

Springfield Township, Ohio

Basic Financial Statements
Years Ended December 31, 2007
with Independent Auditors' Report



Mary Taylor, CPA

Auditor of State

Board of Trustees
Springfield Township
9150 Winton Rd.
Cincinnati, OH 45231

We have reviewed the *Independent Auditors' Report* of Springfield Township, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2007 to December 31, 2007. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 15, 2009

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TABLE OF CONTENTS

Independent Auditors' Report 1 – 2

Management's Discussion and Analysis 3 – 9

Basic Financial Statements:

 Government-wide Financial Statements:

 Statement of Net Assets - Cash Basis 10

 Statement of Activities - Cash Basis 11

 Fund Financial Statements:

 Statement of Cash Basis Assets and Fund Balances – Governmental Funds 12

 Statement of Cash Receipts, Disbursements and Changes in
 Cash Basis Fund Balances – Governmental Funds 13

 Statement of Receipts, Disbursements and Changes in Fund Balance –
 Budget and Actual - Budget Basis – General Fund 14

 Statement of Receipts, Disbursements and Changes in Fund Balance –
 Budget and Actual - Budget Basis – Police District Fund 15

 Statement of Receipts, Disbursements and Changes in Fund Balance –
 Budget and Actual - Budget Basis – Fire District Fund 16

Notes to Basic Financial Statements 17 – 27

Additional Information:

 Report on Internal Control Over Financial Reporting and on Compliance
 and Other Matters Based on an Audit of Financial Statements Performed
 in Accordance with *Government Auditing Standards* 28 – 29

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Springfield Township, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Springfield Township, Ohio (the Township) as of and for the year ended December 31, 2007, 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. 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, Ohio, as of December 31, 2007, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Police District Fund, and Fire District Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
September 30, 2009

Springfield Township, Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

This discussion and analysis of Springfield Township's financial performance provides an overall review of Springfield Township's financial activities for the year ended December 31, 2007, within the limitations of Springfield Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of Springfield Township's financial performance.

Highlights

Key highlights for 2007 are as follows:

Net assets of governmental activities decreased \$384,146 or about 3 percent. The Township continues to experience rising costs of employment, fuel, utilities and general inflationary cost increases.

The 2002 Bond Issue funds for the Winton Road Streetscape continue to be utilized and comprise the balance of those bond dollars that have been encumbered but are not yet required to be expended. The multi-jurisdictional streetscape project will require encumbrance of additional capital improvement funds as the upgrades continue on the main Springfield Township corridor over the next several years.

Springfield Township's general receipts are primarily derived from property taxes. These receipts represent 62 percent of the total cash received for governmental activities 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 Springfield 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 Springfield Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of Springfield 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 Springfield Township-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. Springfield 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 Springfield Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Springfield Township, Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

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.

Reporting Springfield Township as a Whole

The statement of net assets and the statement of activities reflect how Springfield Township did financially during 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of Springfield 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 Springfield Township's general receipts.

These statements report Springfield 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 Springfield Township's financial health. Over time, increases or decreases in Springfield Township's cash position is one indicator of whether Springfield Township's financial health is improving or deteriorating. When evaluating Springfield Township's financial condition, you should also consider other non-financial factors as well such as Springfield Township's property tax base, the condition of Springfield Township's capital assets and infrastructure, the extent of Springfield 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 referenced. Springfield Township (as a governmental entity) has no business-type activity. Springfield Township's basic services are reported here, including police, fire, streets and parks. Property taxes and grant funds finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the specific people receiving them.

Reporting Springfield Township's Most Significant Funds

Fund financial statements provide detailed information about Springfield Township's three major funds – the General Fund, the Police District Fund and the Fire District Fund. Springfield 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.

Springfield Township's activities are reported in governmental funds. Fund financial statements provide a detailed view of Springfield 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 Township programs. Springfield Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major 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 programs reported in governmental funds are closely related to those reported in governmental activities section of the entity-wide statements.

