

Springfield Township, Ohio

Basic Financial Statements
Year Ended December 31, 2008
with Independent Auditors' Report
and Additional Information



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, 2008 to December 31, 2008. 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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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, 2008, 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, 2008, 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, 2008
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, 2008, within the limitations of Springfield Township's cash basis 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 2008 are as follows:

Net assets of governmental activities decreased \$1,363,448 or about 10.4 percent. The nearly 200% increase in the cost of fuel and petroleum related products along with expenditures for various road resurfacing and the Winton Road project are major factors in the decrease. The Township also continues to experience increased costs of employment (including health benefits), utilities and general inflationary costs.

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 59.5 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, Hamilton County, Ohio
Management's Discussion and Analysis
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Springfield Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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

Reporting Springfield Township as a Whole

The statement of net assets and the statement of activities reflect how Springfield Township did financially during 2008, 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

Springfield Township, Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

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 as a Whole

Table 1 provides a summary of Springfield Township's net assets for 2008 compared to 2007 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities	
	2008	2007
Assets		
Equity in Pooled Cash & Cash Equivalents	\$ 11,746,521	\$ 13,109,969
Total Assets	\$ 11,746,521	\$ 13,109,969
Net Assets		
Restricted for:		
Capital Projects	\$ 407,072	\$ 249,776
Police District	\$ 3,396,265	\$ 4,195,575
Fire District	\$ 3,065,904	\$ 3,273,961
Other Purposes	\$ 2,066,517	\$ 1,692,341
Unrestricted	\$ 2,810,763	\$ 3,698,316
Total Net Assets	\$ 11,746,521	\$ 13,109,969

As mentioned previously, net assets of governmental activities decreased \$1,363,448 or about 10.4 percent during 2008, mainly due to \$1,177,969 capital outlay from the general fund for the Winton Road multijurisdictional collaborative project and for land purchases. Additionally, declining interest rates on investments and all time high crude oil prices (which drove fuel costs to record highs and contributed to greater costs for road materials and utility costs) caused further depletion of the township's funds. The housing market dropped significantly with foreclosures at record high rates and delinquent real estate tax revenue collections.

Springfield Township, Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Table 2 presents a comparative analysis of net assets in 2008 and 2007.

(Table 2)
Changes in Net Assets

	Governmental Activities 2008	Governmental Activities 2007
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 664,018	\$ 219,734
Operating Grants and Contributions	\$ 559,684	\$ 454,301
Capital Grants and Contributions	\$ 380,697	\$ 375,207
Total Program Receipts	<u>\$ 1,604,399</u>	<u>\$ 1,049,242</u>
General Receipts:		
Property and Other Local Taxes	\$ 10,194,825	\$ 11,041,868
Grants and Entitlements Not Restricted to Specific Programs	\$ 4,389,885	\$ 4,340,743
Interest	\$ 485,131	\$ 724,580
Miscellaneous	\$ 455,394	\$ 569,534
Total General Receipts	<u>\$ 15,525,235</u>	<u>\$ 16,676,725</u>
Total Receipts	<u>\$ 17,129,634</u>	<u>\$ 17,725,967</u>
Disbursements:		
General Government	\$ 1,739,419	\$ 1,772,992
Public Safety	\$ 11,475,399	\$ 11,069,322
Public Works	\$ 1,791,379	\$ 1,955,278
Health	\$ 37,767	\$ 35,800
Conservation-Recreation	\$ 416,690	\$ 467,134
Other	\$ 212,804	\$ 213,357
Capital Outlay	\$ 1,648,027	\$ 1,417,598
Principal Retirement	\$ 601,370	\$ 589,201
Interest	\$ 570,227	\$ 589,431
Total Disbursements	<u>\$ 18,493,082</u>	<u>\$ 18,110,113</u>
Increase (Decrease) in Net Assets	\$ (1,363,448)	\$ (384,146)
Net Assets, January 1	\$ 13,109,969	\$ 13,494,115
Net Assets, December 31	<u>\$ 11,746,521</u>	<u>\$ 13,109,969</u>

