



OHIO AUDITOR OF STATE
KEITH FABER

**SYMMES TOWNSHIP
HAMILTON COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Symmes Township
Hamilton County
9323 Union Cemetery Road
Loveland, Ohio 45140

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Symmes Township, Hamilton County, Ohio (the Township) as of and for the years ended December 31, 2018 and 2017.

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 1B 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, 2018 and 2017, 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 by fund type, and related notes of Symmes Township, Hamilton County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2019, 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

August 20, 2019

Symmes 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, 2018

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$720,282	\$6,194,665	\$0	\$0	\$6,914,947
Charges for Services	0	230,064	0	0	230,064
Licenses, Permits and Fees	267,434	63,590	0	0	331,024
Fines and Forfeitures	9,571	11,873	0	0	21,444
Intergovernmental	260,804	731,327	0	0	992,131
Special Assessments	0	324,631	0	0	324,631
Earnings on Investments	147,986	6,610	0	0	154,596
Miscellaneous	23,241	74,515	0	0	97,756
<i>Total Cash Receipts</i>	<u>1,429,318</u>	<u>7,637,275</u>	<u>0</u>	<u>0</u>	<u>9,066,593</u>
Cash Disbursements					
Current:					
General Government	1,415,426	10,432	0	0	1,425,858
Public Safety	35,000	4,286,353	0	0	4,321,353
Public Works	30,795	532,380	0	0	563,175
Health	39,614	84,059	0	0	123,673
Human Services	0	0	0	0	0
Conservation-Recreation	0	368,055	0	0	368,055
Other	0	91,841	0	0	91,841
Capital Outlay	10,824	1,150,847	0	0	1,161,671
Debt Service:					
Principal Retirement	0	225,000	290,000	0	515,000
Interest and Fiscal Charges	0	242,225	25,650	0	267,875
<i>Total Cash Disbursements</i>	<u>1,531,659</u>	<u>6,991,192</u>	<u>315,650</u>	<u>0</u>	<u>8,838,501</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(102,341)</u>	<u>646,083</u>	<u>(315,650)</u>	<u>0</u>	<u>228,092</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	19,612	0	0	0	19,612
Transfers In	0	0	315,650	0	315,650
Transfers Out	0	(315,650)	0	0	(315,650)
Advances In	33,700	33,700	0	0	67,400
Advances Out	(33,700)	(33,700)	0	0	(67,400)
Other Financing Sources	39,213	0	0	0	39,213
Other Financing Uses	0	0	0	0	0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>58,825</u>	<u>(315,650)</u>	<u>315,650</u>	<u>0</u>	<u>58,825</u>
<i>Net Change in Fund Cash Balances</i>	<u>(43,516)</u>	<u>330,433</u>	<u>0</u>	<u>0</u>	<u>286,917</u>
<i>Fund Cash Balances, January 1</i>	<u>2,593,946</u>	<u>7,789,288</u>	<u>0</u>	<u>283,696</u>	<u>10,666,930</u>
Fund Cash Balances, December 31					
Nonspendable	0	0	0	0	0
Restricted	0	8,137,662	0	283,696	8,421,358
Committed	0	0	0	0	0
Assigned	12,024	0	0	0	12,024
Unassigned (Deficit)	2,538,406	(17,941)	0	0	2,520,465
<i>Fund Cash Balances, December 31</i>	<u>\$2,550,430</u>	<u>\$8,119,721</u>	<u>\$0</u>	<u>\$283,696</u>	<u>\$10,953,847</u>

See accompanying notes to the basic financial statements

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Symmes Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the 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 protection.

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

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 for its members.

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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary 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:

Special Levy Fund – Safety Services Fund - This fund receives property tax revenue to fund police, fire and emergency medical services.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds:

TIF Miscellaneous Fund - The TIF Miscellaneous Fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

Symmes Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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:

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. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2018 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 values U.S. Treasury Notes and common stock at cost. Money market mutual funds are recorded at share values the mutual funds report.

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.