Springfield Township, Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Springfield Township as a Whole

Table 1 provides a summary of Springfield Township's net assets for 2007 compared to 2006 on a modified cash basis:

(Table 1)

Net Assets

	Governmental Activities	
	2007	2006
Assets		
Equity in Pooled Cash & Cash Equivalents	\$ 13,109,969	\$ 13,494,115
Total Assets	\$ 13,109,969	\$ 13,494,115
Net Assets		
Restricted for:		
Capital Projects	\$ 249,776	\$ 1,090,740
Police District	\$ 4,195,575	\$ 4,595,717
Fire District	\$ 3,273,961	\$ 3,519,633
Other Purposes	\$ 1,692,341	\$ 2,668,455
Unrestricted	\$ 3,698,316	\$ 1,619,570
Total Net Assets	\$ 13,109,969	\$ 13,494,115

As mentioned previously, net assets of governmental activities decreased \$384,146 or about 3 percent during 2007. The revenues in 2006 were greater due to the proceeds from the sale of a parcel of Township real estate. Although expenditures increased by nearly 11 percent, the fund balance remained stable, with receipt of the initial proceeds from the Tax Increment Financing Districts and a slight increase in interest rates.

Table 2 presents a comparative analysis of net assets in 2007 and 2006.

Springfield Township, Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

(Table 2)
Changes in Net Assets

	Governmental Activities 2007	Governmental Activities 2006
	<u>2007</u>	<u>2006</u>
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 219,734	\$ 151,376
Operating Grants and Contributions	\$ 454,301	\$ 94,191
Capital Grants and Contributions	\$ 375,207	\$ 22,162
Total Program Receipts	<u>\$ 1,049,242</u>	<u>\$ 267,729</u>
General Receipts:		
Property and Other Local Taxes	\$ 11,041,868	\$ 11,373,923
Grants and Entitlements Not Restricted to Specific Programs	\$ 4,340,743	\$ 4,129,294
Sale of Bonds	\$ -	\$ 9,825,000
Premiums & Accrued Interest on Debt Interest	\$ 724,580	\$ 696,332
Miscellaneous	\$ 569,534	\$ 64,344
Total General Receipts	<u>\$ 16,676,725</u>	<u>\$ 26,257,042</u>
Special Items	<u>\$ -</u>	<u>\$ 674,854</u>
Total Receipts	<u>\$ 17,725,967</u>	<u>\$ 27,199,625</u>
Disbursements:		
General Government	\$ 1,772,992	\$ 1,491,348
Public Safety	\$ 11,069,322	\$ 10,193,671
Public Works	\$ 1,955,278	\$ 2,200,312
Health	\$ 35,800	\$ 35,408
Conservation-Recreation	\$ 467,134	\$ 451,660
Other	\$ 213,357	\$ 201,536
Capital Outlay	\$ 1,417,598	\$ 574,750
Principal Retirement	\$ 589,225	\$ 9,942,082
Interest	\$ 589,407	\$ 1,234,173
Total Disbursements	<u>\$ 18,110,113</u>	<u>\$ 26,324,940</u>
Increase (Decrease) in Net Assets	\$ (384,146)	\$ 874,685
Net Assets, January 1	\$ 13,494,115	\$ 12,619,430
Net Assets, December 31	<u>\$ 13,109,969</u>	<u>\$ 13,494,115</u>

Program receipts represent only 6 percent of total receipts in 2007 and are primarily comprised of restricted intergovernmental receipts such as resource officer payments, ambulance service fees, capital projects' grants, recycling grants, DARE grant, court fines, forfeitures, permits and rental hall receipts. General receipts represent approximately 94 percent of the Government's total receipts and primarily consists of property taxes.

Disbursements for General Government represent the overhead costs of running Springfield Township consisting primarily of internal services such as payroll, employee benefits and purchasing, in addition to the support services provided for the other Township activities, including zoning, parks and senior center services.

