances, January 1</i>	<u>3,875,419</u>	<u>6,916,449</u>	<u>1,073,782</u>	<u>11,865,650</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$4,470,405</u></u>	<u><u>\$7,333,019</u></u>	<u><u>\$1,094,064</u></u>	<u><u>\$12,897,488</u></u>

*See accompanying notes to the basic financial statements*

**Springfield Township**  
*Lucas County, Ohio*  
*Combined Statement of Additions, Deductions*  
*and Changes in Fund Balance (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2022*

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	<u>Custodial</u>
<b>Additions</b>	
Other Amounts Collected for Distribution	<u>\$182,876</u>
<b>Deductions</b>	
Other Distributions	<u>173,976</u>
<i>Net Change in Fund Balance</i>	8,900
<i>Fund Cash Balance, January 1</i>	<u>200</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$9,100</u></u>

*See accompanying notes to the basic financial statements*

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Springfield Township, Lucas County, Ohio, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Lucas County Sheriff to provide enhanced law enforcement services.

***Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pool***

The Township participates in two jointly governed organizations with the Village of Holland for the Spring Meadows JEDZ and the Dorr Street Corridor JEDD. Note 11 to the financial statements provides additional information for these entities.

The Township entered into a joint agreement with Lucas County and a third private partner, who owns a majority of the land along the interstate, to finance the local portion a construction project. Note 12 to the financial statements provides additional information for this venture.

The Township participates in the Ohio Plan Risk Management, Inc. (OPRM) public entity risk pool, which provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members. Note 6 to the financial statements provides additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of additions, deductions and changes in fund balance (regulatory cash basis) for all fiduciary fund types 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:

***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 Fund:

***Fire District Fund*** The Fire District Fund receives special levy tax revenue to provide fire services for the Township.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**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 Funds:

**2020 OPWC Project Fund** The 2020 OPWC Project Fund received revenue to finance road improvement projects.

**2021 OPWC Project Fund** The 2021 OPWC Project Fund received revenue to finance road improvement projects.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

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 escrow funds received and disbursed.

***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 (C). 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 (C) 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 level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

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

**Encumbrances** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 3.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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***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 values U.S. Treasury Notes at cost.

***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 and the nonspendable portion of the corpus in permanent funds.

***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.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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 13.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,618,870	\$3,783,084	\$164,214
Special Revenue	8,263,900	10,026,013	1,762,113
Capital Projects	1,427,567	985,308	(442,259)
<b>Total</b>	<b>\$13,310,337</b>	<b>\$14,794,405</b>	<b>\$1,484,068</b>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,011,904	\$3,188,098	\$2,823,806
Special Revenue	12,216,156	9,609,443	2,606,713
Capital Projects	1,273,837	965,026	308,811
<b>Total</b>	<b>\$19,501,897</b>	<b>\$13,762,567</b>	<b>\$5,739,330</b>

**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:

	2022
Demand deposits	\$10,689,230
U.S. Treasury Instruments	2,212,643
Cash Reserves	4,715
Total investments	2,217,358
<i>Total carrying amount of deposits and investments held in the Pool</i>	<i>\$12,906,588</i>

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, 2022, the Township is holding no unremitted employee payroll withholdings.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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***Deposits***

Deposits are insured by the Federal Deposit 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.

***Investments***

The Federal Reserve holds the Township's U.S. Treasury Notes in book-entry form by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

**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 – Risk Management**

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</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 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

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

Some Township certified Fire Fighters and full-time Police Officers 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 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2022.

***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, 2022.



**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 8 – Postemployment 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 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

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.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 9 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
2015 OPWC Project loan (CL23R)	\$54,417	0%
2017 OPWC Project loan (CL28U)	83,980	0%
2018 OPWC Project loan (CL25U)	92,432	0%
2019 OPWC Project loan (CL30V)	107,723	0%
2020 OPWC Project loan (CL22W)	251,148	0%
2022 OPWC Project loan (CL11Y)	116,172	0%
Energy Special Investment District - Twp.	125,726	3%
Energy Special Investment District - Fire	510,000	5%
Dump Truck	28,045	3%
Front Loader	49,493	3%
Total	\$1,419,136	

A 2015 OPWC Loan (CL23R) of \$136,040 was received for resurfacing 3.41 miles of roads. The loan is a zero percent loan repayable in semiannual installments of \$8,803 through July 2026.