Symmes Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,519,690	\$1,521,843	\$2,153
Special Revenue	7,557,687	7,670,975	113,288
Debt Service	315,650	315,650	0
Total	\$9,393,027	\$9,508,468	\$115,441

Symmes Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,101,031	\$1,577,383	\$523,648
Special Revenue	8,914,306	7,682,722	1,231,584
Debt Service	315,650	315,650	0
Capital Projects	44,861	0	44,861
Total	\$11,375,848	\$9,575,755	\$1,800,093

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 was as follows:

	2018
Demand deposits	\$170,757
Certificates of deposit	5,127,000
Money Market	3,576,755
Total deposits	8,874,512
U.S. Treasury Bonds	2,079,335
Total investments	2,079,335
Total deposits and investments	\$10,953,847

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

The Federal Reserve holds the Township’s U.S. Treasury Bonds in book-entry form by, in the name of the Township’s financial institution. The financial institution maintains records identifying the Township as owner of these securities.

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.

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

Symmes Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 – Risk Management

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

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

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

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016 OTARMA retained \$350,000 for casualty claims and \$250,000 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, 2017 were not available.

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

Contributions to OTARMA	
	2018
	77,357.00

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

Symmes Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All 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 members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2018.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2018</i>	<i>10%</i>	<i>14%</i>

Note 8 – Postemployment Benefits

OPERS offers 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 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

Note 9 – Debt

Debt outstanding at December 31, 2018, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Series 2016 Parkland Refunding Bonds	\$5,975,000	2 - 5%
Series 2012 GO Bonds	\$880,000	1 - 2.5%
Series 2010 Parkland Bonds	450,000	0.75 - 3.2%
Total	<u>\$7,305,000</u>	

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.

The Township issued the 2012 \$2,280,000 Various Purpose Refunding Limited Tax General Obligation Bonds for the purpose of refunding a portion of the 2003 Various Purpose Limited Tax General Obligation Bonds and a portion of the 2004 Various Purpose Limited Tax General Obligation Bonds. The Township's taxing authority collateralized the bonds.

Symmes Township
Hamilton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

The Township issued the 2016 \$6,000,000 Park Land Acquisition and Improvement Refunding General Obligation Bonds for the purpose of advance refunding the Series 2010 Bonds originally issued for the purpose of paying the costs of acquiring land for a park and constructing improvements to such parkland and for paying the costs of issuance of the bonds. The \$6,000,000 balance is held for the Township in a bond escrow account to repay the callable portion of the Series 2010 Bonds and make payments on the noncallable portion of the Series 2010 Bonds as they become due. The outstanding balance of \$6,665,000 of the Series 2010 Bonds is considered defeased and is therefore not included in the outstanding debt amount at year end. The Township's taxing authority collateralized the bonds.

Amortization

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

Year Ending December 31:	Series 2010 Parkland Bonds	Series 2012 GO Bonds	Series 2016 Parkland Refunding Bonds
2019	\$238,950	\$305,575	236,375
2020	232,200	309,875	240,775
2021		307,500	474,975
2022			472,225
2023			474,275
2024-2028			2,355,325
2025-2029			2,357,825
2030-2034			1,882,850
Total	\$471,150	\$922,950	\$8,494,625

Note 10 - Interfund Transfers

During 2018, transfer of \$315,650 was made from the Miscellaneous - Note Proceeds - TIF Fund to the Miscellaneous TIF Fund. The transfers are authorized by Board resolution to pay the Township's Various Purpose Limited Tax General Obligations Bonds each year.

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Symmes 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, 2017