Springfield Township, Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Governmental Activities

If you look at the Statement of Activities you will see that the first column lists the major services provided by Springfield Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public safety and public works, which account for 61.1% and 10.8% of all governmental disbursements, respectively. General government also represents a significant cost of 9.8%. Capital Outlay encompassed 7.8 % of program disbursements, while principal debt retirement and associated interest comprised 3.3% each. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the services, grants and capital received by Springfield 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 2007	Net Cost of Services 2007
	2007	2007
General Government	\$1,772,992	\$1,606,230
Public Safety	11,069,322	10,564,669
Public Works	1,955,278	1,577,451
Health	35,800	35,800
Conservation-Recreation	467,134	467,134
Other	213,357	213,357
Capital Outlay	1,417,598	1,417,598
Principal Retirement	589,225	589,201
Interest and Fiscal Charges	589,407	589,431
Total Expenses	\$18,110,113	\$17,060,871

Springfield Township's Funds

Total governmental funds had receipts of \$17,725,969 and disbursements of \$18,110,115. The increase in capital outlay is largely due to the major road reconstruction project on Winton Road, which is a multijurisdictional collaborative effort. The greatest change within governmental funds occurred with an increase of \$985,302 in the General Fund, due to extraordinary estate tax revenue. The total fund balance decreased \$384,146, due to the continued increase in fuel costs, building maintenance costs, personnel costs and the decreasing balance of bond funds that have been encumbered for designated purposes since issuance in 2002 but have not yet been expended.

Springfield Township, Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

The budget objective of the Township is to incur the expenditure responsibility of each department in within the funds available for each department in order to preserve the General Fund for current and future needs. Budgeting for 2008 continues toward this objective; however three subsequent road levy failures require continued subsidization of the Service Department to maintain the Township roads.

General Fund Budgeting Highlights

Springfield 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. The most significant budgeted fund is the General Fund.

During 2007, Springfield Township amended its budget several times to reflect changes in resources and expenditures. Budgeted receipts were less than actual receipts due to conservative estimated resources and interest rate increases. The difference between final budgeted receipts and actual receipts was primarily a function of larger than expected estate taxes.

Final disbursements in the General Fund were budgeted (appropriated) at \$4,736,653 while actual disbursements were \$3,302,257. The \$675,000 allocation for Winton Road project expenditures was not expended in 2007 due to delays in the project. Nuisance abatement contracted expenditures were about \$90,000 under budget, and Parks related contracted services were more than \$94,000 under budget. Additionally, many expenditure items were significantly less than appropriated for, as the Township generally leaves a budget margin for weather-related utility costs, equipment and facility repairs, and other potential expenditures at year-end. The General Fund balance increased \$863,073 in 2007.

Capital Assets and Debt Administration

Capital Assets

Springfield Township does not currently track the value of its capital assets and infrastructure, other than the annual inventory valuation of assets.

Debt

At December 31, 2007, Springfield Township's outstanding debt included \$13,235,000 in general obligation bonds issued in 2002 and 2004 with a refunding/reissue of the 2002 callable bonds in 2006 for capital improvements, \$575,802 in Ohio Public Works Commission interest-free loans for road improvement projects and \$154,475 in a capital loan for a 2004 Seagrave Fire Apparatus. See Note 9 for more information.

<u>Debt Source</u>	<u>Year Issued</u>	<u>Interest Rate</u>	<u>Retired 07</u>	<u>Outstanding Debt 12/31/07</u>
OPWC Cap Project Loan	2001	0.00%	\$27,350	\$369,225
2002 Bond Issue	2002	3.00%	\$330,000	\$1,440,000
OPWC Cap Project Loan	2003	0.00%	\$12,911	\$206,577
2004 Bond Issue	2004	4.62%	\$125,000	\$2,125,000
Seagrave Fire Apparatus Loan	2004	2.95%	\$73,964	\$154,451
2006 Bond Refunding	2006	3.50%	<u>\$20,000</u>	<u>\$9,670,000</u>
Total			<u>\$589,225</u>	<u>\$13,965,253</u>

Springfield Township, Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

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. We rely mainly on real property taxes and the local government fund in addition to estate taxes to support employment and services costs. With the ever-present threat of the reduction of the local government fund and the elimination of the estate tax, the Township's main mission is to encourage residential maintenance and growth and to actively recruit new commerce to the area to retain and increase local property values, and therefore property tax revenues.

