



Mary Taylor, CPA
Auditor of State

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Springfield Township, Lucas County, Ohio (the Township), as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Springfield Township, Lucas County, Ohio, as of December 31, 2009, and the respective changes in cash financial position and the respective budgetary comparison for the General, Fire District, EMS and Lighting funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 28, 2010

Springfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

This discussion and analysis of Springfield Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities decreased \$639,690 or 15 percent, there were several significant changes from the prior year. The funds most affected by the decrease in cash and cash equivalents were the General, Gasoline Tax and Ambulance and Emergency Medical Funds.

The Township's general receipts are primarily property and other local taxes. These receipts represent 81 percent of the general receipts during the year.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Springfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, only governmental activities are shown. The Township's basic services are reported here, including fire, streets and parks. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are all governmental type funds.

Governmental Funds - Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, EMS, Fire, Lighting and Fire District Capital funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Springfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 on a cash basis:

(Table 1)

Net Assets

	Governmental Activities	
	2009	2008
Assets		
Cash and Cash Equivalents	\$2,005,014	\$2,703,094
Investments	1,732,258	1,673,868
Total Assets	\$3,737,272	\$4,376,962
Net Assets		
Restricted for:		
Capital Projects	400,478	337,430
Other Purposes	1,575,340	1,822,236
Unrestricted	1,761,454	2,217,296
Total Net Assets	\$3,737,272	\$4,376,962

As mentioned previously, net assets of governmental activities decreased \$639,690, or 15 percent during 2009. The primary reasons contributing to the decrease in cash balances are as follows:

- Decrease in the General Fund as a result of a decrease in property tax receipts and related reimbursements.
- Decrease in the Ambulance and Emergency Medical Funds as a result of a FEMA grant being received in the prior year but not in the current year and the township not receiving its final quarter EMS payment from the county until early 2010.

Springfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Table 2 reflects the changes in net assets in 2009 and 2008.

	Governmental Activities	Governmental Activities
	2009	2008
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$1,167,943	\$1,324,204
Operating Grants and Contributions	944,489	662,227
Capital Grants and Contributions	294,103	161,626
Total Program Receipts	<u>2,406,535</u>	<u>2,148,057</u>
General Receipts:		
Property and Other Local Taxes	4,553,419	4,613,799
Other Debt Proceeds	36,271	39,732
Grants and Entitlements Not Restricted to Specific Programs	662,940	1,387,803
Cable Franchise Fees	214,978	206,183
Interest	71,923	101,454
Miscellaneous	65,954	121,645
Total General Receipts	<u>5,605,485</u>	<u>6,470,616</u>
Total Receipts	<u>8,012,020</u>	<u>8,618,673</u>
Disbursements:		
General Government	1,094,949	1,142,674
Public Safety	4,383,745	4,306,534
Public Works	1,387,443	1,199,597
Health	120,440	111,225
Other	5,656	
Conservation-Recreation	162,638	170,769
Principal Retirement	24,617	18,217
Capital Outlay	1,472,222	821,590
Total Disbursements	<u>8,651,710</u>	<u>7,770,606</u>
Increase (Decrease) in Net Assets	(639,690)	848,067
Net Assets, January 1	4,376,962	3,528,895
Net Assets, December 31	<u>\$3,737,272</u>	<u>\$4,376,962</u>

Springfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Program receipts represent only 30 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees, lighting assessments and charges for emergency medical services provided under contract.

General receipts represent 70 percent of the Township's total receipts, and of this amount, over 81 percent are local taxes. State and federal grants and entitlements make up most of the remaining balance of the Township's general receipts (12 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the board of trustees and fiscal officer, as well as internal services such as payroll and purchasing.