Program receipts represent 9.4 percent of total receipts in 2008 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. This percentage is significantly greater than in 2007 due to ambulance service Medicare billing. General receipts represent over 90 percent of the Government's total receipts and primarily consist 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, 2008
 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 62.1% and 9.7% of all governmental disbursements, respectively. General government also represents a significant cost of 9.4%. Principal and interest debt payments comprised 6.3% of disbursements. 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 2008	Net Cost of Services 2008
	2008	2008
General Government	\$1,739,419	\$1,531,945
Public Safety	11,475,399	10,462,931
Public Works	1,791,379	1,406,922
Health	37,767	37,767
Conservation-Recreation	416,690	416,690
Other	212,804	212,804
Capital Outlay	1,648,027	1,648,027
Principal Retirement	601,370	601,370
Interest and Fiscal Charges	570,227	570,227
Total Expenses	\$18,493,082	\$16,888,683

Springfield Township's Funds

Total governmental funds had receipts of \$17,129,634 and disbursements of \$18,493,082. The greatest changes within governmental funds occurred within the Police District Fund in which the balance decreased by \$799,310, in the General Fund, in which the balance decreased by \$887,553 and in the Fire District Fund in which the balance decreased by \$208,057. These decreases were offset by greater revenues in the Ambulance Services Fund and by extraordinary revenue resulting from a refund for a problematic ambulance. The total fund balances decreased \$1,363,448.

The budget objective of the Township is to incur the expenditure responsibility of each department in within the funds for each department in order to preserve General Fund revenues for 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.

Springfield Township, Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

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 2008, Springfield Township amended its budget several times to reflect changes in resources and expenditures. Final budgeted receipts were greater than original budgeted receipts due to conservative estimated resources.

Final disbursements in the General Fund were budgeted (appropriated) at \$6,162,192 while actual disbursements were \$4,684,326. A portion of general funds appropriated for anticipated expenditures for capital road projects and land purchases were not utilized in the current year. Additionally, some 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 result of the differences in General Fund revenues and expenditures is the decrease in the General Fund balance of \$1,215,295 for 2008.

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, 2008, Springfield Township's outstanding debt included \$12,750,000 in general obligation bonds issued in 2002 and 2004 with a refunding/reissue of the 2002 callable bonds in 2006 for capital improvements, \$535,541 in Ohio Public Works Commission interest-free loans for road improvement projects and \$78,342 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 08</u>	<u>Outstanding Debt 12/31/08</u>
OPWC Cap Project Loan	2001	0.00%	\$27,350	\$341,875
2002 Bond Issue	2002	3.00%	\$340,000	\$1,100,000
OPWC Cap Project Loan	2003	0.00%	\$12,911	\$193,666
2004 Bond Issue	2004	4.62%	\$125,000	\$2,000,000
Seagrave Fire Apparatus Loan	2004	2.95%	\$76,109	\$78,342
2006 Bond Refunding	2006	3.50%	<u>\$20,000</u>	<u>\$9,650,000</u>
Total			<u>\$601,370</u>	<u>\$13,363,883</u>

Springfield Township, Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
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. The current downturn in economic conditions has moved the Township to a proactive position in managing the ever-increasing nuisance abatements, Section 8 funded rentals and foreclosed properties. Certain designated areas are monitored for real estate foreclosures in which the Township participates in the public Sheriff's Sales to obtain these neglected properties at under value costs for potential redevelopment.

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, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$11,746,521</u>
<i>Total Assets</i>	<u><u>\$11,746,521</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$407,072
Police District	3,396,265
Fire District	3,065,904
Other Purposes	2,066,517
Unrestricted	<u>2,810,763</u>
<i>Total Net Assets</i>	<u><u>\$11,746,521</u></u>

See accompanying notes to the basic financial statements

Springfield Township, Hamilton County

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2008*

	Program Cash Receipts				Net Disbursements
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Receipts and Changes in Net Assets
Governmental Activities					
General Government	\$1,739,419	\$207,474	\$0	\$0	(\$1,531,945)
Public Safety	11,475,399	452,784	559,684	0	(10,462,931)
Public Works	1,791,379	3,760	0	380,697	(1,406,922)
Health	37,767	0	0	0	(37,767)
Human Services	14,180	0	0	0	(14,180)
Conservation-Recreation	416,690	0	0	0	(416,690)
Other	198,624	0	0	0	(198,624)
Capital Outlay	1,648,027	0	0	0	(1,648,027)
Debt Service					
Principal	601,370	0	0	0	(601,370)
Interest	570,227	0	0	0	(570,227)
<i>Total Governmental Activities</i>	<u>\$18,493,082</u>	<u>\$664,018</u>	<u>\$559,684</u>	<u>380,697</u>	<u>(\$16,888,683)</u>
		General Receipts			
		Property and Other Local Taxes			10,194,825
		Grants/Entitlements not Restricted to Programs			4,389,885
		Interest			485,131
		Miscellaneous			455,394
		<i>Total General Receipts</i>			15,525,235
		Change in Net Assets			(1,363,448)
		<i>Net Assets Beginning of Year</i>			13,109,969
		<i>Net Assets End of Year</i>			<u>\$11,746,521</u>