A 2017 OPWC Loan (CL28U) of \$129,200 was received for resurfacing 3.47 miles of roads. The loan is zero percent loan repayable in semiannual installments of \$6,460 through July 2029.

A 2018 OPWC Loan (CL25U) of \$132,046 in total (\$18,081 received in 2019) was received for resurfacing 4.25 miles of roads. The loan is zero percent loan repayable in semiannual installments of \$13,205 through July 2029.

A 2019 OPWC loan of \$143,630 (CL30V) was received for resurfacing several miles of Township roads. The loan is a zero percent loan repayable in semi-annual installments of \$7,182 through 2030.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

A 2020 OPWC loan of \$143,630 (CL30V) was received for resurfacing several miles of Township roads. The loan is a zero percent loan repayable in semi-annual installments of \$7,182 through 2030.

A 2022 OPWC Loan (CL11Y) of \$116,172 was received for resurfacing several Township roads. The loan is a zero percent loan repayable in semi-annual installments of \$5,809 through 2033.

The Energy Special Investment District is an energy conservation financing program, coordinated by the Lucas County Port Authority, which allows businesses in Springfield Township to pay for acceptable energy improvements through a semiannual assessment on their property taxes. Both the Township and the Fire District entered into separate contracts to upgrade Township owned facilities with more energy efficient heating, cooling, and lighting. Both contracts are for a 15 year term, with payments ending in 2031.

An unsecured Loan from Signature Bank for \$82,165 was procured to finance a new heavy duty dump truck for the Roads Department. The loan is a 3.25% fixed rate instrument, repayable in semi-annual installments of \$14,496 through 2023.

***Financed Purchase***

The Township has entered into financed purchases agreements for a front loader for the Roads Department where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$50,993 to pay these costs for the fiscal year ended December 31, 2022.

***Amortization***

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

Year Ending December 31:	OPWC Loans	Energy Spencial Investment - Township	Energy Special Investment - Fire	Signature Bank Dump Truck	Front Loader
2023	\$87,806	\$15,847	\$75,503	\$29,018	\$50,993
2024	93,614	15,847	72,803		
2025	93,614	15,847	79,958		
2026	93,614	15,847	76,806		
2027	80,010	15,847	73,509		
2028 - 2032	251,404	63,386	293,056		
2033 - 2037	5,810				
2038					
Total	<u>\$705,872</u>	<u>\$142,621</u>	<u>\$671,635</u>	<u>\$29,018</u>	<u>\$50,993</u>

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 10 – Guarantee Agreement With Lucas County**

In 2021, the Lucas County Transportation Improvement District (TID) closed on an \$8,000,000 SIB loan agreement with the State of Ohio through the Ohio Department of Transportation (ODOT). The term of the loan is for 20 years and carries a 3% interest rate. The loan matures on December 1, 2038. The proceeds were used as the local share of the Dorr Street and I 475/US 23 Interchange project that is being constructed by ODOT.

In conjunction with this loan, Lucas County (County) and ODOT have entered into a Guarantee Agreement whereby the County provides a guarantee from its Motor Vehicle Gas Tax Fund securing repayment of the SIB loan. The TID and the County entered into an Intergovernmental Agreement where the County will make semi-annual payments to the TID in the exact amounts of the debt service due on the SIB loan. The TID is the recipient of the SIB loan while the County, under the Guarantee Agreement, serves as the substantive third-party guarantor of the loan.

In addition to the above, the Township entered into an agreement with the County and a private sector company where the County bills the Township for two thirds of the debt service on the SIB loan annually, and the Township bills the private sector company for one half of what the Township paid to the County. During 2022, the Township paid \$352,781 and \$269,891 in principal and interest, respectively, to the County.