Public Safety is the cost of police and fire protection and EMS services; Public Works is the cost of maintaining the roads and cemetery; Capital Outlay is the cost of public safety equipment, paving township roads, and site improvements to the township owned property.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public safety which account for 51 percent of all governmental disbursements. Public works and general government also represent significant costs, about 16 percent and 13 percent respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$1,094,949	\$855,129	\$1,142,674	\$1,007,013
Public Safety	4,383,745	3,221,077	4,306,534	3,115,267
Public Works	1,387,443	410,912	1,199,597	397,783
Health	120,440	94,530	111,225	91,910
Other	5,656	4,050		
Conservation-Recreation	162,638	162,638	170,769	170,769
Principal Retirement	24,617	24,617	18,217	18,217
Capital Outlay	1,472,222	1,472,222	821,590	821,590
Total Expenses	<u>\$8,651,710</u>	<u>\$6,245,175</u>	<u>\$7,770,606</u>	<u>\$5,622,549</u>

The dependence upon property tax receipts is apparent as over 53 percent of governmental activities are supported through these general receipts.

Springfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The Township's Funds

Total governmental funds had receipts of \$7,975,749 and disbursements of \$8,646,044. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$455,842 as the result of decreases in property tax receipts and related state reimbursements. The fund balance of the Ambulance and Emergency Medical Fund decreased \$329,176 as the result of a FEMA grant being received in the prior year but not in the current year and the Township not receiving its last quarterly EMS payment until early 2010.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During 2009, the Township did not amend its General fund budget. The difference between final budgeted receipts and actual receipts was not significant.

Final disbursements and other financing uses were budgeted at \$4,635,672 while actual disbursements and other financing uses were \$2,924,558. The Township kept spending under budgeted amounts. However, since revenue was less than budgeted, this resulted in a decrease in fund balance of \$455,842.

Capital Assets and Debt Administration

Capital Assets

The Township does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

Debt

At December 31, 2009, the Township's outstanding debt included \$156,070 in Ohio Public Works Commission loans obtained for widening and resurfacing of Township roads.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding.

The Township's budgeting practices have resulted in increased fund balances in each of the previous two years. The Township relies heavily on local taxes and has very little industry to support the tax base which requires the Township's administration to constantly monitor the budget and look for ways to increase revenues in other areas.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Lisa K Chamberlain, Fiscal Officer, Springfield Township, 7617 Angola Road, Holland, Ohio 43528-8602.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

*Statement of Net Assets - Cash Basis
December 31, 2009*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,005,014
Investments	<u>1,732,258</u>
<i>Total Assets</i>	<u><u>\$3,737,272</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$400,478
Other Purposes	1,575,340
Unrestricted	<u>1,761,454</u>
<i>Total Net Assets</i>	<u><u>\$3,737,272</u></u>

See accompanying notes to the basic financial statements

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2009*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$1,094,949		\$239,820	(\$855,129)
Public Safety	4,383,745	\$849,573	313,095	(3,221,077)
Public Works	1,387,443	292,460	389,968	(410,912)
Health	120,440	25,910		(94,530)
Other	5,656		1,606	(4,050)
Conservation-Recreation	162,638			(162,638)
Capital Outlay	1,472,222			(1,472,222)
Debt Service:				
Principal Retirement	24,617			(24,617)
Total	<u>\$8,651,710</u>	<u>\$1,167,943</u>	<u>\$944,489</u>	<u>\$294,103</u>
				(6,245,175)
General Receipts				
Property Taxes Levied for:				
				1,142,981
				478,756
				2,770,863
				160,819
				662,940
				36,271
				214,978
				71,923
				65,954
				<i>Total General Receipts</i>
				5,605,485
				(639,690)
				<i>Net Assets Beginning of Year</i>
				4,376,962
				<i>Net Assets End of Year</i>
				\$3,737,272