See accompanying notes to the basic financial statements

Springfield Township, Hamilton County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	<u>General</u>	<u>Police District Fund</u>	<u>Fire District Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$2,810,763	\$3,396,265	\$3,065,904	\$2,473,589	\$11,746,521
<i>Total Assets</i>	<u>\$2,810,763</u>	<u>\$3,396,265</u>	<u>\$3,065,904</u>	<u>\$2,473,589</u>	<u>\$11,746,521</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	\$327,742	\$52,545	\$28,296	\$721,477	\$1,130,060
Unreserved:					
Undesignated, Reported in:					
General Fund	2,483,021	0	0	0	2,483,021
Special Revenue Funds	0	3,343,720	3,037,608	1,690,869	8,072,197
Debt Service Fund	0	0	0	0	0
Capital Projects Funds	0	0	0	61,243	61,243
<i>Total Fund Balances</i>	<u>\$2,810,763</u>	<u>\$3,396,265</u>	<u>\$3,065,904</u>	<u>\$2,473,589</u>	<u>\$11,746,521</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, 2008

	General	Police District Fund	Fire District Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$201,598	\$4,833,415	\$3,825,043	\$1,334,769	\$10,194,825
Charges for Services	0	0	880	451,904	452,784
Licenses, Permits and Fees	27,581	2,903	0	330	30,814
Fines and Forfeitures	65,256	0	0	52,332	117,588
Intergovernmental	2,529,406	992,448	763,697	1,044,715	5,330,266
Special Assessments	59,072	0	0	3,118	62,190
Earnings on Investments	465,723	0	0	19,408	485,131
Other	120,395	183,593	105,288	46,760	456,036
<i>Total Receipts</i>	<u>3,469,031</u>	<u>6,012,359</u>	<u>4,694,908</u>	<u>2,953,336</u>	<u>17,129,634</u>
Disbursements					
Current:					
General Government	1,739,419	0	0	0	1,739,419
Public Safety	0	6,629,990	4,452,772	392,637	11,475,399
Public Works	478,409	0	0	1,312,970	1,791,379
Health	37,767	0	0	0	37,767
Human Services	0	0	0	14,180	14,180
Conservation-Recreation	416,690	0	0	0	416,690
Other	35,089	0	0	163,535	198,624
Capital Outlay	1,177,969	0	77,569	392,489	1,648,027
Debt Service:					
Principal Retirement	273,829	79,056	162,144	86,341	601,370
Interest and Fiscal Charges	197,412	102,623	210,480	59,712	570,227
<i>Total Disbursements</i>	<u>4,356,584</u>	<u>6,811,669</u>	<u>4,902,965</u>	<u>2,421,864</u>	<u>18,493,082</u>
<i>Net Change in Fund Balances</i>	(887,553)	(799,310)	(208,057)	531,472	(1,363,448)
<i>Fund Balances Beginning 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>
<i>Fund Balances End of Year</i>	<u>\$2,810,763</u>	<u>\$3,396,265</u>	<u>\$3,065,904</u>	<u>\$2,473,589</u>	<u>\$11,746,521</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, 2008

	<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	\$208,589	\$201,651	\$201,598	(\$53)
Licenses, Permits and Fees	27,000	26,863	27,581	718
Fines and Forfeitures	60,000	64,936	65,256	320
Intergovernmental	1,542,815	2,540,068	2,529,406	(10,662)
Special Assessments	60,001	59,072	59,072	0
Interest	603,000	468,096	465,723	(2,373)
Other	44,500	119,778	120,395	617
<i>Total receipts</i>	<u>2,545,905</u>	<u>3,480,464</u>	<u>3,469,031</u>	<u>(11,433)</u>
Disbursements				
Current:				
General Government	2,037,169	2,138,312	1,797,939	340,373
Public Works	555,125	759,325	646,448	112,877
Health	45,000	45,000	37,767	7,233
Conservation-Recreation	493,576	507,076	417,873	89,203
Other	150,000	98,800	35,089	63,711
Capital Outlay	2,142,438	2,142,438	1,277,969	864,469
Debt Service:				
Principal Retirement	273,829	273,829	273,829	0
Interest and Fiscal Charges	197,412	197,412	197,412	0
<i>Total Disbursements</i>	<u>5,894,549</u>	<u>6,162,192</u>	<u>4,684,326</u>	<u>1,477,866</u>
<i>Net Change in Fund Balance</i>	(3,348,644)	(2,681,728)	(1,215,295)	1,466,433
<i>Fund Balance Beginning of Year</i>	3,576,088	3,576,088	3,576,088	0
Prior Year Encumbrances Appropriated	<u>122,228</u>	<u>122,228</u>	<u>122,228</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$349,672</u>	<u>\$1,016,588</u>	<u>\$2,483,021</u>	<u>\$1,466,433</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 Fund
 For the Year Ended December 31, 2008*

