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## **Symmes Township, Ohio**

Financial Statements

Years Ended December 31, 2010 and 2009

with Independent Auditors' Report







# Dave Yost • Auditor of State

Board of Trustees  
Symmes Township  
9323 Union Cemetery Road  
Symmes Township, Ohio 45140

We have reviewed the *Independent Auditors' Report* of Symmes Township, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Symmes Township is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

October 4, 2011

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Symmes Township, Hamilton County:

We have audited the accompanying financial statements of Symmes Township, Hamilton County (the Township) as of and for the years ended December 31, 2010 and 2009. 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 described in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matters discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Symmes Township, Hamilton County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2011, 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.

*Clark, Schaefer, Haskett & Co.*

Cincinnati, Ohio  
June 24, 2011

**Symmes Township, Hamilton County**  
*Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2010*

	General	Special Revenue	Debt Service	Capital Projects	Total
<b>Receipts</b>					
Property and Other Local Taxes	\$ 626,415	4,506,690	-	-	5,133,105
Charges for Services	-	190,750	-	-	190,750
Licenses, Permits and Fees	29,567	33,560	-	-	63,127
Fines and Forfeitures	5,307	5,158	-	-	10,465
Payment in Lieu of Taxes	-	687,327	-	-	687,327
Intergovernmental	679,051	724,293	-	-	1,403,344
Special Assessments	-	137,287	-	-	137,287
Earnings on Investments	26,381	1,226	-	-	27,607
Other	228,192	13,423	-	-	241,615
<i>Total Receipts</i>	<u>1,594,913</u>	<u>6,299,714</u>	<u>-</u>	<u>-</u>	<u>7,894,627</u>
<b>Disbursements</b>					
Current:					
General Government	1,450,457	11,526	-	-	1,461,983
Public Safety	20,000	3,443,138	-	-	3,463,138
Public Works	16,256	519,159	-	-	535,415
Health	54,418	46,213	-	-	100,631
Economic Development					-
Human Services					-
Human Services	30,967	-	-	-	30,967
Conservation-Recreation	-	481,628	-	-	481,628
Contract Services	-	-	-	-	-
Capital Outlay	123,432	862,310	-	-	985,742
Debt Service:					
Principal Retirement	-	1,205,000	195,000	8,000,000	9,400,000
Interest and Fiscal Charges	-	203,790	143,428	-	347,218
<i>Total Disbursements</i>	<u>1,695,530</u>	<u>6,772,764</u>	<u>338,428</u>	<u>8,000,000</u>	<u>16,806,722</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(100,617)</u>	<u>(473,050)</u>	<u>(338,428)</u>	<u>(8,000,000)</u>	<u>(8,912,095)</u>
<b>Other Financing Sources (Uses)</b>					
Notes Issued				8,002,276	8,002,276
Transfers In	-	-	338,427	-	338,427
Transfers Out	-	(338,427)	-	-	(338,427)
Advances In	50,000	-	-	-	50,000
Advances Out	-	(50,000)	-	-	(50,000)
Other Financing Sources (Uses)	76,948	19,750	-	-	96,698
<i>Total Other Financing Sources (Uses)</i>	<u>126,948</u>	<u>(368,677)</u>	<u>338,427</u>	<u>8,002,276</u>	<u>8,098,974</u>
<i>Net Change in Fund Balances</i>	26,331	(841,727)	(1)	2,276	(813,121)
<i>Fund Balances Beginning of Year</i>	<u>4,770,374</u>	<u>5,929,563</u>	<u>144,575</u>	<u>2,721,544</u>	<u>13,566,056</u>
<i>Fund Balances End of Year</i>	<u>4,796,705</u>	<u>5,087,836</u>	<u>144,574</u>	<u>2,723,820</u>	<u>12,752,935</u>
Reserve for Encumbrances	\$ 143,972	91,441	-	-	235,413

