



OHIO AUDITOR OF STATE
KEITH FABER



**SPRINGFIELD TOWNSHIP
HAMILTON COUNTY
DECEMBER 31, 2020 AND 2019**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Springfield Township
Hamilton County
9150 Winton Road
Cincinnati, Ohio 45231

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Springfield Township, Hamilton County, Ohio (the Township).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of matter

As discussed in Note 17 and Note 14 to the financial statements for 2020 and 2019, respectively, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2021, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
July 29, 2021

Springfield Township
Hamilton County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 175,736	\$ 11,823,336	\$ 565,359	\$ 12,564,431
Charges for Services	-	986,140	-	986,140
Licenses, Permits and Fees	490,428	-	-	490,428
Fines and Forfeitures	13,094	249,904	-	262,998
Intergovernmental	4,043,892	4,781,315	408,309	9,233,516
Special Assessments	152,200	-	-	152,200
Earnings on Investments	128,700	6,901	-	135,601
Miscellaneous	<u>338,428</u>	<u>1,721,704</u>	<u>-</u>	<u>2,060,132</u>
<i>Total Cash Receipts</i>	<u>5,342,478</u>	<u>19,569,300</u>	<u>973,668</u>	<u>25,885,446</u>
Cash Disbursements				
Current:				
General Government	2,574,021	9,080	-	2,583,101
Public Safety	-	14,697,213	-	14,697,213
Public Works	1,065,219	1,166,740	-	2,231,959
Health	54,470	-	-	54,470
Conservation/Recreation	592,582	-	-	592,582
Other	10,000	31,532	368,486	410,018
Capital Outlay	261,428	375,691	1,823,084	2,460,203
Debt Service:				
Principal Retirement	266,570	548,679	93,600	908,849
Interest and Fiscal Charges	<u>54,969</u>	<u>142,044</u>	<u>18,395</u>	<u>215,408</u>
<i>Total Cash Disbursements</i>	<u>4,879,259</u>	<u>16,970,979</u>	<u>2,303,565</u>	<u>24,153,803</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>463,219</u>	<u>2,598,321</u>	<u>(1,329,897)</u>	<u>1,731,643</u>
Other Financing Receipts (Disbursements)				
Sale of Bonds	-	-	1,300,000	1,300,000
Transfers In	-	1,293,899	-	1,293,899
Transfers Out	-	(1,293,899)	-	(1,293,899)
Advances-In	-	431,000	-	431,000
Advances Out	<u>(431,000)</u>	<u>-</u>	<u>-</u>	<u>(431,000)</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(431,000)</u>	<u>431,000</u>	<u>1,300,000</u>	<u>1,300,000</u>
<i>Net Change in Fund Cash Balances</i>	32,219	3,029,321	(29,897)	3,031,643
<i>Fund Cash Balances, January 1</i>	<u>7,558,899</u>	<u>10,603,127</u>	<u>395,576</u>	<u>18,557,602</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 7,591,118</u>	<u>\$ 13,632,448</u>	<u>\$ 365,679</u>	<u>\$ 21,589,245</u>

See accompanying notes to the basic financial statements

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SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Springfield Township, Hamilton County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, police and fire protection, emergency medical services, zoning, senior services, and parks and recreation. The Township also contracts with Colerain Township and the City of Springdale to provide fire protection and emergency medical services in specific areas of the Township.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in jointly governed organizations, joint ventures, and a public entity risk pool and is associated with a related organization. Notes 7, 11, 12 and 13 to the financial statements provide additional information for these entities.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, which are all organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Police District Fund The police district fund receives property tax revenue to provide police protection in the Township.

Fire District Fund The fire district fund receives property tax revenue to provide fire protection in the Township.

Road District Fund The road district fund receives property tax revenue for the purpose of constructing, reconstructing, resurfacing or improving public roads.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2020

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Public Improvement Tax Increment Fund The public improvement tax increment fund captures activity related to real property improvements funded with tax increment financing and other economic development purposes.

Basis of Accounting

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

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

Budgetary Process

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

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

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township enters into written repurchase agreements with North Side Bank and Trust Company for the investment of interim deposits.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2020

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 15.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 4,489,114	\$ 5,342,478	\$ 853,364
Special Revenue	17,644,336	21,294,199	3,649,863
Capital Projects	4,210,260	2,273,668	(1,936,592)
Total	\$ 26,343,710	\$ 28,910,345	\$ 2,566,635

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 7,610,972	\$ 5,110,522	\$ 2,500,450
Special Revenue	23,285,513	18,830,434	4,455,079
Capital Projects	2,356,234	2,303,565	52,669
Total	\$ 33,252,719	\$ 26,244,521	\$ 7,008,198

As provided by the Ohio Revised Code, \$431,000 of advances out of the General Fund are not budgeted by the Township. Advances out have been excluded from the budgetary expenditures presented above.