A summary of the Township’s outstanding guarantee agreement payable as of December 31, 2022 follows:

	<u>12/31/21</u>	<u>Issues</u>	<u>Repayments</u>	<u>Balance 12/31/2022</u>
Guarantee agreement payable	\$ 7,691,687	\$ -	\$ (352,781)	\$ 7,338,906

***Amortization***

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

<u>Year Ending December 31:</u>	<u>Dorr Street Interchange</u>
2023	\$578,576
2024	578,576
2025	578,576
2026	578,576
2027	578,576
2028 - 2032	2,892,882
2033 - 2037	2,892,882
2038	578,576
Total	<u>\$9,257,220</u>

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 11 – Jointly Governed Organizations**

In 2015, the Township partnered with the Village of Holland to form the Holland-Springfield Township Joint Economic Development Zone (JEDZ). Revenue is generated through both a payroll tax and a business income tax on individuals/companies located within the zone. Taxes are collected by RITA and administered and distributed by the Village of Holland. The Township, Village, and JEDZ Board each receive a portion of the proceeds. The Township's share is unrestricted and deposited in the General Fund. The Township has no further obligations to provide finances or services in the zone. The JEDZ board is a separate auditable entity.

The Township entered into a joint economic development district (JEDD) agreement with the Village of Holland in 2019 for the Dorr Street Joint Economic Development District. This JEDD is located entirely within Springfield Township. In December 2019, the JEDD Board enacted a 2% income tax on the district and collection began January 1, 2020.

The JEDD is governed by a Board of Directors consisting of five (5) members. The Board consists of one (1) member representing the Village, one (1) member representing the Township, one (1) member representing the owners of business operating within the District, one (1) member representing persons employed in the District, and one (1) member selected by the other members. The main source of income is a tax levied upon the income earned by persons working within the JEDD boundaries and the net profits of businesses located within the District.

**Note 12 – Joint Venture**

In 2019, the Township entered into a joint agreement with Lucas County and a third private partner, who owns a majority of the land along the interstate, to finance the local portion of the project. The Lucas County Engineer's office is responsible to work with ODOT to properly account for construction costs, to provide selected in-kind services for the project, apply for state infrastructure financing, and to bill the local partners in equal installments over an 18 year period of time. The local partner's share of the project is expected to be approximately \$20,000,000, with annual payments of approximately \$300,000 per year for each partner. The Township has established two specific economic development tools to generate income from the projected new commercial development in the area.

**Note 13 – Fund Balances**

The fund balance of special revenue funds is either restricted or committed. The fund balance capital projects funds are restricted, committed, or assigned.

**Note 14 – Miscellaneous Revenue**

Miscellaneous receipts in the General Fund primarily consisted of reimbursements for the Dorr Street Interchange project.

**Springfield Township**  
*Lucas 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, 2021*

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$1,227,605	\$4,744,588		\$5,972,193
Charges for Services	13,756	1,780,068	\$149,257	1,943,081
Licenses, Permits and Fees	254,997			254,997
Intergovernmental	1,961,947	2,297,916	1,082,335	5,342,198
Special Assessments		417,507		417,507
Earnings on Investments	90,339	1,311		91,650
Miscellaneous	288,099	388,060		676,159
<i>Total Cash Receipts</i>	<u>3,836,743</u>	<u>9,629,450</u>	<u>1,231,592</u>	<u>14,697,785</u>
<b>Cash Disbursements</b>				
Current:				
General Government	1,554,572	126,116		1,680,688
Public Safety		7,156,821		7,156,821
Public Works		1,304,822		1,304,822
Health		62,221		62,221
Conservation-Recreation	167,575			167,575
Capital Outlay	156,504	410,662	2,567,826	3,134,992
Debt Service:				
Principal Retirement	461,261	112,726	54,092	628,079
Interest and Fiscal Charges	125,340	32,578		157,918
<i>Total Cash Disbursements</i>	<u>2,465,252</u>	<u>9,205,946</u>	<u>2,621,918</u>	<u>14,293,116</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,371,491</u>	<u>423,504</u>	<u>(1,390,326)</u>	<u>404,669</u>
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued			279,053	279,053
Sale of Capital Assets			17,293	17,293
Transfers In		25,000	1,254,466	1,279,466
Transfers Out	(1,279,466)			(1,279,466)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,279,466)</u>	<u>25,000</u>	<u>1,550,812</u>	<u>296,346</u>
<i>Net Change in Fund Cash Balances</i>	92,025	448,504	160,486	701,015
<i>Fund Cash Balances, January 1</i>	<u>3,783,394</u>	<u>6,467,945</u>	<u>913,296</u>	<u>11,164,635</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$3,875,419</u></u>	<u><u>\$6,916,449</u></u>	<u><u>\$1,073,782</u></u>	<u><u>\$11,865,650</u></u>