See accompanying notes to the basic financial statements



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

	General	Special Revenue	Debt Service	Capital Projects	Total
<b>Receipts</b>					
Property and Other Local Taxes	\$ 620,129	4,602,340	-	-	5,222,469
Charges for Services	-	231,992	-	-	231,992
Licenses, Permits and Fees	53,138	27,731	-	-	80,869
Fines and Forfeitures	43,767	4,498	-	-	48,265
Payment in lieu of taxes	-	656,472	-	-	656,472
Intergovernmental	884,741	730,664	-	-	1,615,405
Special Assessments	-	60,542	-	-	60,542
Earnings on Investments	179,807	7,942	-	-	187,749
Other	238,519	11,124	-	-	249,643
<i>Total Receipts</i>	<u>2,020,101</u>	<u>6,333,305</u>	<u>-</u>	<u>-</u>	<u>8,353,406</u>
<b>Disbursements</b>					
Current:					
General Government	1,412,089	87,280	-	-	1,499,369
Public Safety	76,594	3,034,123	-	-	3,110,717
Public Works	13,462	474,596	-	-	488,058
Health	50,812	38,924	-	-	89,736
Economic Development	-	-	-	-	-
Human Services	2,259	-	-	-	2,259
Conservation-Recreation	-	410,630	-	-	410,630
Other	-	-	-	-	-
Contract services	-	-	-	-	-
Capital Outlay	137,121	1,114,646	-	226,356	1,478,123
Debt Service:					
Principal Retirement	-	445,000	190,000	9,000,000	9,635,000
Interest and Fiscal Charges	-	310,630	149,308	-	459,938
<i>Total Disbursements</i>	<u>1,692,337</u>	<u>5,915,829</u>	<u>339,308</u>	<u>9,226,356</u>	<u>17,173,830</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>327,764</u>	<u>417,476</u>	<u>(339,308)</u>	<u>(9,226,356)</u>	<u>(8,820,424)</u>
<b>Other Financing Sources (Uses)</b>					
Notes Issued	-	-	-	8,793,559	8,793,559
Advances In	-	50,000	-	-	50,000
Advances Out	(50,000)	-	-	-	(50,000)
Other Financing Sources	251,355	4,900	-	-	256,255
<i>Total Other Financing Sources (Uses)</i>	<u>201,355</u>	<u>54,900</u>	<u>-</u>	<u>8,793,559</u>	<u>9,049,814</u>
<i>Net Change in Fund Balances</i>	529,119	472,376	(339,308)	(432,797)	229,390
<i>Fund Balances Beginning of Year</i>	<u>4,241,255</u>	<u>5,457,187</u>	<u>483,883</u>	<u>3,154,341</u>	<u>13,336,666</u>
<i>Fund Balances End of Year</i>	<u>4,770,374</u>	<u>5,929,563</u>	<u>144,575</u>	<u>2,721,544</u>	<u>13,566,056</u>
Reserve for Encumbrances	\$ 80,700	579,380	-	-	660,080

See accompanying notes to the basic financial statements

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Symmes 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, cemetery maintenance, fire protection and emergency medical services. The Township contracts with Loveland-Symmes Fire Department to provide fire and ambulance services and the Hamilton County Sheriff's Office, to provide police services.

The Township participates in Ohio Township Association Risk Management Authority public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 Auditor of State prescribes or permits.

**C. Cash and Investments**

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

The Township values U.S. Agency Securities at cost. Money market mutual funds are recorded at share values the mutual funds report.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

SYMMES TOWNSHIP  
HAMILTON COUNTY  
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DECEMBER 31, 2010 AND 2009

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. 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

Park Levy Fund - This fund receives property tax revenue to fund park conservation and development.

**3. Debt Service Fund**

These funds account for resources the Township accumulates to pay bond and note debt. The Township had the following significant Debt Service Fund

TIF Miscellaneous Fund - This fund pays the debt of the township.

**4. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Park Acquisition Fund – This fund captures all activity related to the purchase of park land and construction costs for improvements.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. 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 also approve estimated resources.

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

**3. 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 2010 and 2009 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

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

**G. Accumulated Leave**

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

**2. Cash and Investments**

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

	<u>2010</u>	<u>2009</u>
Demand deposits	\$ 3,078,677	\$ 3,873,973
US agency securities	9,627,094	9,652,421
Money market accounts	<u>47,164</u>	<u>39,662</u>
Total investments	<u>\$ 9,674,258</u>	<u>\$ 9,692,083</u>
Total deposits and investments	<u>\$ 12,752,935</u>	<u>\$ 13,566,056</u>

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

**Investments:** The Township invests in U.S. Agency Securities and a money market fund. The Federal Reserve holds the Township's U.S. Agency Securities in book-entry form in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts

Fund Type		Budgeted Receipts	Actual Receipts	Variance
General	\$	1,780,142	1,721,861	(58,281)
Special Revenue		6,287,191	6,319,464	32,273
Debt Service		338,427	338,427	-
Capital Projects		<u>7,820,000</u>	<u>8,002,276</u>	<u>182,276</u>
Total	\$	<u>16,225,760</u>	<u>16,382,028</u>	<u>156,268</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type		Appropriation Authority	Budgetary Expenditures	Variance
General	\$	3,364,003	1,839,502	1,524,501
Special Revenue		7,770,122	7,252,632	517,490
Debt Service		338,428	338,428	-
Capital Projects		<u>8,000,000</u>	<u>8,000,000</u>	<u>-</u>
Total	\$	<u>19,472,553</u>	<u>17,430,562</u>	<u>2,041,991</u>