	<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	\$5,019,753	\$4,833,415	\$4,833,415	\$0
Licenses, Permits and Fees	900	2,818	2,903	85
Fines and Forfeitures	0	0	0	0
Intergovernmental	801,142	992,448	992,448	0
Other	15000	183593	183,593	0
<i>Total receipts</i>	<u>5,836,795</u>	<u>6,012,274</u>	<u>6,012,359</u>	<u>85</u>
Disbursements				
Current:				
Public Safety	7,331,792	7,331,792	6,682,535	649,257
Debt Service:				
Principal Retirement	79,058	79,058	79,056	2
Interest and Fiscal Charges	102,823	102,823	102,623	200
<i>Total Disbursements</i>	<u>7,513,673</u>	<u>7,513,673</u>	<u>6,864,214</u>	<u>649,459</u>
<i>Net Change in Fund Balance</i>	(1,676,878)	(1,501,399)	(851,855)	649,544
<i>Fund Balance Beginning of Year</i>	4,144,015	4,144,015	4,144,015	0
Prior Year Encumbrances Appropriated	<u>51,560</u>	<u>51,560</u>	<u>51,560</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,518,697</u>	<u>\$2,694,176</u>	<u>\$3,343,720</u>	<u>\$649,544</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 Fund
 For the Year Ended December 31, 2008*

	<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	\$3,972,109	\$3,825,043	\$3,825,043	\$0
Charges for Services	0	880	880	0
Intergovernmental	613,530	763,697	763,697	0
Other	5,000	105,288	105,288	0
<i>Total receipts</i>	<u>4,590,639</u>	<u>4,694,908</u>	<u>4,694,908</u>	<u>0</u>
Disbursements				
Current:				
Public Safety	4,631,499	4,804,999	4,478,318	326,681
Capital Outlay	535,650	362,150	80,319	281,831
Debt Service:				
Principal Retirement	162,144	162,144	162,144	0
Interest and Fiscal Charges	210,480	210,480	210,480	0
<i>Total Disbursements</i>	<u>5,539,773</u>	<u>5,539,773</u>	<u>4,931,261</u>	<u>608,512</u>
<i>Net Change in Fund Balance</i>	(949,134)	(844,865)	(236,353)	608,512
<i>Fund Balance Beginning of Year</i>	3,196,982	3,196,982	3,196,982	0
Prior Year Encumbrances Appropriated	<u>76,979</u>	<u>76,979</u>	<u>76,979</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,324,827</u>	<u>\$2,429,096</u>	<u>\$3,037,608</u>	<u>\$608,512</u>

See accompanying notes to the basic financial statements

Springfield Township, Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008

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, 2008

Note 2 – Summary of Significant Accounting Policies (continued)

The appropriations 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 2008, 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 2008 were \$465,723.

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 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 \$327,742 for the general fund, \$52,545 for the police district fund, and \$28,296 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, 2008

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, \$11,778,221 of the Township's bank balance of \$12,028,221. 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 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2007, 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, 2008

Public utility property tax receipts received in 2008 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2008 became a lien on December 31, 2007, were levied after October 1, 2007, 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 2008 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. 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, 2008, was \$109.42 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 2008 property tax receipts were based are as follows:

Real Property	
Residential/Agriculture	\$609,678,400
Commercial/Industrial	\$68,916,900
Public Utility Property	\$16,037,370
Tangible Personal Property	\$7,094,980
Total Assessed Value	\$701,727,650

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 2008 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	\$21,223,171	Total Coverage
Boiler and Machinery	\$21,223,171	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, 2008, the members of all three plans, except those in law enforcement participating in the traditional plan, were required to contribute 10 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 2008 was 14 percent, and for law enforcement employees, 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's contributions for the years ended December 31, 2008, 2007 and 2006 were approximately \$947,000, \$950,000 and \$798,000, respectively.