Note 4 - Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts at December 31, 2020 are as follows:

Cash Management Pool:

Petty cash	\$ 500
Total deposits	500
Repurchase agreement	21,588,745
Total investments	21,588,745
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$ 21,589,245

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the Township is holding \$88,951 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2020

Investments

The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

Note 5 - Property Taxes

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

Public utilities are also taxed on personal and real property located within the Township.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 6 – Interfund Balances

Outstanding advances from the General Fund at December 31, 2020, consisted of \$371,000 advanced to the Coronavirus Relief Fund and \$60,000 advanced to the FEMA Fund to provide working capital for operations or projects.

Note 7 - Risk Management

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$15,920,504
Liabilities	<u>(11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

Comprehensive property and general liability;
Vehicles; and
Errors and omissions.

Self-Insurance

The Township is self-insured for employee health insurance. The Township pays a fixed monthly cost per employee as well as all claims up to \$75,000 annually per employee (including his/her dependents.) All claims above \$75,000 annually are paid by the Township's stop loss carrier, Optum. The monthly fixed costs and claims are paid directly from the General, Police, Fire or DART fund depending on which fund is charged for the employee's salary expenses. Amounts reasonably sufficient are appropriated annually in the General, Police, and Fire and DART funds to cover claims costs.

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS local members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. OPERS law enforcement members contribute 13% of their gross salaries and the Township contributed an amount equaling 18.1% of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters’ wages. The Township has paid all contributions required through December 31, 2020.

Social Security

Some of the Township’s employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2020.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 10 – Debt

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC-CB12F	\$ 51,644	0.00%
OPWC-CB18N	240,368	0.00%
OPWC-CB22D	41,025	0.00%
OPWC-CB21Q	123,545	0.00%
OPWC-CB42R	115,863	0.00%
OPWC- CB16T	136,514	0.00%
OPWC- CB26U	56,047	0.00%
OPWC-CB04T	271,829	0.00%
OPWC-CB05U	505,526	0.00%
Series 2004 Bonds	500,000	2.30%
Series 2015 Bonds	4,640,000	2.0-4.0%
Series 2020 Bonds	1,183,000	2.25%
Total	<u>\$ 7,865,361</u>	

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2020

The Ohio Public Works Commission Loans relate to various infrastructure improvements within the Township. The loan amounts will be repaid over periods ranging from 8 to 15 years with interest of 0.00 percent.

During 2004, the Township issued \$2,500,000 of bonds to fund the acquisition of land and equipping a new service facility building. The general obligation bonds will be repaid through 2024, with interest at 2.30%.

During 2015, the Township issued \$7,440,000 of general obligation bonds. Proceeds were used to retire the remaining balance on the Series 2006 Bonds that were originally issued to acquire land, constructing and equipping a new fire station with a connection to the administration building. The Series 2015 bonds will be repaid through 2027, with interest at rates ranging from 2.00% to 4.00%.

During 2020, the Township issued \$1,300,000 of general obligation bonds. Proceeds were used to make renovations to the Arts Center. The Series 2020 bonds will be repaid through 2029, with interest at 2.25%.

The general obligation bonds and Ohio Public Works Commission project loans are collateralized by the Township's taxing authority are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. Debt is paid from the General, Police District, Fire District, Road District, Permissive Motor Vehicle License Tax and Public Improvement Tax Increment Funds.

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

Years Ending December 31,	OPWC Loans	Series 2004 Bonds	Series 2015 Bonds	Series 2020 Bonds	Total
2021	\$ 158,710	\$ 136,500	\$ 760,450	\$ 146,617	\$ 1,202,277
2022	145,035	133,625	757,450	146,918	1,183,028
2023	131,360	130,750	764,000	147,150	1,173,260
2024	131,360	127,883	764,800	146,315	1,170,358
2025	111,122	-	765,000	146,435	1,022,557
2026-2030	368,625	-	1,532,200	586,567	2,487,392
2031-2035	294,925	-	-	-	294,925
2036-2040	201,224	-	-	-	201,224
Total	<u>\$ 1,542,361</u>	<u>\$ 528,758</u>	<u>\$ 5,343,900</u>	<u>\$ 1,320,002</u>	<u>\$ 8,735,021</u>