Contacting Springfield Township's Financial Management

This financial report is designed to provide our current and potential residents, businesses, other public and private entities and creditors with a general overview of Springfield Township's finances and to reflect Springfield 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 Finance Director, Dorothy J. Carter or Fiscal Officer, John Waksmundski, Springfield Township Administration, 9150 Winton Road, Cincinnati, Ohio 45231.

Springfield Township, Hamilton County

Statement of Net Assets - Cash Basis

December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$13,109,969</u>
<i>Total Assets</i>	<u><u>\$13,109,969</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$249,776
Police District	4,195,575
Fire District	3,273,961
Other Purposes	1,692,341
Unrestricted	<u>3,698,316</u>
<i>Total Net Assets</i>	<u><u>\$13,109,969</u></u>

See accompanying notes to the basic financial statements

Springfield Township, Hamilton County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	General	Police District Fund	Fire District Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$3,698,316	\$4,195,575	\$3,273,961	\$1,942,117	\$13,109,969
<i>Total Assets</i>	<u>\$3,698,316</u>	<u>\$4,195,575</u>	<u>\$3,273,961</u>	<u>\$1,942,117</u>	<u>\$13,109,969</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	122,228	51,560	76,982	249,229	499,999
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	3,576,088	0	0	0	3,576,088
Special Revenue Funds	0	4,144,015	3,196,979	1,443,112	8,784,106
Capital Projects Funds	0	0	0	249,776	249,776
<i>Total Fund Balances</i>	<u>\$3,698,316</u>	<u>\$4,195,575</u>	<u>\$3,273,961</u>	<u>\$1,942,117</u>	<u>\$13,109,969</u>

See accompanying notes to the basic financial statements

Springfield Township, Hamilton County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Police District Fund	Fire District Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$216,286	\$5,234,246	\$4,141,455	\$1,449,881	\$11,041,868
Charges for Services	0	0	184	49,109	49,293
Licenses, Permits and Fees	32,631	1,059	0	380	34,070
Fines and Forfeitures	65,137	0	0	143,829	208,966
Intergovernmental	3,011,802	793,383	606,263	758,328	5,169,776
Special Assessments	68,994	0	0	1,885	70,879
Earnings on Investments	695,992	0	0	28,588	724,580
Other	74,487	222,044	7,242	122,762	426,535
<i>Total Receipts</i>	<u>4,165,329</u>	<u>6,250,732</u>	<u>4,755,144</u>	<u>2,554,762</u>	<u>17,725,967</u>
Disbursements					
Current:					
General Government	1,772,992	0	0	0	1,772,992
Public Safety	0	6,468,882	4,328,233	272,208	11,069,323
Public Works	100,372	0	0	1,854,906	1,955,278
Health	35,800	0	0	0	35,800
Conservation-Recreation	467,134	0	0	0	467,134
Other	0	0	0	213,358	213,358
Capital Outlay	326,695	0	299,317	791,584	1,417,596
Debt Service:					
Principal Retirement	269,640	76,860	157,664	85,061	589,225
Interest and Fiscal Charges	207,394	105,132	215,602	61,279	589,407
<i>Total Disbursements</i>	<u>3,180,027</u>	<u>6,650,874</u>	<u>5,000,816</u>	<u>3,278,396</u>	<u>18,110,113</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>985,302</u>	<u>(400,142)</u>	<u>(245,672)</u>	<u>(723,634)</u>	<u>(384,146)</u>
Other Financing Sources (Uses)					
Advances In	30,000	0	0	30,000	60,000
Advances Out	(30,000)	0	0	(30,000)	(60,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	985,302	(400,142)	(245,672)	(723,634)	(384,146)
<i>Fund Balances Beginning of Year</i>	<u>2,713,014</u>	<u>4,595,717</u>	<u>3,519,633</u>	<u>2,665,751</u>	<u>13,494,115</u>
<i>Fund Balances End of Year</i>	<u>\$3,698,316</u>	<u>\$4,195,575</u>	<u>\$3,273,961</u>	<u>\$1,942,117</u>	<u>\$13,109,969</u>

