

**SPRINGFIELD TOWNSHIP**  
*CLARK COUNTY, OHIO*

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2015 AND 2014**





# Dave Yost • Auditor of State

Board of Trustees  
Springfield Township  
2777 Springfield Xenia Road  
Springfield, Ohio 45506

We have reviewed the *Independent Auditor's Report* of Springfield Township, Clark County, prepared by Bastin & Company, LLC, for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

June 7, 2016

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**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO**

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# Bastin & Company, LLC

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

Springfield Township  
Clark County  
2777 Springfield Xenia Road  
Springfield, Ohio 45506

To the Board of Trustees:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Springfield Township, Clark County, (the Township) as of and for the years ended December 31, 2015 and 2014.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2015 and 2014, or changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Springfield Township, Clark County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2016, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a white background.

Cincinnati, Ohio  
April 15, 2016

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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 59,434	\$ 1,225,007	\$ 275,198	\$ 1,559,639
Charges for Services	15	361,608	-	361,623
Licenses, Permits and Fees	100,589	36,819	-	137,408
Intergovernmental	306,289	378,212	38,421	722,922
Special Assessments	-	4,608	-	4,608
Earnings on Investments	1,769	33,691	-	35,460
Miscellaneous	12,743	9,473	-	22,216
<i>Total Cash Receipts</i>	<u>480,839</u>	<u>2,049,418</u>	<u>313,619</u>	<u>2,843,876</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	506,898	29,093	5,408	541,399
Public Safety	-	1,177,192	-	1,177,192
Public Works	1,712	838,911	-	840,623
Health	9,415	8,179	-	17,594
Capital Outlay	-	-	39,412	39,412
Debt Service:				
Principal Retirement	9,240	51,290	181,470	242,000
Interest and Fiscal Charges	5,195	19,751	74,772	99,718
<i>Total Cash Disbursements</i>	<u>532,460</u>	<u>2,124,416</u>	<u>301,062</u>	<u>2,957,938</u>
Excess of Receipts Over/(Under) Disbursements	(51,621)	(74,998)	12,557	(114,062)
<b>Other Financing Receipts (Disbursements):</b>				
Sale of Capital Assets	-	106,533	-	106,533
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>106,533</u>	<u>-</u>	<u>106,533</u>
<i>Net Change in Fund Cash Balances</i>	(51,621)	31,535	12,557	(7,529)
<i>Fund Cash Balances, January 1</i>	<u>615,315</u>	<u>2,701,847</u>	<u>525,533</u>	<u>3,842,695</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	2,733,382	538,090	3,271,472
Unassigned	563,694	-	-	563,694
<i>Fund Cash Balances, December 31</i>	<u>\$ 563,694</u>	<u>\$ 2,733,382</u>	<u>\$ 538,090</u>	<u>\$ 3,835,166</u>

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

**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 54,068	\$ 1,178,960	\$ 270,485	\$ 1,503,513
Charges for Services	3,689	359,793	-	363,482
Licenses, Permits and Fees	99,376	32,692	-	132,068
Intergovernmental	388,269	402,804	38,137	829,210
Special Assessments	-	4,539	-	4,539
Earnings on Investments	6,715	23,219	-	29,934
Miscellaneous	22,221	11,949	-	34,170
<i>Total Cash Receipts</i>	<u>574,338</u>	<u>2,013,956</u>	<u>308,622</u>	<u>2,896,916</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	644,207	35,983	5,248	685,438
Public Safety	-	1,148,581	-	1,148,581
Public Works	1,268	685,141	-	686,409
Health	7,176	9,573	-	16,749
Capital Outlay	-	210,961	34,188	245,149
Debt Service:				
Principal Retirement	8,932	49,097	173,971	232,000
Interest and Fiscal Charges	4,153	22,826	80,883	107,862
<i>Total Cash Disbursements</i>	<u>665,736</u>	<u>2,162,162</u>	<u>294,290</u>	<u>3,122,188</u>
Excess of Receipts Over/(Under) Disbursements	(91,398)	(148,206)	14,332	(225,272)
<b>Other Financing Receipts (Disbursements):</b>				
Sale of Capital Assets	-	26,555	-	26,555
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>26,555</u>	<u>-</u>	<u>26,555</u>
<i>Net Change in Fund Cash Balances</i>	(91,398)	(121,651)	14,332	(198,717)
<i>Fund Cash Balances, January 1</i>	<u>706,713</u>	<u>2,823,498</u>	<u>511,201</u>	<u>4,041,412</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	2,701,847	525,533	3,227,380
Unassigned	615,315	-	-	615,315
<i>Fund Cash Balances, December 31</i>	<u>\$ 615,315</u>	<u>\$ 2,701,847</u>	<u>\$ 525,533</u>	<u>\$ 3,842,695</u>

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

**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Springfield Township, Clark 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 participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 7 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.