2009 Budgeted vs. Actual Receipts

Fund Type		Budgeted Receipts	Actual Receipts	Variance
General	\$	2,312,272	2,271,456	(40,816)
Special Revenue		6,323,903	6,388,205	64,302
Debt Service		339,308	-	(339,308)
Capital Projects		<u>8,791,496</u>	<u>8,793,559</u>	<u>2,063</u>
Total	\$	<u>17,766,979</u>	<u>17,453,220</u>	<u>(313,759)</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type		Appropriation Authority	Budgetary Expenditures	Variance
General	\$	2,646,941	1,823,037	823,904
Special Revenue		7,949,824	6,495,209	1,454,615
Debt Service		339,308	339,308	-
Capital Projects		<u>9,638,868</u>	<u>9,226,356</u>	<u>412,512</u>
Total	\$	<u>20,574,941</u>	<u>17,883,910</u>	<u>2,691,031</u>

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

**4. Property Tax**

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**5. Debt**

Debt outstanding at December 31, 2010 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2003 Various Purpose Limited Tax GO Bonds	\$ 1,740,000	2%
2004 Various Purpose Limited Tax GO Bonds	\$ 2,530,000	2%
2010 Park Land Acquisition and Improvement GO Bonds	<u>\$ 7,820,000</u>	1% - 5.25%
 Total	 <u>\$ 12,090,000</u>	

**A. 2003 - \$2,520,000 Various Purpose Limited Tax General Obligation Bonds**

The Township issued the 2003 \$2,520,000 Various Purpose Limited Tax General Obligation Bonds to consolidate five issues consisting of:

- \$750,000 Various Purpose Notes consisting of \$400,000 used to finance township road improvements,
- \$350,000 used to finance the acquisition of park land,
- \$325,000 used to finance the acquisition of land for a new safety service center,
- \$360,000 used to finance the construction of maintenance facilities in township parks, and
- \$1,085,000 used to finance the acquisition of land for use by the Township.

The Township's taxing authority collateralized the bonds.

**B. 2004 - \$5,530,000 Various Purpose Limited Tax General Obligation Bonds**

The Township issued the 2004 \$5,530,000 Various Purpose Limited Tax General Obligation Bonds to consolidate two issues consisting of:

- \$4,030,000 used to finance the construction of a new safety service center, and
- \$1,500,000 used to finance the construction of a fire station in the township.

The Township's taxing authority collateralized the bonds.

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

**C. 2010 - \$7,820,000 Park Land Acquisition and Improvement General Obligation Bonds**

The Township issued the 2010 \$7,820,000 Park Land Acquisition and Improvement General Obligation Bonds for the purpose of permanently financing the cost of acquiring park land and constructing improvements to such park land.

The Township's taxing authority collateralized the bonds.

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

Year Ending December 31	2003 General Obligation Bonds	2004 General Obligation Bonds	2010 General Obligation Bonds
2011	\$ 213,053	\$ 652,650	\$ 503,715
2012	213,302	655,850	519,042
2013	213,102	658,050	520,343
2014	212,500	124,250	526,542
2015	211,550	125,850	522,542
2016-2020	1,067,400	636,250	2,601,450
2021-2025	211,000	126,000	2,605,465
2026-2030	-	-	2,597,225
2031-2035	-	-	2,601,962
2036-2040	-	-	1,041,650
	<u>\$ 2,341,907</u>	<u>\$ 2,978,900</u>	<u>\$ 14,039,936</u>

**6. Retirement Systems**

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

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

**7. Risk Management**

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

**Casualty and Property Coverage**

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

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

**Financial Position**

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008 (the latest information available):

		2009	2008
Assets	\$	38,982,088	40,737,740
Liabilities		(12,880,766)	(12,981,818)
Net Assets	\$	26,101,322	27,755,922

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$12.0 and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$7,000.

Based on discussions with OTARMA the expected rates charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Township's contributions to OTARMA for the years ending December 31, 2009 and 2008 were \$55,075 and \$63,772, respectively.

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



**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  
Symmes Township, Ohio:

We have audited the financial statements of Symmes Township, Ohio (Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 24, 2011. We noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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We noted certain matters that we reported to management of the Township in a separate letter dated June 24, 2011.

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

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
June 24, 2011



# Dave Yost • Auditor of State

**SYMMES 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  
OCTOBER 18, 2011**