See accompanying notes to the basic financial statements

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009*

	General	Fire District Fund	EMS Fund	Lighting Fund	Fire District Capital Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$29,196	\$645,952	\$181,519	\$375,046	\$400,381	\$372,920	\$2,005,014
Investments	1,732,258						1,732,258
Total Assets	<u>\$1,761,454</u>	<u>\$645,952</u>	<u>\$181,519</u>	<u>\$375,046</u>	<u>\$400,381</u>	<u>\$372,920</u>	<u>\$3,737,272</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances			\$1,286				\$1,286
Unreserved:							
Undesignated, Reported in:							
General Fund	\$1,761,454						1,761,454
Special Revenue Funds		\$645,952	180,233	\$375,046		\$372,823	1,574,054
Capital Projects Funds					\$400,381	97	400,478
Total Fund Balances	<u>\$1,761,454</u>	<u>\$645,952</u>	<u>\$181,519</u>	<u>\$375,046</u>	<u>\$400,381</u>	<u>\$372,920</u>	<u>\$3,737,272</u>

See accompanying notes to the basic financial statements

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009*

	General	Fire District Fund	EMS Fund	Lighting Fund	Fire District Capital Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$1,301,458	\$2,795,324				\$482,392	\$4,579,174
Charges for Services			\$753,905		\$95,668		849,573
Licenses, Permits and Fees	256,978					7,070	264,048
Intergovernmental	801,630	326,247				688,001	1,815,878
Special Assessments				\$292,459			292,459
Interest	71,923					1,606	73,529
Other	36,727	24,688	119			39,554	101,088
<i>Total Receipts</i>	<u>2,468,716</u>	<u>3,146,259</u>	<u>754,024</u>	<u>292,459</u>	<u>95,668</u>	<u>1,218,623</u>	<u>7,975,749</u>
Disbursements							
Current:							
General Government	1,094,949						1,094,949
Public Safety	447,250	3,081,045	855,450				4,383,745
Public Works	4,046			379,767		1,003,630	1,387,443
Health	90,558					29,882	120,440
Conservation-Recreation	162,638						162,638
Capital Outlay	603,254	3,164	107,750		16,348	741,706	1,472,222
Debt Service:							
Principal Retirement						24,617	24,617
<i>Total Disbursements</i>	<u>2,402,695</u>	<u>3,084,209</u>	<u>963,200</u>	<u>379,767</u>	<u>16,348</u>	<u>1,799,835</u>	<u>8,646,054</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>66,021</u>	<u>62,050</u>	<u>(209,176)</u>	<u>(87,308)</u>	<u>79,320</u>	<u>(581,212)</u>	<u>(670,305)</u>
Other Financing Sources (Uses)							
Other Debt Proceeds						36,271	36,271
Transfers In						516,207	516,207
Transfers Out	(516,207)						(516,207)
Advances In		475,000	355,000				830,000
Advances Out		(355,000)	(475,000)				(830,000)
Other Financing Uses	(5,656)						(5,656)
<i>Total Other Financing Sources (Uses)</i>	<u>(521,863)</u>	<u>120,000</u>	<u>(120,000)</u>			<u>552,478</u>	<u>30,615</u>
<i>Net Change in Fund Balances</i>	<u>(455,842)</u>	<u>182,050</u>	<u>(329,176)</u>	<u>(87,308)</u>	<u>79,320</u>	<u>(28,734)</u>	<u>(639,690)</u>
<i>Fund Balances Beginning of Year</i>	<u>2,217,296</u>	<u>463,902</u>	<u>510,695</u>	<u>462,354</u>	<u>321,061</u>	<u>401,654</u>	<u>4,376,962</u>
<i>Fund Balances End of Year</i>	<u>\$1,761,454</u>	<u>\$645,952</u>	<u>\$181,519</u>	<u>\$375,046</u>	<u>\$400,381</u>	<u>\$372,920</u>	<u>\$3,737,272</u>