Note 11 – Joint Ventures

The Springfield Township Community Improvement Corporation (CIC) is a non-profit 501(C) (3) that was created by the Springfield Township Trustees and certified by the State of Ohio, Secretary of State in February 2014. The CIC was created in order to advance, encourage and promote industrial, economic, commercial, housing and civic development in Springfield Township. The CIC has been designated by the Springfield Township Board of Trustees as the Economic Development agent for Springfield Township. Springfield Township contributed \$200,000 to the CIC in 2020 to support economic development grant programs.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 12 - Jointly Governed Organizations

Joint Economic Development District I

Springfield Township participates in a Joint Economic Development District (JEDD) with the City of Mt. Healthy. The JEDD I is located entirely within Springfield Township, Hamilton County. The purpose of the JEDD I is to facilitate the development of jobs and employment opportunities along with improving the welfare of people in the State of Ohio and the area of the contracting parties.

The proceeds of the JEDD I are used to provide expanded public services to the JEDD I, for example, police protection, fire protection, civil defense, local government, administration, and so forth commensurate with economic growth.

The joint venture between the Township and the City of Mt. Healthy is defined in the following manner:

Springfield Township receives 75% of the net income tax revenue collected. The City of Mt. Healthy receives 25% of the net income tax revenue collected.

The City of Mt. Healthy contracts with the Regional Income Tax Agency (RITA) to administer and collect the income tax and the City of Mt. Healthy reports monthly to Springfield Township.

Joint Economic Development Zone I

Springfield Township residents voted on May 6, 2014 to establish a Joint Economic Development Zone I (JEDZ I). The creation of the JEDZ I enables the implementation of an earnings tax of 1.5% on individuals working in the zone and on the net profits of businesses located in the zone. State law requires a partnering jurisdiction to implement any earnings tax for townships. Springfield Township partners with the City of Mt. Healthy. The City of Mt. Healthy contracts with the Regional Income Tax Agency (RITA) for tax collection. The revenue generated through the JEDZ I earnings tax is used to continue current services and implement economic development initiatives for the improvement of existing commercial districts and the neighborhoods that support local businesses.

The joint venture between the governmental entities is defined in the following manner:

Springfield Township receives 85% of the net Income revenue collected up to \$1,500,000. Once gross collections exceed \$1,500,000, the Township receives 90%.

The City of Mt. Healthy receives 15% of the net income revenue collected up to \$1,500,000. Once gross collections exceed \$1,500,000, the City receives 10%.

The City of Mt. Healthy contracts with the Regional Income Tax Agency (RITA) to administer and collect the income tax and the City of Mt. Healthy reports monthly to Springfield Township.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2020

DART

Springfield Township is the administering agency for the Northeast Hamilton County Drug Task Force (DART). Springfield Township receives, allocates, and expenses funds from federal, state and local sources for the purposes established by the DART Collaboration Board. Springfield Township participates in a cooperative and supportive arrangement with Cheviot, Colerain Township, Delhi Township, Evendale, Fairfax, Forest Park, Greenhills, Green Township, Harrison, Lockland, Loveland, Madeira, Mariemont, Montgomery, Mt. Healthy, North College Hill, Norwood and Springdale. DART is primarily funded through federal and state grants.

Note 13 – Related Organizations

Springfield Township Arts And Enrichment Council

Springfield Township Board of Trustees passed a resolution on September 26, 2012, authorizing the creation of a 501(C) (3) Arts and Enrichment Council. The Springfield Township Arts and Enrichment Council is now a sustaining resource for arts and enrichment opportunities for the community. The mission of the Springfield Township Arts and Enrichment Council is to create an engaged and vibrant community with quality of life enhancements through the arts, community events, and parks and recreation. The non-profit organization helps to assist the township with community programming and special events. As a 501(C) (3) organization, the arts council is able to qualify for additional grant funding and have the ability to offer tax deductions for private donations. The Arts and Enrichment Council is primarily funded through grants, donations and operations.

Note 14 - Contingent Liabilities

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

Note 15 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	General	Special Revenue	Total
Outstanding Encumbrances	\$ 231,263	\$ 565,556	\$ 796,819
<i>Total</i>	\$ 231,263	\$ 565,556	\$ 796,819

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 16 – Change in Accounting Principles

For 2020, the Township has made a change to their cash basis reporting model. This change included removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

The effect of this change had no effect on beginning cash balances.