See accompanying notes to the basic financial statements

Springfield Township, Hamilton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$205,903	\$205,903	\$216,286	\$10,383
Licenses, Permits and Fees	36,000	36,000	32,631	(3,369)
Fines and Forfeitures	55,000	55,000	65,137	10,137
Intergovernmental	1,581,439	1,581,439	3,011,802	1,430,363
Special Assessments	20,000	20,000	68,994	48,994
Interest	305,000	305,000	695,992	390,992
Other	64,500	64,500	74,489	9,989
<i>Total receipts</i>	<u>2,267,842</u>	<u>2,267,842</u>	<u>4,165,331</u>	<u>1,897,489</u>
Disbursements				
Current:				
General Government	2,216,901	2,292,280	1,870,880	421,400
Public Works	76,045	137,545	120,372	17,173
Health	45,000	45,000	35,801	9,199
Conservation-Recreation	610,349	610,349	471,474	138,875
Other	175,000	3,320	0	3,320
Capital Outlay	1,079,700	1,171,125	326,696	844,429
Debt Service:				
Principal Retirement	269,640	269,640	269,640	0
Interest and Fiscal Charges	207,394	207,394	207,394	0
<i>Total Disbursements</i>	<u>4,680,029</u>	<u>4,736,653</u>	<u>3,302,257</u>	<u>1,434,396</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,412,187)</u>	<u>(2,468,811)</u>	<u>863,074</u>	<u>3,331,885</u>
Other Financing Sources (Uses)				
Advances In	0	0	30,000	30,000
Advances Out	0	(30,000)	(30,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(30,000)</u>	<u>0</u>	<u>30,000</u>
<i>Net Change in Fund Balance</i>	(2,412,187)	(2,498,811)	863,074	3,361,885
<i>Fund Balance Beginning of Year</i>	2,647,433	2,647,433	2,647,433	0
Prior Year Encumbrances Appropriated	65,582	65,582	65,582	0
<i>Fund Balance End of Year</i>	<u>\$300,828</u>	<u>\$214,204</u>	<u>\$3,576,089</u>	<u>\$3,361,885</u>

See accompanying notes to the basic financial statements

Springfield Township, Hamilton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police District Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$4,945,994	\$4,945,994	\$5,234,246	\$288,252
Licenses, Permits and Fees	2,000	2,000	1,059	(941)
Intergovernmental	769,703	769,703	793,383	23,680
Other	10,000	10,000	222,044	212,044
<i>Total receipts</i>	<u>5,727,697</u>	<u>5,727,697</u>	<u>6,250,732</u>	<u>523,035</u>
Disbursements				
Current:				
Public Safety	6,860,468	7,044,074	6,520,442	523,632
Debt Service:				
Principal Retirement	76,860	76,860	76,860	0
Interest and Fiscal Charges	105,132	105,132	105,132	0
<i>Total Disbursements</i>	<u>7,042,460</u>	<u>7,226,066</u>	<u>6,702,434</u>	<u>523,632</u>
<i>Net Change in Fund Balance</i>	(1,314,763)	(1,498,369)	(451,702)	1,046,667
<i>Fund Balance Beginning of Year</i>	4,545,577	4,545,577	4,545,577	0
Prior Year Encumbrances Appropriated	<u>50,140</u>	<u>50,140</u>	<u>50,140</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,280,954</u>	<u>\$3,097,348</u>	<u>\$4,144,015</u>	<u>\$1,046,667</u>

See accompanying notes to the basic financial statements

Springfield Township, Hamilton County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire District Fund
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$3,913,744	\$3,913,744	\$4,141,455	\$227,711
Charges for Services	200	200	184	(16)
Intergovernmental	588,676	588,676	606,263	17,587
Other	1,250	1,250	7,242	5,992
<i>Total receipts</i>	<u>4,503,870</u>	<u>4,503,870</u>	<u>4,755,144</u>	<u>251,274</u>
Disbursements				
Current:				
Public Safety	4,458,242	4,581,980	4,343,215	238,765
Capital Outlay	583,848	552,848	361,317	191,531
Debt Service:				
Principal Retirement	157,640	157,640	157,640	0
Interest and Fiscal Charges	215,626	215,626	215,626	0
<i>Total Disbursements</i>	<u>5,415,356</u>	<u>5,508,094</u>	<u>5,077,798</u>	<u>430,296</u>
<i>Net Change in Fund Balance</i>	(911,486)	(1,004,224)	(322,654)	681,570
<i>Fund Balance Beginning of Year</i>	3,472,681	3,472,681	3,472,681	0
Prior Year Encumbrances Appropriated	<u>46,952</u>	<u>46,952</u>	<u>46,952</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,608,147</u>	<u>\$2,515,409</u>	<u>\$3,196,979</u>	<u>\$681,570</u>