See accompanying notes to the basic financial statements

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Receipts				
Property and Other Local Taxes	\$1,510,000	\$1,510,000	\$1,301,458	(\$208,542)
Licenses, Permits and Fees	205,000	205,000	256,978	51,978
Intergovernmental	475,500	475,500	801,630	326,130
Interest			71,923	71,923
Other	75,000	75,000	36,727	(38,273)
<i>Total Receipts</i>	<u>2,265,500</u>	<u>2,265,500</u>	<u>2,468,716</u>	<u>203,216</u>
Disbursements				
Current:				
General Government	1,423,805	1,426,805	1,094,949	331,856
Public Safety	510,000	510,000	447,250	62,750
Public Works	5,000	5,000	4,046	954
Health	100,000	100,000	90,558	9,442
Conservation-Recreation	429,872	429,872	162,638	267,234
Capital Outlay	1,512,244	1,509,244	603,254	905,990
<i>Total Disbursements</i>	<u>3,980,921</u>	<u>3,980,921</u>	<u>2,402,695</u>	<u>1,578,226</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,715,421)</u>	<u>(1,715,421)</u>	<u>66,021</u>	<u>1,781,442</u>
Other Financing Sources (Uses)				
Transfers Out	(504,751)	(504,751)	(516,207)	(11,456)
Advances Out	(150,000)	(150,000)		150,000
Other Financing Uses			(5,656)	(5,656)
<i>Total Other Financing Sources (Uses)</i>	<u>(654,751)</u>	<u>(654,751)</u>	<u>(521,863)</u>	<u>132,888</u>
<i>Net Change in Fund Balance</i>	<u>(2,370,172)</u>	<u>(2,370,172)</u>	<u>(455,842)</u>	<u>1,914,330</u>
<i>Fund Balance Beginning of Year</i>	<u>2,217,296</u>	<u>2,217,296</u>	<u>2,217,296</u>	
<i>Fund Balance End of Year</i>	<u><u>(\$152,876)</u></u>	<u><u>(\$152,876)</u></u>	<u><u>\$1,761,454</u></u>	<u><u>\$1,914,330</u></u>

See accompanying notes to the basic financial statements

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire District Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$3,296,950	\$3,296,950	\$2,795,324	(\$501,626)
Intergovernmental	305,000	305,000	326,247	21,247
Other	31,000	31,000	24,688	(6,312)
<i>Total Receipts</i>	<u>3,632,950</u>	<u>3,632,950</u>	<u>3,146,259</u>	<u>(486,691)</u>
Disbursements				
Current:				
Public Safety	3,323,620	3,323,620	3,081,045	242,575
Capital Outlay	314,449	314,449	3,164	311,285
<i>Total Disbursements</i>	<u>3,638,069</u>	<u>3,638,069</u>	<u>3,084,209</u>	<u>553,860</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,119)</u>	<u>(5,119)</u>	<u>62,050</u>	<u>67,169</u>
Other Financing Sources (Uses)				
Advances In			475,000	475,000
Advances Out			(355,000)	(355,000)
<i>Total Other Financing Sources (Uses)</i>			<u>120,000</u>	<u>120,000</u>
<i>Net Change in Fund Balance</i>	(5,119)	(5,119)	182,050	187,169
<i>Fund Balance Beginning of Year</i>	<u>463,902</u>	<u>463,902</u>	<u>463,902</u>	
<i>Fund Balance End of Year</i>	<u><u>\$458,783</u></u>	<u><u>\$458,783</u></u>	<u><u>\$645,952</u></u>	<u><u>\$187,169</u></u>