Note 17 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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Springfield Township
Hamilton County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 174,100	\$ 11,655,301	\$ 492,632	\$ 12,322,033
Charges for Services	-	1,193,848	-	1,193,848
Licenses, Permits and Fees	500,654	-	-	500,654
Fines and Forfeitures	19,287	76,792	-	96,079
Intergovernmental	4,219,041	2,655,091	672,031	7,546,163
Special Assessments	134,704	-	-	134,704
Earnings on Investments	285,468	12,290	-	297,758
Miscellaneous	326,868	425,349	-	752,217
<i>Total Cash Receipts</i>	<u>5,660,122</u>	<u>16,018,671</u>	<u>1,164,663</u>	<u>22,843,456</u>
Cash Disbursements				
Current:				
General Government	2,425,728	-	-	2,425,728
Public Safety	-	14,469,559	-	14,469,559
Public Works	1,141,894	1,607,966	-	2,749,860
Health	91,354	-	-	91,354
Conservation/Recreation	544,545	-	-	544,545
Other	-	14,351	318,640	332,991
Capital Outlay	273,036	354,777	740,647	1,368,460
Debt Service:				
Principal Retirement	239,130	607,415	-	846,545
Interest and Fiscal Charges	56,630	155,570	-	212,200
<i>Total Cash Disbursements</i>	<u>4,772,317</u>	<u>17,209,638</u>	<u>1,059,287</u>	<u>23,041,242</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>887,805</u>	<u>(1,190,967)</u>	<u>105,376</u>	<u>(197,786)</u>
Other Financing Receipts (Disbursements)				
Proceeds from Sale of Capital Assets	-	9,500	-	9,500
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>9,500</u>	<u>-</u>	<u>9,500</u>
<i>Net Change in Fund Cash Balances</i>	887,805	(1,181,467)	105,376	(188,286)
<i>Fund Cash Balances, January 1</i>	<u>6,671,094</u>	<u>11,784,594</u>	<u>290,200</u>	<u>18,745,888</u>
Fund Cash Balances, December 31				
Restricted	-	10,342,786	395,576	10,738,362
Committed	-	260,341	-	260,341
Assigned	2,525,261	-	-	2,525,261
Unassigned	5,033,638	-	-	5,033,638
<i>Fund Cash Balances, December 31</i>	<u>\$ 7,558,899</u>	<u>\$ 10,603,127</u>	<u>\$ 395,576</u>	<u>\$ 18,557,602</u>

See accompanying notes to the basic financial statements

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SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Springfield Township, Hamilton County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, police and fire protection, emergency medical services, zoning, senior services, and parks and recreation. The Township also contracts with Colerain Township and the City of Springdale to provide fire protection and emergency medical services in specific areas of the Township.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in joint ventures, jointly governed organizations, related organizations and a public entity risk pool. Notes 6, 10, 11 and 12 to the financial statements provide additional information for these entities.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Police District Fund This fund receives property tax revenue to provide police protection in the Township.

Fire District Fund This fund receives property tax revenue to provide fire protection in the Township.

Road District Fund This fund receives property tax revenue for the purpose of constructing, reconstructing, resurfacing or improving public roads.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2019

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Public Improvement Tax Increment Fund A portion of this fund captures activity related to real property improvements funded with tax increment financing and other economic development purposes.

Basis of Accounting

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

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

Budgetary Process

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

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

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township enters into written repurchase agreements with North Side Bank and Trust Company for the investment of interim deposits.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2019

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 4,329,679	\$ 5,660,122	\$ 1,330,443
Special Revenue	15,538,154	16,028,171	490,017
Capital Projects	<u>1,164,663</u>	1,164,663	-
Total	<u>\$ 21,032,496</u>	<u>\$ 22,852,956</u>	<u>\$ 1,820,460</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 6,083,020	\$ 5,111,570	\$ 971,450
Special Revenue	20,054,281	17,401,565	2,652,716
Capital Projects	<u>1,113,780</u>	1,062,617	51,163
Total	<u>\$ 27,251,081</u>	<u>\$ 23,575,752</u>	<u>\$ 3,675,329</u>

Note 4 - Deposits and Investments

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2019 was as follows:

Petty cash	\$ 500
Demand deposits	<u>228</u>
Total deposits	<u>728</u>
Repurchase agreement	<u>18,556,874</u>
Total investments	<u>18,556,874</u>
Total deposits and investments	<u>\$ 18,557,602</u>

Deposits

Demand deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments

U.S. Treasury Notes and federal government agency securities held by the bank as collateral are marked to market daily and meet the requirement that the value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least 5 percent.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 5 - Property Taxes

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

Public utilities are also taxed on personal and real property located within the Township.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 6 - Risk Management

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2019

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

Comprehensive property and general liability;
Vehicles; and
Errors and omissions.