See accompanying notes to the basic financial statements

Springfield Township, Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 1 – Reporting Entity

Springfield Township, Hamilton County, Ohio (the Township), is a political subdivision established in 1795 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 and managed by the Township Administrator. The Township has an elected Fiscal Officer.

The reporting entity is the primary government, which is comprised 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 and police and fire/EMS services. The Township has no *component units* – legally separate organizations 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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the 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.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements consist of the financial activities of the primary government. The statements provide information on the governmental activities of the Township. The Township has no business-type activities.

The statement of net assets represents the cash and investment balances 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 other receipts not classified as special, extraordinary, transfers or advances.

Note 2 – Summary of Significant Accounting Policies (continued)

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 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. Springfield Township has only governmental funds.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township has three major governmental funds: the General Fund, the Police District Fund and the Fire District 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. The Police District Fund derives most of its operating revenue from a 10.11 mill real estate tax levy. The Fire District Fund derives the majority of its operating revenue from an 8.0 mill real estate tax levy. The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

The Township has no proprietary or fiduciary funds.

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 expenses and liabilities) 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 resolution, 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.

Springfield Township, Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 2 – Summary of Significant Accounting Policies (continued)

The appropriation resolution 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 certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution 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 resolution 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

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 of the cash management pool and investments with an original maturity of three months or less at the time of purchase 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. During 2007, the Township invested solely in certificates of deposit, with the Sweep account invested daily in repurchase agreements collateralized by U.S. Treasury Bills. Because all certificates of deposit with a maturity of more than three months were purchased from a pool and are readily convertible to cash, they are presented on the financial statements as cash equivalents. Interest is recorded as a receipt at the term of the investment, when the interest deposit is made to the certificate of deposit. The certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes or debt related restrictions. Interest receipts credited to the General Fund during 2007 were \$695,992.

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.

Note 2 – Summary of Significant Accounting Policies (continued)

H. Inter-Fund Receivables/Payables

The Township reports advances-in and advances-out for inter-fund 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.

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 another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

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 all funds for which the Ohio Revised Code has set aside specific restrictions, including all special revenue funds and funds other than the general fund.

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. It is the intention of the Township that all funds be self-supporting, and to the extent possible for operational purposes, all special revenue funds are utilized without general fund assistance.

M. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances

N. Inter-Fund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

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, police district fund and fire district fund is 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 are 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 \$122,228 for the general fund, \$51,560 for the police district fund, and \$76,982 for the fire district 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.

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;

Springfield Township, Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 4 - Deposits and Investments (continued)

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.

Deposits

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. At year end, the Township had no undeposited cash on hand.

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, \$13,261,637 of the Township's bank balance of \$13,361,637 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. All State statutory requirements for the deposit of money have been followed.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Springfield Township, Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2007

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The average tax rate among the seven districts within the Township for the year ended December 31, 2007, was \$107.02 per \$1,000 of assessed value, of which \$20.30 was specific to Township operations. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	
Residential/Agriculture	\$602,541,010
Commercial/Industrial	\$72,691,720
Public Utility Property	\$18,653,910
Tangible Personal Property	\$12,499,450
Total Assessed Value	\$706,386,090

Note 6 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2007 the Township contracted with the Hylant Group via the Ohio Government Risk Management Plan (OGRMP), a risk sharing pool available to Ohio Townships. OGRMP provides property and casualty coverage for its members. OGRMP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OGRMP. OGRMP pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by OGRMP is as follows:

General Liability	\$5,000,000	Per Occurrence
Automobile Liability	\$5,000,000	Per Occurrence
Law Enforcement Operations	\$5,000,000	Per Occurrence
Wrongful Acts	\$5,000,000	Per Occurrence
Property	\$20,835,833	Total Coverage
Boiler and Machinery	\$20,835,833	Limit

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Note 6 – Risk Management (continued)

The Township annually negotiates contracts with health insurance carriers for health, dental and life insurance coverage based on the best rates for coverage available as approved by the Board of Trustees and in keeping with any union contracts.