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 for the years ended December 31, 2008, 2007 and 2006 were approximately \$492,000, \$449,000 and \$431,000, respectively.

Note 8 – Post-Employment Benefits

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 17.40%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective 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. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

Note 8 – Post-Employment Benefits (continued)

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost sharing multiple-employer defined postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for 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. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Springfield Township, Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2008

Note 9 – Debt

The Township’s long-term debt activity for the year ended December 31, 2008, was as follows:

Description of Debt	Interest Rate	Balance 1/1/08	Principal Retired	Balance 12/31/08	P & I Due in 2009
2001 OPWC Covered Bridge Loan	0.00%	\$ 369,225	(27,350)	341,875	27,350
2003 OPWC Trapp Lane Loan	0.00%	206,577	(12,911)	193,666	12,911
2002 General Obligation Bonds	3.00%	1,440,000	(340,000)	1,100,000	398,120
2004 General Obligation Bonds	4.62%	2,125,000	(125,000)	2,000,000	217,400
2006 General Obligation Bonds	3.50%	9,670,000	(20,000)	9,650,000	431,428
Seagrave Fire Apparatus Loan	2.95%	154,451	(76,109)	78,342	80,655
Total		\$ 13,965,253	(601,370)	13,363,883	1,167,864

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:

Year	Principal	Interest
2009	\$ 618,604	549,260
2010	550,261	527,161
2011	565,261	506,268
2012	585,261	484,608
2013	605,261	457,628
2014-2018	3,386,305	1,862,558
2019-2023	3,897,930	1,146,069
2024-2027	3,155,000	334,687
Total	\$ 13,363,883	5,868,239

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, 2008 yielded a margin of 2.8%.

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 2008, and is scheduled to continue over at least the next two 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.

Note 12 – Subsequent Events

A windstorm resulting from Hurricane Ike brought damaging winds and long term power outages through southwestern Ohio on September 14, 2008. The aftermath resulted in a Federal Emergency Management Agency (FEMA) disaster designation and claims by the Township for 75% of the \$472,576 of related expenditures. FEMA approved a disaster assistance award of \$354,432 for the submitted expenditures to be distributed to the Township in the first quarter of 2009.

The Township placed a Police District Levy for 2.5 mills on the May 2009 general election ballot which was passed by a majority of voters and is projected to yield an additional \$1,723,261 in Police District Fund operating revenue.

SPRINGFIELD TOWNSHIP, OHIO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2008

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
<i>(Passed through Hamilton County Board of County Commissioners)</i>			
Community Development Block Grant	n/a	14.218	\$ <u>209,405</u>
Total U.S. Department of Housing and Urban Development			<u>209,405</u>
<u>U.S. Department of Justice</u>			
<i>(Passed through Ohio Department of Public Safety)</i>			
Edward Byrne Memorial Justice Assistance Grant	2007-JG-A01-6259	16.738	88,773
Bulletproof Vest Partnership Program	2009-BVBX-08044503	16.607	<u>1,500</u>
Total U.S. Department of Justice			<u>90,273</u>
<u>Federal Emergency Management Agency</u>			
<i>(Passed through Ohio Department of Public Safety)</i>			
Disaster Assistance - windstorm	061-74121	97.036	<u>354,432</u>
Total Federal Emergency Management Agency			<u>354,432</u>
Total Federal Awards			\$ <u>654,110</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - MATCHING

Certain federal programs require the Township to contribute non-federal funds (matching funds) to support the federally-funded programs. The expenditure of non-federal matching funds is not included on the Schedule.

**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, 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 30, 2009 wherein we noted the Township uses 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, Hackett & Co.

Cincinnati, Ohio
September 30, 2009

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees
Springfield Township, Ohio:

Compliance

We have audited the compliance of Springfield Township, Ohio (the “Township”) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The Township’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Township’s management. Our responsibility is to express an opinion on the Township’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township’s compliance with those requirements.

In our opinion, the Township complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Township is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Township’s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township’s internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program 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 material compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township, as of and for the year ended December 31, 2008, and have issued our report thereon dated September 30, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Township's management, the Board of Trustees, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
September 30, 2009

SPRINGFIELD TOWNSHIP, OHIO
 Schedule of Findings and Questioned Costs
 Years Ended December 31, 2008

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Noncompliance material to the financial statements noted?	none

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors’ report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	no
Identification of major program:	
• <i>CFDA 97.036 – Disaster Assistance Grant</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	no

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None



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**