*See accompanying notes to the basic financial statements*

**Springfield Township**  
*Lucas County, Ohio*  
*Combined Statement of Additions, Deductions*  
*and Changes in Fund Balance (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2021*

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	<u>Custodial</u>
<b>Deductions</b>	
Other Distributions	<u>\$89,521</u>
<i>Net Change in Fund Balance</i>	(89,521)
<i>Fund Cash Balance, January 1</i>	<u>89,721</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$200</u></u>

*See accompanying notes to the basic financial statements*

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Springfield Township, Lucas County, Ohio, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Lucas County Sheriff to provide enhanced law enforcement services.

***Joint Venture, Jointly Governed Organizations and Public Entity Risk Pool***

The Township participates in two jointly governed organizations with the Village of Holland for the Spring Meadows JEDZ and the Dorr Street Corridor JEDD. Note 11 to the financial statements provides additional information for these entities.

The Township entered into a joint agreement with Lucas County and a third private partner, who owns a majority of the land along the interstate, to finance the local portion a construction project. Note 12 to the financial statements provides additional information for this venture.

The Township participates in the Ohio Plan Risk Management, Inc. (OPRM) public entity risk pool, which provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members. Note 6 to the financial statements provides additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of additions, deductions and changes in fund balance (regulatory cash basis) for all fiduciary fund types 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:

***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 Fund:

***Fire District Fund*** The Fire District Fund receives special levy tax revenue to provide fire services for the Township.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**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 Funds:

**2020 OPWC Project Fund** The 2020 OPWC Project Fund received revenue to finance road improvement projects.

**2021 OPWC Project Fund** The 2021 OPWC Project Fund received revenue to finance road improvement projects.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

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 escrow funds received and disbursed.

***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 (C). 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 (C) 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 level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

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

**Encumbrances** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 3.



**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***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 values U.S. Treasury Notes at cost.

***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 and the nonspendable portion of the corpus in permanent funds.

***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.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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 13.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,905,611	\$3,836,743	\$931,132
Special Revenue	8,397,437	9,654,450	1,257,013
Capital Projects	3,321,351	2,782,404	(538,947)
Total	\$14,624,399	\$16,273,597	\$1,649,198

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,656,606	\$3,744,718	\$1,911,888
Special Revenue	14,403,484	9,205,946	5,197,538
Capital Projects	4,062,094	2,621,918	1,440,176
Total	\$24,122,184	\$15,572,582	\$8,549,602

**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:

	2021
Demand deposits	\$9,653,314
U.S. Treasury Instruments	1,951,871
Cash Reserves	260,665
Total investments	2,212,536
<i>Total carrying amount of deposits and investments held in the Pool</i>	<i>\$11,865,850</i>

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, 2021, the Township is holding no unremitted employee payroll withholdings.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Deposits***

Deposits are insured by the Federal Deposit 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.

***Investments***

The Federal Reserve holds the Township's U.S. Treasury Notes in book-entry form by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

**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 – Risk Management**

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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.

Effective November 1, 2010 (through October 31, 2017), the corridor for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>( 15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</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 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

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

Some Township certified Fire Fighters and full-time Police Officers 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 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2021.