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$630,215	\$6,084,512	\$0	\$0	\$6,714,727
Charges for Services	0	260,667	0	0	260,667
Licenses, Permits and Fees	265,881	45,737	0	0	311,618
Fines and Forfeitures	11,257	12,271	0	0	23,528
Intergovernmental	250,300	731,961	0	0	982,261
Special Assessments	0	84,612	0	0	84,612
Earnings on Investments	53,447	2,117	0	0	55,564
Miscellaneous	26,666	16,870	0	0	43,536
<i>Total Cash Receipts</i>	<u>1,237,766</u>	<u>7,238,747</u>	<u>0</u>	<u>0</u>	<u>8,476,513</u>
Cash Disbursements					
Current:					
General Government	1,488,268	17,467	0	0	1,505,735
Public Safety	10,000	4,395,256	0	0	4,405,256
Public Works	25,997	465,298	0	0	491,295
Health	38,456	58,654	0	0	97,110
Human Services	0	0	0	0	0
Conservation-Recreation	0	341,577	0	0	341,577
Other	0	740,823	0	0	740,823
Capital Outlay	72,047	0	0	0	72,047
Debt Service:					
Principal Retirement	0	215,000	285,000	0	500,000
Interest and Fiscal Charges	0	253,719	29,925	0	283,644
<i>Total Cash Disbursements</i>	<u>1,634,768</u>	<u>6,487,794</u>	<u>314,925</u>	<u>0</u>	<u>8,437,487</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(397,002)</u>	<u>750,953</u>	<u>(314,925)</u>	<u>0</u>	<u>39,026</u>
Other Financing Receipts (Disbursements)					
Transfers In	0	0	314,925	0	314,925
Transfers Out	0	(314,925)	0	0	(314,925)
Advances In	25,000	25,000	0	0	50,000
Advances Out	(25,000)	(25,000)	0	0	(50,000)
Other Financing Sources	44,772	0	0	0	44,772
Other Financing Uses	0	0	(10,248)	0	(10,248)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>44,772</u>	<u>(314,925)</u>	<u>304,677</u>	<u>0</u>	<u>34,524</u>
<i>Net Change in Fund Cash Balances</i>	<u>(352,230)</u>	<u>436,028</u>	<u>(10,248)</u>	<u>0</u>	<u>73,550</u>
<i>Fund Cash Balances, January 1</i>	<u>2,946,175</u>	<u>7,353,263</u>	<u>10,248</u>	<u>283,696</u>	<u>10,593,382</u>
Fund Cash Balances, December 31					
Nonspendable	0	0	0	0	0
Restricted	0	7,898,489	0	283,696	8,182,185
Committed	0	0	0	0	0
Assigned	17,161	0	0	0	17,161
Unassigned (Deficit)	2,576,784	(109,198)	0	0	2,467,586
<i>Fund Cash Balances, December 31</i>	<u>\$2,593,945</u>	<u>\$7,789,291</u>	<u>\$0</u>	<u>\$283,696</u>	<u>\$10,666,932</u>

See accompanying notes to the basic financial statements

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**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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 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 protection.

The Township participates in a public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

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.

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

B. Accounting Basis

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

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

C. Deposits and Investments

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

The Township values 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:

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. General Fund

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

2. Special Revenue Funds

These funds account for and report the proceeds from 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 Fund:

Special Levy — Safety Services Fund — This fund receives property tax revenue to fund police, fire and emergency medical services.

PARK FUND - This fund receives property tax revenue to fund park expenditures.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

TIF Miscellaneous Fund. The TIF Miscellaneous Fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

2016 Park Refunding Fund. The 2016 Park refunding Fund accounts for and reports resources restricted for the retirement of debt issued in a separate bond issuance as that debt becomes callable.

4. Capital Projects 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. Unencumbered appropriations lapse at year end.

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 approve estimated resources.

3. Encumbrances

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

A summary of 2017 budgetary activity appears in Note 3.

E. Fund Balance

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

1. Nonspendable

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

2. Restricted

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

3. Committed

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

4. Assigned

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

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Unassigned

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

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

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. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Township maintains a deposit and investment 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:

Demand Deposits	<u>\$ 525,752</u>
Total Deposits	<u>525,752</u>
U.S. Agency Securities	7,872,504
Money Market Account	<u>2,268,676</u>
Total Investments	<u>10,141,180</u>
Total Deposits and Investments	<u><u>\$ 10,666,932</u></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
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	1,281,700	1,307,539	25,839
Special Revenue	7,292,160	7,263,746	(28,414)
Debt Service	314,925	314,925	0
Capital Projects Fund			0
Total	<u>\$8,888,785</u>	<u>\$8,886,210</u>	<u>\$(2,575)</u>

2017 Budgeted vs. Actual Budgetary Basis Expenditures				
Fund Type		Appropriation Authority	Budgetary Expenditures	Variance
General	\$	2,077,983	\$ 1,676,930	401,053
Special Revenue		8,271,687	7,193,135	1,078,552
Debt Service		458,753	314,625	143,828
Capital Project Funds		44,861	0	44,861
Total	\$	<u>10,853,284</u>	<u>\$ 9,184,990</u>	<u>\$ 1,668,294</u>

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.

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

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

5. DEBT

Debt outstanding at December 31, 2017 was as follows:

	<u>Principal</u>	<u>Interest</u>
2010 Series Parkland Acquisition Bonds	\$ 660,000	0.75% - 3.20%
2012 Various Purpose Refunding Limited Tax GO Bonds	1,170,000	1.00% - 2.00%
2016 Park Land Acquisition Refunding GO Bonds	<u>5,990,000</u>	3.00% - 4.00%
Total	<u>\$ 7,820,000</u>	

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.