Self-Insurance

The Township is self-insured for employee health insurance. The Township pays a fixed monthly cost per employee as well as all claims up to \$75,000 annually per employee (including his/her dependents.) All claims above \$75,000 annually are paid by the Township's stop loss carrier, Optum. The monthly fixed costs and claims are paid directly from the General, Police, Fire or DART fund depending on which fund is charged for the employee's salary expenses. Amounts reasonably sufficient are appropriated annually in the General, Police, and Fire and DART funds to cover claims costs.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS local members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. OPERS law enforcement members contribute 13% of their gross salaries and the Township contributed an amount equaling 18.1% of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2019.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2019

Social Security

Some of the Township’s employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2019.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 9 - Debt

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC-CB12F	\$ 58,100	0.00%
OPWC-CB18N	260,399	0.00%
OPWC-CB22D	54,700	0.00%
OPWC-CB21Q	127,530	0.00%
OPWC-CB42R	119,271	0.00%
OPWC- CB16T	154,585	0.00%
OPWC- CB26U	65,117	0.00%
OPWC-CB04T	278,982	0.00%
OPWC-CB05U	505,526	0.00%
Series 2004 Bonds	625,000	2.30%
Series 2015 Bonds	5,225,000	2.0-4.0%
Total	<u>\$ 7,474,210</u>	

The general obligation bonds and Ohio Public Works Commission project loans are collateralized by the Township's taxing authority are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. Debt is paid from the General, Police District, Fire District, Road District and Permissive Motor Vehicle License Tax Funds.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

<u>Years Ending December 31,</u>	OPWC Loans	Series 2004 Bonds	Series 2015 Bonds
2020	\$ 146,072	\$139,414	\$ 763,000
2021	158,710	136,500	760,450
2022	131,360	133,625	757,450
2023	131,360	130,750	764,000
2024	124,904	127,883	764,800
2025-2029	390,398	-	2,297,200
2030-2034	312,997	-	-
2035-2039	215,771	-	-
2040	12,638	-	-
Total	<u>\$1,624,210</u>	<u>\$668,172</u>	<u>\$6,106,900</u>

Note 10 – Joint Ventures

The Springfield Township Community Improvement Corporation (CIC) is a non-profit 501(C)(3) that was created by the Springfield Township Trustees and certified by the State of Ohio, Secretary of State in February 2014. The CIC was created in order to advance, encourage and promote industrial, economic, commercial, housing and civic development in Springfield Township. The CIC has been designated by the Springfield Township Board of Trustees as the Economic Development agent for Springfield Township. Springfield Township contributed \$245,000 to the CIC in 2019 to support economic development grant programs.

Note 11 - Jointly Governed Organizations

Joint Economic Development District I

Springfield Township participates in a Joint Economic Development District (JEDD) with the City of Mt. Healthy. The JEDD I is located entirely within Springfield Township, Hamilton County. The purpose of the JEDD I is to facilitate the development of jobs and employment opportunities along with improving the welfare of people in the State of Ohio and the area of the contracting parties.

The proceeds of the JEDD I are used to provide expanded public services to the JEDD I, for example, police protection, fire protection, civil defense, local government, administration, and so forth commensurate with economic growth.

The joint venture between the Township and the City of Mt. Healthy is defined in the following manner:

Springfield Township receives 75% of the net income tax revenue collected. The City of Mt. Healthy receives 25% of the net income tax revenue collected.

The City of Mt. Healthy contracts with the Regional Income Tax Agency (RITA) to administer and collect the income tax and the City of Mt. Healthy reports monthly to Springfield Township.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2019

Joint Economic Development Zone I

Springfield Township residents voted on May 6, 2014 to establish a Joint Economic Development Zone I (JEDZ I). The creation of the JEDZ I enables the implementation of an earnings tax of 1.5% on individuals working in the zone and on the net profits of businesses located in the zone. State law requires a partnering jurisdiction to implement any earnings tax for townships. Springfield Township partners with the City of Mt. Healthy. The City of Mt. Healthy contracts with the Regional Income Tax Agency (RITA) for tax collection. The revenue generated through the JEDZ I earnings tax is used to continue current services and implement economic development initiatives for the improvement of existing commercial districts and the neighborhoods that support local businesses.