***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, 2021.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 8 – Postemployment 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 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

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 9 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2015 OPWC Project loan (CL23R)	\$74,828	0%
2017 OPWC Project loan (CL28U)	103,360	0%
2018 OPWC Project loan (CL25U)	112,239	0%
2019 OPWC Project loan (CL30V)	129,267	0%
2020 OPWC Project loan (CL22W)	279,053	0%
Energy Special Investment District - Twp.	137,898	3%
Energy Special Investment District - Fire	550,000	5%
Dump Truck	55,432	3%
Front Loader	97,529	3%
Total	<u>\$1,539,606</u>	

A 2015 OPWC Loan (CL23R) of \$136,040 was received for resurfacing 3.41 miles of roads. The loan is a zero percent loan repayable in semiannual installments of \$8,803 through July 2026.

A 2017 OPWC Loan (CL28U) of \$129,200 was received for resurfacing 3.47 miles of roads. The loan is zero percent loan repayable in semiannual installments of \$6,460 through July 2029.

A 2018 OPWC Loan (CL25U) of \$132,046 in total (\$18,081 received in 2019) was received for resurfacing 4.25 miles of roads. The loan is zero percent loan repayable in semiannual installments of \$13,205 through July 2029.

A 2019 OPWC loan of \$143,630 (CL30V) was received for resurfacing several miles of Township roads. The loan is a zero percent loan repayable in semi-annual installments of \$7,182 through 2030.

A 2020 OPWC Loan (CL22W) of \$279,053 was received for resurfacing several miles of Township roads. The loan is a zero percent loan repayable in semi-annual installments of \$13,953 through 2032.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

The Energy Special Investment District is an energy conservation financing program, coordinated by the Lucas County Port Authority, which allows businesses in Springfield Township to pay for acceptable energy improvements through a semiannual assessment on their property taxes. Both the Township and the Fire District entered into separate contracts to upgrade Township owned facilities with more energy efficient heating, cooling, and lighting. Both contracts are for a 15 year term, with payments ending in 2031.

An unsecured Loan from Signature Bank for \$82,165 was procured to finance a new heavy duty dump truck for the Roads Department. The loan is a 3.25% fixed rate instrument, repayable in semi-annual installments of \$14,496 through 2023.

***Financed Purchase***

The Township has entered into financed purchases agreements for a front loader where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$50,993 to pay these costs for the fiscal year ended December 31, 2021.

***Amortization***

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

Year Ending December 31:	OPWC Loans	Energy Spencial Investment - Township	Energy Special Investment - Fire	Signature Bank Dump Truck	Front Loader
2022	\$68,045	\$15,847	\$73,050	\$28,992	\$50,993
2023	81,997	15,847	75,503	29,018	50,993
2024	81,997	15,847	72,803		
2025	81,997	15,847	79,956		
2026	81,997	15,847	76,806		
2027 - 2031	288,757	79,233	366,566		
2032 - 2036	13,957				
2037 - 2038					
Total	<u>\$698,747</u>	<u>\$158,468</u>	<u>\$744,684</u>	<u>\$58,010</u>	<u>\$101,986</u>

**Note 10 – Guarantee Agreement With Lucas County**

In 2021, the Lucas County Transportation Improvement District (TID) closed on an \$8,002,2390 SIB loan agreement with the State of Ohio through the Ohio Department of Transportation (ODOT). The term of the loan is for 20 years and carries a 3% interest rate. The loan matures on December 1, 2038. The proceeds were used as the local share of the Dorr Street and I 475/US 23 Interchange project that is being constructed by ODOT.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

In conjunction with this loan, Lucas County (County) and ODOT have entered into a Guarantee Agreement whereby the County provides a guarantee from its Motor Vehicle Gas Tax Fund securing repayment of the SIB loan. The TID and the County entered into an Intergovernmental Agreement where the County will make semi-annual payments to the TID in the exact amounts of the debt service due on the SIB loan. The TID is the recipient of the SIB loan while the County, under the Guarantee Agreement, serves as the substantive third-party guarantor of the loan.

In addition to the above, the Township entered into an agreement with the County and a private sector company where the County bills the Township for two thirds of the debt service on the SIB loan annually, and the Township bills the private sector company for one half of what the Township paid to the County. During 2021, the Township paid \$308,313 and \$174,335 in principal and interest, respectively, to the County.