The Township issued the 2012 \$2,280,000 Various Purpose Refunding Limited Tax General Obligation Bonds for the purpose of refunding a portion of the 2003 Various Purpose Limited Tax General Obligation Bonds and a portion of the 2004 Various Purpose Limited Tax General Obligation Bonds. The Township's taxing authority collateralized the bonds.

The Township issued the 2016 \$6,000,000 Park Land Acquisition and Improvement Refunding General Obligation Bonds for the purpose of advance refunding the Series 2010 Bonds originally issued for the purpose of paying the costs of acquiring land for a park and constructing improvements to such parkland and for paying the costs of issuance of the bonds. The \$6,000,000 balance is held by the Township in a bond escrow account to repay the callable portion of the Series 2010 Bonds and make payments on the noncallable portion of the Series 2010 Bonds as they become due. The outstanding balance of \$6,665,000 of the Series 2010 Bonds is considered defeased and is therefore not included in the outstanding debt amount at year end. The Township's taxing authority collateralized the bonds.

Amortization

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

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

5. DEBT (Continued)

Year Ending December 31:	2010 Bonds	2012 Bonds	2016 Bonds
2018	\$ 230,250	\$ 315,650	\$ 236,975
2019	238,950	305,575	236,375
2020	232,200	309,875	240,775
2021		307,500	474,975
2022			472,225
2023- 2027			2,362,625
2028- 2032			2,356,275
2033- 2037			2,391,375
	\$ 701,400	\$ 1,238,600	\$ 8,771,600

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 2017, 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, 2017. The Township's Employer contributions in 2017 were \$112,345 in payments.

Postemployment Benefits – OPERS offers 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 is allocated to health care for OPERS members in the traditional Pension Plan and Combined Plan.

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

7. RISK MANAGEMENT

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

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

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

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016 OTARMA retained \$350,000 for casualty claims and \$250,000 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, 2017 were not available.

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

Contributions to OTARMA	
	2017
	\$71,774.99

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

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

8. INTERFUND TRANSFERS

During 2017, transfers of \$314,925 was made from the Miscellaneous — Note Proceeds — TIF Fund to the Miscellaneous TIF Fund. The transfers are authorized by Board resolution to pay the Township's Various Purpose Limited Tax General Obligations Bonds each year.

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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*

Symmestown Township
Hamilton County
9323 Union Cemetery Road
Loveland, Ohio 45140

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Symmestown Township, Hamilton County, (the Township) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated August 20, 2019, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-002 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-001.

Township's Response to Findings

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not subject the Township's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

August 20, 2019

SYMMES TOWNSHIP
HAMILTON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017

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

FINDING NUMBER 2018-001

Finding for Recovery – Repaid Under Audit

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, **Ohio Attorney General Opinion 82-006** indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005** Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

Ohio Rev. Code § 515.11 states in part “The board of township trustees shall certify to the county auditor the boundaries of the district in which lights are to be erected, and, when requested to do so by the board, the auditor shall apportion the valuation for taxation of any lot or parcel of land lying partly within and partly without the district. The board shall, by resolution, assess against the benefited lots and parcels of land in the district, in accordance with section 515.08 of the Revised Code, such portion of the costs of furnishing and maintaining the lights, for the period of the contract and the proceedings in relation thereto, as does not exceed the special benefits resulting from the lighting, and shall certify such costs to the auditor. The auditor shall annually place upon the tax duplicate, for collection in semiannual installments as provided in that section, the two installments of the assessment for that year, which installments, together with any accrued interest on unpaid assessments, shall be paid and collected as provided in that section.”

The Township Fiscal Officer, Carol Sims told the Auditor of State’s Special Investigations Unit (SIU) that the Township had not received any special assessment funds for certain lighting districts for four years because the Hamilton County Auditor’s Office did not receive the assessments. Ms. Sims told SIU she prepared the assessments for all of the lighting districts within the Township and submitted them to the Hamilton County Auditor’s office by standard mail in three batches but they did not receive all of them. Ms. Sims told SIU she realized the assessments were not placed on some of the lighting districts when there were not enough funds in the Township’s special assessment lighting district fund to cover the street light costs billed to the Township by Duke Energy. Based on review of the Duke Energy invoices paid by the Township this began to occur in January 2014. Duke Energy invoiced the Township separately for each of their lighting districts on a monthly basis. Since there were not enough funds in the Township’s special assessment lighting district fund to cover the costs of each lighting district account Ms. Sims made a decision to randomly allocate the funds available to each of the accounts resulting in monthly unpaid balances for some of the accounts. For each account that was not paid in full the Township was charged a late payment fee.