See accompanying notes to the basic financial statements

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
EMS Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$673,150	\$673,150	\$753,905	\$80,755
Other			119	119
<i>Total Receipts</i>	<u>673,150</u>	<u>673,150</u>	<u>754,024</u>	<u>80,874</u>
Disbursements				
Current:				
Public Safety	909,693	909,693	856,736	52,957
Capital Outlay	274,412	274,412	107,750	166,662
<i>Total Disbursements</i>	<u>1,184,105</u>	<u>1,184,105</u>	<u>964,486</u>	<u>219,619</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(510,955)</u>	<u>(510,955)</u>	<u>(210,462)</u>	<u>300,493</u>
Other Financing Sources				
Advances In			355,000	355,000
Advances Out			(475,000)	(475,000)
<i>Total Other Financing Sources (Uses)</i>			<u>(120,000)</u>	<u>(120,000)</u>
<i>Net Change in Fund Balance</i>	(510,955)	(510,955)	(330,462)	180,493
<i>Fund Balance Beginning of Year</i>	<u>510,695</u>	<u>510,695</u>	<u>510,695</u>	
<i>Fund Balance End of Year</i>	<u>(\$260)</u>	<u>(\$260)</u>	<u>\$180,233</u>	<u>\$180,493</u>

See accompanying notes to the basic financial statements

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Lighting Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Special Assessments	\$300,000	\$300,000	\$292,459	(\$7,541)
Disbursements				
Current:				
Public Works	762,354	762,354	379,767	382,587
<i>Excess of Disbursements Over Receipts</i>	(462,354)	(462,354)	(87,308)	375,046
<i>Net Change in Fund Balance</i>	(462,354)	(462,354)	(87,308)	375,046
<i>Fund Balance Beginning of Year</i>	462,354	462,354	462,354	
<i>Fund Balance End of Year</i>			\$375,046	\$375,046

See accompanying notes to the basic financial statements

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 – REPORTING ENTITY

Springfield Township, Lucas, Ohio (the Township), is a body politic and corporate established in 1835 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire protection, and cemetery maintenance. Police protection is provided by the Lucas County Sheriff.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

Based on these criteria, the Township has no component units.

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

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are categorized as governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are as follows:

1. General Fund

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

2. Fire District Fund

The Fire District Fund receives property tax monies for providing fire protection within the Township.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

3. Rescue Ambulance/EMS Service (EMS) Fund

The Rescue ambulance/EMS Service Fund receives EMS contract funds and transport fees for providing EMS services within the Township.

4. Lighting District Fund

The Lighting District Fund received special assessment monies for maintaining lighting within the Township.

5. Fire District Capital Fund

The Fire District Capital Fund receives money for providing fire protection for other entities.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

Township records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2009, the Township invested in U.S. Treasury notes, Federal Farm Credit Bank notes, Federal Home Loan Mortgage Bank notes, Federal National Mortgage notes, and a US Treasury Money Market Fund, These investments are reported at cost. The Township’s money market mutual fund investment is recorded at the amount reported by Charles Schwab on December 31, 2009.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 was \$71,923 which includes \$17,551 assigned from other Township funds.

F. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

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

H. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township’s cash basis of accounting.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

J. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither other financing source nor capital outlay expenditure are reported at inception.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for road and bridge construction, maintenance and repair, and fire protection. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Fund balance reserves have been established for encumbrances.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$1,286 in the EMS Fund.

NOTE 4 – DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 4 – DEPOSITS AND INVESTMENTS – (CONTINUED)

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

At year end, the Township did not have any undeposited cash on hand which is included as part of cash on the financial statements.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 4 – DEPOSITS AND INVESTMENTS – (CONTINUED)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,932,447 of the Township's bank balance of \$2,182,447 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2009, the Township had the following investments:

	Carrying Value	Maturity
Federal Farm Credit Bank	\$100,740	12/6/10
Federal Home Loan Bank	277,720	12/17/10 – 5/16/11
Federal National Mortgage	431,343	9/13/10 – 5/19/11
US Treasury Notes	737,216	2/15/10 – 11/15/11
US Treasury Money Market Fund	185,239	NA
Total Portfolio	\$1,732,258	

The Township's investment policy establishes the maximum percentage of the portfolio permitted in each eligible security as follows:

US Treasury	No Limit
Federal Agency	Limit of 35% per issuer
Repurchase Agreements	Limited to 20%
Commercial Paper/Banker's Accept	Limited to 25%
Certificates of deposit	Limited to 75%
STAR Ohio	No Limit