A summary of the Township’s outstanding guarantee agreement payable as of December 31, 2021 follows:

	Balance 12/31/2020	Issues	Repayments	Balance 12/31/2021
Guarantee agreement payable	\$ -	\$ 8,000,000	\$ (308,313)	\$ 7,691,687

***Amortization***

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

Year Ending December 31:	Dorr Street Interchange
2022	\$586,398
2023	578,576
2024	578,576
2025	578,576
2026	578,576
2027 - 2031	2,892,882
2032 - 2036	2,892,882
2037 - 2038	1,157,153
Total	\$9,843,619

**Note 11 – Jointly Governed Organizations**

In 2015, the Township partnered with the Village of Holland to form the Holland-Springfield Township Joint Economic Development Zone (JEDZ). Revenue is generated through both a payroll tax and a business income tax on individuals/companies located within the zone. Taxes are collected by RITA and administered and distributed by the Village of Holland. The Township, Village, and JEDZ Board each receive a portion of the proceeds. The Township’s share is unrestricted and deposited in the General Fund. The Township has no further obligations to provide finances or services in the zone. The JEDZ board is a separate auditable entity.

**Springfield Township**  
*Lucas County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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The Township entered into a joint economic Development district (JEDD) agreement with the Village of Holland in 2019 for the Dorr Street Joint Economic development District. This JEDD is located entirely within Springfield Township. In December 2019, the JEDD Board enacted a 2% income tax on the district and collection began January 1, 2020.

The JEDD is governed by a Board of Directors consisting of five (5) members. The Board consists of one (1) member representing the Village, one (1) member representing the Township, one (1) member representing the owners of business operating within the District, one (1) member representing persons employed in the District, and one (1) member selected by the other members. The main source of income is a tax levied upon the income earned by persons working within the JEDD boundaries and the net profits of businesses located within the District.

**Note 12 – Joint Venture**

In 2019, the Township entered into a joint agreement with Lucas County and a third private partner, who owns a majority of the land along the interstate, to finance the local portion of the project. The Lucas County Engineer’s office is responsible to work with ODOT to properly account for construction costs, to provide selected in-kind services for the project, apply for state infrastructure financing, and to bill the local partners in equal installments over an 18 year period of time. The local partner’s share of the project is expected to be approximately \$20,000,000, with annual payments of approximately \$300,000 per year for each partner. The Township has established two specific economic development tools to generate income from the projected new commercial development in the area.

**Note 13 – Fund Balances**

The fund balance of special revenue funds is either restricted or committed. The fund balance capital projects funds are restricted, committed, or assigned.

**Note 14 – Miscellaneous Revenue**

Miscellaneous receipts in the General Fund primarily consisted of reimbursements for the Dorr Street Interchange project.





88 East Broad Street  
Columbus, Ohio 43215  
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(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  
Lucas County  
7617 Angola Road.  
Holland, Ohio 43528-8602

To the Board of Trustees:

We have audited, in accordance with the 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 (*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 years ended December 31, 2022 and 2021 and the related notes to the financial statements of Springfield Township, Lucas County, Ohio, (the Township) and have issued our report thereon dated October 11, 2023, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code §117.38 and Ohio Admin. Code 117-2-02(C) permit.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Township’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township’s financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 11, 2023

Trustees

Tom Anderson Jr. (419) 344-5774  
Robert Bethel (419) 410-7535  
Andrew Glenn (419) 779-7593



Administrator

Michael Hampton (419) 865-0239 x114

Director of Public Services

Andrew Hohlbein (419) 865-0239 x118

Fiscal Officer

Barbara Dietze (419) 865-0239 x117

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2022 AND 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Finding was first issued in the 2015-2014 audit. Material weakness due to errors in financial reporting.	Partially corrected and reissued in the management letter.	This finding reoccurred due to inadequate policies and procedures in reviewing the financial statements prior to filing the Township's annual report. The Township is implementing procedures to correct these errors for the future.

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# OHIO AUDITOR OF STATE KEITH FABER



**SPRINGFIELD TOWNSHIP**

**LUCAS 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 11/9/2023**

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](http://www.ohioauditor.gov)