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. 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 government securities at cost. Money market mutual funds are recorded at share values the mutual funds report.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(continued)**

**2. Special Revenue Funds**

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

*Road and Bridge Fund* - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

*Gasoline Tax Fund* - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

*Road District Inside Fund* - This fund receives property tax money for the maintenance of Township roads.

*EMS Services Fund* – This fund receives property tax money to provide EMS services to township residents.

**3. Capital Projects 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:

*Fire Fund* - The Township receives property tax money to purchase equipment for fire department operations.

*Ambulance Fund* - The Township receives property tax money to purchase equipment for emergency medical services operations.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. 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.

**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(continued)**

**3. 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 re-appropriated in the subsequent year.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

**F. 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:

**1. Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. 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.

**3. 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.

**4. Assigned**

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

**5. Unassigned**

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

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are

**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(continued)**

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.

**G. Property, Plant and Equipment**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**H. 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.

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

	2015	2014
Demand deposits	\$ 366,472	\$ 411,587
Total deposits	366,472	411,587
U.S. Treasury Notes	752,570	1,052,500
Money Market	820,370	532,998
Federal Home Loan Bank	459,115	658,972
Federal Home Loan Mortgage Corporation	198,803	198,803
Federal National Mortgage Association	1,237,836	987,835
Total investments	3,468,694	3,431,108
Total deposits and investments	\$3,835,166	\$3,842,695

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution’s public entity deposit pool.

**Investments:** Morgan Stanley trust department holds the Township’s investments in book entry form in the Township’s name. Investments in money market mutual funds are not evidenced by securities that exist in physical or book-entry form.

**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 471,144	\$ 480,839	\$ 9,695
Special Revenue	2,110,350	2,155,951	45,601
Capital Projects	313,803	313,619	(184)
Total	\$ 2,895,297	\$ 2,950,409	\$ 55,112

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 991,528	\$ 532,460	\$ 459,068
Special Revenue	4,725,886	2,124,416	2,601,470
Capital Projects	775,751	301,062	474,689
Total	\$ 6,493,165	\$ 2,957,938	\$ 3,535,227

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 523,987	\$ 574,338	\$ 50,351
Special Revenue	2,028,988	2,040,511	11,523
Capital Projects	308,622	308,622	-
Total	\$ 2,861,597	\$ 2,923,471	\$ 61,874

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,155,286	\$ 665,736	\$ 489,550
Special Revenue	4,453,933	2,162,162	2,291,771
Capital Projects	811,485	294,290	517,195
Total	\$ 6,420,704	\$ 3,122,188	\$ 3,298,516

**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(continued)**

**4. PROPERTY TAX**

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

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.

**5. DEBT**

Debt outstanding at December 31, 2015 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Township Office/Fire Station GO Bonds, 2005	\$1,502,000	3.00%
Garden Acres Fire Station GO Bonds, 2006	<u>554,000</u>	4.00 - 4.75%
Total	<u><u>\$2,056,000</u></u>	

During 2005, the Township issued \$2,538,000 of Township Office/Fire Station General Obligation Bonds, Series 2005, to finance the construction of a new firehouse and an administration office. The original funding was through the Ohio Township Leasing Authority (OTLA) and leased to Springfield Township, OTLA number 05F278262. The bonds will be repaid in varying annual installments, with interest at 3.00 percent through November 15, 2025. The Township allocates debt service payments to the General, EMS Services, Fire and Ambulance Funds based on uses of the bond proceeds.

During 2006, the Township issued \$1,483,000 of Garden Acres Fire Station General Obligation Bonds, Series 2006, to finance and convert an E Check facility into the East Side Garden Acres fire station, the purchase of an aerial ladder fire apparatus and the purchase of a new EMS medic unit. The bonds will be repaid in varying annual installments, with interest at rates ranging from 4.00% to 4.75% through November 15, 2026. The Township allocates debt service payments to the EMS Services, Fire and Ambulance Funds based on uses of the bond proceeds.

**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(continued)**

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

Year ending December 31	Township Office / Fire Station GO Bonds, Series 2005	Garden Acres Fire Station GO Bonds, 2006	Total Principal and Interest
2016	\$ 186,661	\$150,660	\$ 337,321
2017	185,661	55,191	240,852
2018	185,501	54,573	240,074
2019	185,141	54,908	240,049
2020	187,581	55,150	242,731
2021 – 2025	934,998	273,932	1,208,930
2026	-	54,470	54,470
Total	<u>\$1,865,543</u>	<u>\$698,884</u>	<u>\$2,564,427</u>

**6. RETIREMENT SYSTEMS**

The Township’s employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan benefits, which include postretirement healthcare and survivor and disability benefits. Fire department employees participate in social security.

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OPERS members contributed 10% of their gross salaries, and the Township contributed an amount equaling 14% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2015.

**7. RISK MANAGEMENT**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty and Property Coverage

The pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2014, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO  
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(continued)**

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2014 and 2013 (the latest information available):

	<u>2014</u>	<u>2013</u>
Assets	\$35,970,263	\$34,954,286
Liabilities	8,912,432	8,486,363
Net Assets	\$27,057,831	\$26,467,923

At December 31, 2014 and 2013, respectively, the liabilities above include approximately \$8.2 and \$7.9 million of estimated incurred claims payable. The assets above also include approximately \$7.2 and \$7.4 million of unpaid claims to be billed to approximately 957 member governments in the future, as of December 31, 2014 and 2013, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the Township's share of these unpaid claims collectible in future years is approximately \$53,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Year</u>	<u>Contribution</u>
2015	\$101,315
2014	101,941

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**8. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

# Bastin & Company, LLC

*Certified Public Accountants*

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

Springfield Township  
Clark County  
2777 Springfield Xenia Road  
Springfield, Ohio 45506

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Springfield Township, Clark County, (the Township) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated April 15, 2016 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Controls Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-01 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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated April 15, 2016.

### ***Entity's Response to Finding***

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.

### ***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a white background.

Cincinnati, Ohio  
April 15, 2016

**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

**Finding Number 2015-01 – Audit Adjustments**

Material Weakness - Financial Reporting

The following audit adjustments were required to be made to the financial statements that were not initially identified by the Township's internal control.

Adjustments made that resulted in changes in fund cash balances of individual funds were as follows:

- During 2014, \$47,412 of property taxes and related settlement fees were incorrectly posted to the Road and Bridge Fund instead of the Road District Inside Fund.
- During 2014, debt principal and interest payments were not posted in accordance with the Township's debt payment allocation plan. Amounts were incorrectly posted to the Fire Fund totaling \$4,448 and the Ambulance Fund totaling \$44,077. In accordance with the Township's debt payment allocation plan, these amounts should have been recorded to the EMS Services Fund totaling \$35,440 and to the General Fund totaling \$13,085.
- During 2014, unrestricted hotel/motel tax receipts in the amount of \$47,261 were incorrectly posted to the Hotel/Motel Tax Fund instead of the General Fund.

Reclassifications made that resulted in changes to recorded receipt and disbursement classifications were as follows:

- During 2014 a total of \$104,035 of homestead and rollback receipts recorded across seven different funds was posted to property taxes rather than to intergovernmental revenue.
- Permissive tax revenue in the amount of \$21,897 for 2014 and \$21,029 for 2015 was posted incorrectly as tax revenue instead of intergovernmental revenue in the Permissive Tax Fund.

In addition to the adjustments discussed above, during 2014 the Township did not update information in the accounting system regarding budgeted receipts when amendments to the certificate of estimated resources were made. As a result, recorded budgetary data did not reflect official budgeted data for 2014.

The Township's financial statements and footnotes have been adjusted to reflect proper amounts.

The presentation of materially correct financial statements and the related footnotes is the responsibility of management. We recommend that the Township implement control procedures that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes.

**Township's Response**

As a result of previous audit recommendations, the Township took steps during 2015 to address various issues concerning the proper recording of financial transactions. These steps began during 2015 as reflected by the reduced amount of adjustments reported for 2015 compared to 2014. The Township will continue to take steps to ensure activities are properly recorded in the future.

**SPRINGFIELD TOWNSHIP  
CLARK COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2015 AND 2014**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Status Explanation</b>
2013-001	Posting of transactions and financial statement errors	No	Repeated as part of Finding Number 2015-01
2013-002	Debt payment activity	No	Repeated as part of Finding Number 2015-01

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# Dave Yost • Auditor of State

**SPRINGFIELD TOWNSHIP**

**CLARK 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  
JUNE 21, 2016**