The Township places no limit on the amount the Township may invest in one issuer. Of the Township's total investments (excluding US Treasury Money Market), 6.5% are Federal Farm Credit, 17.9% are Federal Home Loan Bank, 27.9% are Federal National Mortgage, 47.7% are US Treasury notes

Interest rate risk arises because the fair value of investments changes as interest rates change. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 4 – DEPOSITS AND INVESTMENTS – (CONTINUED)

All of the Township's securities carry a rating of Aaa by Moody's. The Township's investment policy is limited to requiring compliance with state statutes.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Township's name. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

NOTE 5 – PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. In 2009, real property taxes were levied on December 18, 2008, on the assessed values as of January 1, 2008, the lien date. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. The last revaluation was completed in 2006. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Beginning in calendar year 2009, tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property tax collections in calendar year 2009 represent delinquent collections.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 replaces a portion of the revenue lost by the Township due to the phasing out of the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. In calendar years 2011-2017, the reimbursements will be phased out.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 5 – PROPERTY TAXES - CONTINUED

The full tax rate for all Township operations for the year ended December 31, 2009, was \$64.17 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$534,465,300
Commercial and Industrial	166,894,630
Public Utility	50,150
Tangible Personal Property	
Telecom	791,050
Public Utility	9,661,170
Total Assessed Value	<u>\$711,862,300</u>

NOTE 6 – RISK MANAGEMENT

Risk Pool Membership

The Township belongs to 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. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), 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, except OPRM retain 15% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had over 650 members as of December 31, 2008. The Township participates in this coverage.

In August, 2007, OGRMP formed the Ohio Plan Healthcare Consortium ("OPHC"), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member's healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 40 members as of December 31, 2008. The Township does not participate in this coverage.

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.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 6 – RISK MANAGEMENT – (CONTINUED)

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 retained earnings at December 31, 2008 and 2007 (the latest information available), and include amounts for both OPRM and OPHC:

	2008	2007
Assets	\$10,471,114	\$11,136,455
Liabilities	<u>(5,286,781)</u>	<u>(4,273,553)</u>
Members' Equity	<u>\$5,184,333</u>	<u>\$6,862,902</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

NOTE 7 – DEFINED BENEFIT PENSION PLAN

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2009, the members of all three plans were required to contribute 10 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2009 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$131,552, \$125,502, and \$120,433, respectively. The full amount has been contributed for 2009, 2008 and 2007. Contributions to the member-directed plan for 2009, 2008, and 2007 made by the Township were \$6,366, \$6,242, and \$6,294 while plan members contributed \$4,547, \$4,459, and \$4,317, respectively.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 7 – DEFINED BENEFIT PENSION PLAN – (CONTINUED)

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to the Fund for firefighters were \$440,060 for the year ended December 31, 2009, and \$435,083 and \$401,729 for 2008 and 2007, respectively. The full amount has been contributed for 2009, 2008, and 2007.

NOTE 8 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2009 employer contribution rate was 14 percent of covered payroll. The portion of employer contributions allocated to health care was 7.0% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2008, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor between 0.5 and 3.0 percent for the next six years and 4.0 percent annually after six years.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 8 - POSTEMPLOYMENT BENEFITS – (CONTINUED)

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 357,584 as of December 31, 2009. The number of active contributing participants for both plans used in the December 31, 2008, actuarial valuation was 356,388. Actual employer contributions for 2009 which were used to fund postemployment benefits were \$55,437. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2008, (the latest information available) were \$10.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.6 billion and \$18.9 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis.

The total firefighter contribution rate is 24 percent of covered payroll, of which 6.75 percent of covered payroll was applied to the postemployment health care program during 2009. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The Township's actual contributions for 2009 that were used to fund postemployment benefits were \$123,657 for firefighters. The OP&F's total health care expense for the year ended December 31, 2008 (the latest information available) was \$96,472,398, which was net of member contributions of \$56,948,977. The number of OP&F participants eligible to receive health care benefits as of December 31, 2008, was 14,567 for police and 10,750 for firefighters.

SPRINGFIELD TOWNSHIP
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

NOTE 9 – DEBT

The Township's long-term debt activity for the year ended December 31, 2009, was as follows:

	Interest Rate	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009	Due Within One Year
<u>Governmental Activities</u>						
OPWC Loan - Widening	0.0%	\$ 59,087	-	\$11,817	\$47,270	\$11,818
OPWC Loan - Resurfacing	0.0%	\$121,600	-	\$12,800	\$108,800	\$12,800

The Ohio Public Works Commission (OPWC) Loan Widening proceeds were used to help finance the widening and resurfacing of Longworth, Roycroft, Holloway, and Hall Roads. The loan is a zero percent loan repayable in semi-annual installments of \$5,909 through January 1, 2014.

The proceeds from the second OPWC Loan were used for a resurfacing project in the Township. The loan is a zero percent loan repayable in semi-annual installments of \$6,400 through July 1, 2018.

A third OPWC loan of \$150,000 was received in 2009 for resurfacing 1.88 miles of roads. This loan is not reflected in the above schedule because the project was not yet complete as of December 31, 2009, and the loan amortization was not finalized. As of December 31, 2009 the Township has received \$36,271 from OPWC related to the loan.

The following is a summary of the Township's future annual debt service requirements:

Year	<u>OPWC Loans</u> <u>Principal</u>
2010	\$ 24,618
2011	24,617
2012	24,618
2013	24,617
2014	12,800
thereafter	44,800
Totals	<u>\$156,070</u>

NOTE 10 – INTERFUND TRANSFERS

During 2009 the following transfers were made:

Transfers from the General Fund to:	
Other Governmental Funds	\$516,207

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' 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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Springfield Township, Lucas County, (the Township) as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 28, 2010, wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this Township, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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www.auditor.state.oh.us

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 deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

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, providing an opinion 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated September 28, 2010.

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the audit committee, Board of Trustees, and others within the Township. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

September 28, 2010

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009**

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

FINDING NUMBER 2009-001

Material Weakness - Entering Financial Data into the Accounting System

The Township should have procedures in place to prevent or detect material misstatements for the accurate presentation of the Township's financial statements. The Fiscal Officer did not always accurately post receipts and expenditures to the Township's accounting system. Not posting financial information accurately to the ledgers resulted in nine audit reclassifications and adjusting entries made to the financial statements for taxes, intergovernmental revenue, investments and interest receipts totaling \$795,884 on a gross basis.

- Adjustments totaling \$40,751 to present property tax receipts and reimbursement in the correct funds;
- Adjustments to properly present investment balances and interest receipts in the amount of \$531,540;
- Adjustment in the amount of \$198,976 were made to revenues and expenditures to include amounts from the Ohio Public Works Commission; and,
- Reclassifications of loan payments as principal payments in the amount of \$24,617.

As a result of these adjustments and reclassifications, there were significant changes required to the financial statements, notes to the financial statements, and management's discussion and analysis.

We recommend the Township's Fiscal Officer establish policies and procedures to ensure the accurate posting of all financial activity. Cash receipts and expenditures posting should be made in accordance with procedures and posting guidelines established by the Uniform Accounting Network. By exercising accuracy in recording financial activity, the Township can reduce posting errors and increase the reliability of financial data throughout the year. We also recommend the Board of Trustees more closely monitor financial information posting to help detect any posting errors or inaccuracies.

Officials' Response: The Fiscal Officer who served from February 24, 2007 through January 31, 2010 is no longer with the Township. The new Fiscal Officer appointed February 1, 2010 has made changes in 2010 to correct the material weakness.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Entering financial data into the Township's accounting system.	No	Repeated as Finding Number 2009-001 in this report.



Mary Taylor, CPA
Auditor of State

SPRINGFIELD TOWNSHIP

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 4, 2010**