In July 2017, the Township became aware of the issues regarding the special assessment lighting district and began to address the issue with the Township trustees and legal counsel. On September 26, 2017, the Township adopted a resolution approving a special street lighting assessment for 13 lighting districts for the period of 2013 through 2016 that had not previously been assessed by the Township.

We obtained all of the Duke Energy invoices paid by the Township related to 41 lighting districts for the period of January 2014 through November 2017 and identified late payment charges totaling \$33,182.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued in the amount of \$33,182 against Ms. Sims and in favor of the Township’s special assessment lighting district fund.

FINDING NUMBER 2018-001
(Continued)

The Township should implement policies and procedures to help ensure special assessments are properly certified to the County Auditor in order to receive proper funding, make related payments timely, and avoid late fees.

On August 19, 2019, Ms. Sims made a payment from her personal account to the Township's PNC bank account in the amount of \$3,182. On August 21, 2019, Ms. Sims made a payment from her personal account to the Township's PNC bank account in the amount of \$30,000. As of the certification date of this report, Ms. Sims has repaid this finding for recovery.

Officials' Response:

Township Trustee response: Prior to July 2017 the invoices from Duke Energy for the lighting districts were being sent to the Fiscal Officer. The procedure was changed in July 2017 to require that the Duke Energy invoices were to be sent to the Township Administrator. Upon reviewing the invoices the Administrator discovered the problem with the late fees and promptly reported it to the Township Trustees and Law Director. As a result the Trustees and Administrator took prompt action to correct the problem.

FINDING NUMBER 2018-002

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following conditions related to the Township's accounting records and financial statements during 2017 were identified:

- Beginning fund balance in the Debt Service Fund did not agree to the prior year audited ending fund balance by \$6,665,000 due to reporting of an escrow account that should not be reported in the Township's financial statements;
- \$109,202 of Lighting District Fund (Special Revenue Funds) expenditures were posted and reported as General Fund expenditures;
- \$3,181 of Permissive Motor Vehicle License Tax (Special Revenue Funds) revenues were posted and reported as Intergovernmental revenue and should be Tax revenue;

The following conditions related to the Township's accounting records and financial statements during 2018 were identified:

- \$22,580 of Lighting District Fund (Special Revenue Funds) expenditures were posted and reported as General Fund expenditures;
- \$70,164 of Permissive Motor Vehicle License Tax (Special Revenue Funds) were posted and reported as Intergovernmental revenue and should be Tax revenue;
- \$79,367 of Permissive Hotel Taxes in the General Fund were posted and reported as Intergovernmental revenue and should be Tax revenue;

**FINDING NUMBER 2018-002
(Continued)**

- \$342,181 of Outstanding Encumbrances in Special Revenue Funds were reported as Committed Fund Balance and should be Restricted Fund Balance.

These errors were not identified and corrected prior to the Township preparing its financial statements due to deficiencies in the Township's internal controls over financial statement monitoring. The Township has corrected the financial statements and accounting records, where appropriate.

Inaccurate accounting and financial reporting could result in materially misstated financial statements. The Township should exercise due care when posting entries to the financial records and annual financial report to prevent errors and to assist in accurately reflecting the Township's financial activity in the underlying accounting records and the annual financial statements. We also recommend that management adopt procedures to periodically review posting of activity recorded in the underlying accounting records and in the annual financial statements.

Officials' Response:

Fiscal Officer response: An audit adjustment in the amount of \$131,782 is necessary between the General Fund and the Lighting District funds. This is due to payments for street lighting being made from the General Fund - \$109,202 in 2017 and \$22,580 in 2018 (total \$131,782). The payments to the General Fund were at the direction of the Board pursuant to Resolution G2017-61. These adjustments to the fund balances have been made. I have been directed now that the Parkland Escrow account should not be reflected within our account balance and that no activity should be processed.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2018 AND 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Multiple posting errors	Not Corrected – Repeated in the Schedule of Findings as Finding 2018-002	

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OHIO AUDITOR OF STATE KEITH FABER



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
SEPTEMBER 10, 2019**