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, 2007, the members of all three plans, except those in law enforcement participating in the traditional plan, were required to contribute 9.5 percent of their annual covered salaries. Members participating in the traditional plan that were in law enforcement contributed 10.1 percent of their annual covered salary. The Township's contribution rate for pension benefits for regular employees in 2007 was 13.85 percent, and for law enforcement employees, 17.17 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's contributions to the plans for the years ended December 31, 2007, 2006 and 2005 were approximately \$950,000, \$798,000 and \$722,000.

B. Ohio Police and Fire Pension Fund

The Township provides withholding and Township share contributions for full-time Fire/EMS personnel 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.

Note 7 – Defined Benefit Pension Plan (continued)

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24.0 percent for firefighter/EMTs. Contributions are authorized by State statute. The Township's contributions to the plan for the years ended December 31, 2007, 2006 and 2005 were approximately \$449,000, \$431,000 and \$353,000.

Note 8 – Post-Employment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. 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 2007 local government employer contribution rate was 13.85 percent of covered payroll (17.17 percent for law enforcement). Benefits are advance-funded using the entry age normal actuarial cost method. The OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides post retirement 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.

Springfield Township, Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2007

Note 9 – Debt

The Township’s long-term debt activity for the year ended December 31, 2007, was as follows:

<u>Description of Debt</u>	<u>Interest Rate</u>	<u>Balance 1/1/07</u>	<u>Principal Retired</u>	<u>Balance 12/31/07</u>	<u>P & I Due in 2008</u>
2001 OPWC Covered Bridge Loan	0.00%	\$ 396,575	(27,350)	369,225	27,350
2003 OPWC Trapp Lane Loan	0.00%	219,488	(12,911)	206,577	12,911
2002 General Obligation Bonds	3.00%	1,770,000	(330,000)	1,440,000	395,190
2004 General Obligation Bonds	4.62%	2,250,000	(125,000)	2,125,000	223,444
2006 General Obligation Bonds	3.50%	9,690,000	(20,000)	9,670,000	432,127
Seagrave Fire Apparatus Loan	2.95%	228,415	(73,964)	154,451	80,670
Total		\$ 14,554,478	(589,225)	13,965,253	1,171,692

The general obligation bonds and Ohio Public Works Commission project loans are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. The Seagrave Apparatus Loan is secured by the title to the apparatus.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 601,370	570,322
2009	618,604	549,260
2010	550,261	527,161
2011	565,261	506,268
2012	585,261	484,608
2013-2017	3,271,305	2,003,183
2018-2022	3,800,280	1,295,544
2023-2027	3,972,911	502,215
Total	\$ 13,965,253	6,438,561

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effect of the debt limitations at December 31, 2007 yielded a margin of 2.9%.

Note 10 – Leases

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

Note 11 – Construction and Contractual Commitments

The Winton Road Streetscape Project continued through 2007, and is scheduled to continue over the next few years, based on the collaborating jurisdiction's (Hamilton County) schedule. The balance of the 2002 Bond Fund 4101 will be utilized (per appropriations) until it is depleted, at which point TIF and other funds appropriate for capital expenditures will be implemented for continuation with the project.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
Springfield Township, Ohio:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Springfield Township, Ohio (Township) as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 30, 2009, wherein we noted the Township prepares its financial statements using the cash basis of accounting. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the applicable basis of accounting such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Township in a separate letter dated September 30, 2009.

This report is intended solely for the information and use of management, others within the entity, and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
September 30, 2009



Mary Taylor, CPA
Auditor of State

SPRINGFIELD TOWNSHIP

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 5, 2009**