The joint venture between the governmental entities is defined in the following manner:

Springfield Township receives 85% of the net Income revenue collected up to \$1,500,000. Once gross collections exceed \$1,500,000, the Township receives 90%.

The City of Mt. Healthy receives 15% of the net income revenue collected up to \$1,500,000. Once gross collections exceed \$1,500,000, the City receives 10%.

The City of Mt. Healthy contracts with the Regional Income Tax Agency (RITA) to administer and collect the income tax and the City of Mt. Healthy reports monthly to Springfield Township.

DART

Springfield Township is the administering agency for the Northeast Hamilton County Drug Task Force (DART). Springfield Township receives, allocates, and expenses funds from federal, state and local sources for the purposes established by the DART Collaboration Board. Springfield Township participates in a cooperative and supportive arrangement with Cheviot, Colerain Township, Delhi Township, Evendale, Fairfax, Forest Park, Greenhills, Green Township, Harrison, Lockland, Loveland, Madeira, Mariemont, Montgomery, Mt. Healthy, North College Hill, Norwood and Springdale. DART is primarily funded through federal and state grants.

Note 12 – Related Organizations

Springfield Township Art And Enrichment Council

Springfield Township Board of Trustees passed a resolution on September 26, 2012, authorizing the creation of a 501(C)(3) Arts and Enrichment Council. The Springfield Township Arts and Enrichment Council is now a sustaining resource for arts and enrichment opportunities for the community. The mission of the Springfield Township Arts and Enrichment Council is to create an engaged and vibrant community with quality of life enhancements through the arts, community events, and parks and recreation. The non-profit organization helps to assist the township with community programming and special events. As a 501(C)(3) organization, the arts council is able to qualify for additional grant funding and have the ability to offer tax deductions for private donations. The Arts and Enrichment Council is primarily funded through grants, donations and operations.

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 13 - Contingent Liabilities

The Township is a defendant in a lawsuit. Although management cannot presently determine the outcome of the suit, management believes that the resolution of the matter will not materially adversely affect the Township's financial condition.

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

Note 14 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**SPRINGFIELD TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY <i>Passed Through Hamilton County</i>		
Covid-19 Coronavirus Relief Fund	21.019	1,985,490
Total U.S. Department of Treasury		<u>1,985,490</u>
Total Expenditures of Federal Awards		<u><u>\$1,985,490</u></u>

The accompanying notes are an integral part of this schedule.

**SPRINGFIELD TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Springfield Township (the Township's) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position or changes in fund cash balances of the Township.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Township has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash
11117 Kenwood Road
Blue Ash, Ohio 45242-1817
(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

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

Springfield Township
Hamilton County
9150 Winton Road
Cincinnati, Ohio 45231

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities of the Springfield Township, Hamilton County, (the Township) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 29, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio
July 29, 2021

OHIO AUDITOR OF STATE KEITH FABER



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Blue Ash, Ohio 45242-1817
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Springfield Township
Hamilton County
9150 Winton Road
Cincinnati, Ohio 45231

To the Board of Trustees:

Report on Compliance for Major Federal Program

We have audited Springfield Township's (the Township) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Springfield Township's major federal for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of finding identifies the Township's major federal program.

Management's Responsibility

The Township's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Township's compliance for the Township's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on the Township's major program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on the Major Federal Program

In our opinion, Springfield Township complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Township's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the cash balances, receipts and disbursements for each governmental fund type combined total of Springfield Township (the Township) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements. We issued our unmodified report thereon dated July 29, 2021 wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township. We conducted our audit to opine on the Township's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Springfield Township
Hamilton County
Independent Auditor's Report on Compliance With Requirements
Applicable to the Major Federal Program and on Internal Control
Over Compliance Required by the Uniform Guidance
Page 3

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio
July 29, 2021

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**SPRINGFIELD TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	COVID-19 Coronavirus Relief Fund: 21.019
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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SPRINGFIELD TOWNSHIP • HAMILTON COUNTY
9150 WINTON RD, CINCINNATI, OHIO 45231 TELEPHONE: (513) 522-1410

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Financial Reporting	Corrected	

OHIO AUDITOR OF STATE KEITH FABER



SPRINGFIELD TOWNSHIP

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/26/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov