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Marietta, OH 45750
740.373.0056

1035 Murdoch Ave
Parkersburg, WV 26101
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121 E Main St
St. Clairsville, OH 43950
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Certified Public Accountants, A.C.

**SYMMES TOWNSHIP
HAMILTON COUNTY
Regular Audit**

For the Years Ended December 31, 2014 and 2013

www.perrycpas.com

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Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
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Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

Board of Trustees
Symmes Township
9323 Union Cemetery Rd
Loveland, OH 45140

We have reviewed the *Independent Auditor's Report* of Symmes Township, Hamilton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2013 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Symmes Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

November 13, 2015

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**SYMMES TOWNSHIP
HAMILTON COUNTY**

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INDEPENDENT AUDITOR'S REPORT

August 7, 2015

Symmestown Township
Hamilton County
9323 Union Cemetery Rd.
Loveland, OH 45140

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of **Symmestown Township**, Hamilton County (the Township) as of and for the years ended December 31, 2014 and 2013.

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 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 opinion.



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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, 2014 and 2013, or 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 combined cash balances of Symmest Township, Hamilton County as of December 31, 2014 and 2013, and its combined cash receipts and disbursements 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 7, 2015, 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 590,831	\$ 5,655,359	\$ -	\$ -	\$ 6,246,190
Charges for Services	-	220,668	-	-	220,668
Licenses, Permits and Fees	283,402	33,145	-	-	316,547
Fines and Forfeitures	17,454	9,074	-	-	26,528
Intergovernmental	276,656	719,635	-	-	996,291
Special Assessments	-	94,532	-	-	94,532
Earnings on Investments	1,458	102	-	-	1,560
Miscellaneous	31,307	14,005	-	-	45,312
<i>Total Cash Receipts</i>	<u>1,201,108</u>	<u>6,746,520</u>	<u>-</u>	<u>-</u>	<u>7,947,628</u>
Cash Disbursements					
Current:					
General Government	1,314,252	19,058	-	-	1,333,310
Public Safety	10,255	3,658,719	-	-	3,668,974
Public Works	15,610	591,157	-	-	606,767
Health	56,280	35,395	-	-	91,675
Conservation - Recreation	-	295,576	-	-	295,576
Other	-	1,200	-	-	1,200
Capital Outlay	101,062	697,861	-	-	798,923
Debt Service:					
Principal Retirement	-	200,000	270,000	-	470,000
Interest and Fiscal Charges	-	326,543	43,138	-	369,681
<i>Total Cash Disbursements</i>	<u>1,497,459</u>	<u>5,825,509</u>	<u>313,138</u>	<u>-</u>	<u>7,636,106</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(296,351)</u>	<u>921,011</u>	<u>(313,138)</u>	<u>-</u>	<u>311,522</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	-	60,212	-	60,212
Transfers Out	-	(60,212)	-	-	(60,212)
Advances In	50,000	50,000	-	-	100,000
Advances Out	(50,000)	(50,000)	-	-	(100,000)
Other Financing Sources	67,312	9,400	-	-	76,712
<i>Total Other Financing Receipts (Disbursements)</i>	<u>67,312</u>	<u>(50,812)</u>	<u>60,212</u>	<u>-</u>	<u>76,712</u>
<i>Net Change in Fund Cash Balances</i>	<u>(229,039)</u>	<u>870,199</u>	<u>(252,926)</u>	<u>-</u>	<u>388,234</u>
<i>Fund Cash Balances, January 1</i>	<u>3,661,631</u>	<u>4,678,333</u>	<u>252,926</u>	<u>238,834</u>	<u>8,831,724</u>
Fund Cash Balances, December 31					
Restricted	-	5,548,532	-	238,834	5,787,366
Assigned	2,173	-	-	-	2,173
Unassigned	3,430,419	-	-	-	3,430,419
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,432,592</u>	<u>\$ 5,548,532</u>	<u>\$ -</u>	<u>\$ 238,834</u>	<u>\$ 9,219,958</u>

The notes to the financial statements are an integral part of this statement.

SYMMES TOWNSHIP
HAMILTON COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 568,562	\$ 5,519,237	\$ -	\$ -	\$ 6,087,799
Charges for Services	-	203,045	-	-	203,045
Licenses, Permits and Fees	263,585	37,423	-	-	301,008
Fines and Forfeitures	16,791	9,579	-	-	26,370
Intergovernmental	339,385	739,583	-	-	1,078,968
Special Assessments	-	122,235	-	-	122,235
Earnings on Investments	23,056	1,620	-	-	24,676
Miscellaneous	26,164	259,702	-	-	285,866
<i>Total Cash Receipts</i>	<u>1,237,543</u>	<u>6,892,424</u>	<u>-</u>	<u>-</u>	<u>8,129,967</u>
Cash Disbursements					
Current:					
General Government	1,382,927	84,595	-	-	1,467,522
Public Safety	-	4,641,450	-	-	4,641,450
Public Works	16,002	469,634	-	-	485,636
Health	57,195	33,598	-	-	90,793
Conservation - Recreation	-	310,081	-	-	310,081
Capital Outlay	97,134	801,098	-	-	898,232
Debt Service:					
Principal Retirement	-	190,000	790,000	-	980,000
Interest and Fiscal Charges	-	330,343	73,140	-	403,483
<i>Total Cash Disbursements</i>	<u>1,553,258</u>	<u>6,860,799</u>	<u>863,140</u>	<u>-</u>	<u>9,277,197</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(315,715)</u>	<u>31,625</u>	<u>(863,140)</u>	<u>-</u>	<u>(1,147,230)</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	-	971,490	-	971,490
Transfers Out	-	(971,490)	-	-	(971,490)
Other Financing Sources	18,810	11,450	-	-	30,260
<i>Total Other Financing Receipts (Disbursements)</i>	<u>18,810</u>	<u>(960,040)</u>	<u>971,490</u>	<u>-</u>	<u>30,260</u>
<i>Net Change in Fund Cash Balances</i>	<u>(296,905)</u>	<u>(928,415)</u>	<u>108,350</u>	<u>-</u>	<u>(1,116,970)</u>
<i>Fund Cash Balances, January 1 (Restated - See Note 7)</i>	<u>3,958,536</u>	<u>5,606,748</u>	<u>144,576</u>	<u>238,834</u>	<u>9,948,694</u>
Fund Cash Balances, December 31					
Restricted	-	4,678,333	252,926	238,834	4,931,259
Assigned	18,750	-	-	-	18,750
Unassigned	3,642,881	-	-	-	3,642,881
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,661,631</u>	<u>\$ 4,678,333</u>	<u>\$ 252,926</u>	<u>\$ 238,834</u>	<u>\$ 8,831,724</u>

The notes to the financial statements are an integral part of this statement.

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

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 services.

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 YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (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.

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 – This fund pays the debt of the Township.

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.

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.

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 2014 and 2013 budgetary activity appears in Note 3.

F. 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.

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.

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

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.

G. 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.

H. 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:

	2014	2013
Demand Deposits	\$ 184,349	\$ 408,608
Total Deposits	184,349	408,608
U.S Agency Securities	8,872,502	6,872,503
Money Market Account	163,107	1,550,613
Total Investments	9,035,609	8,423,116
Total Deposits and Investments	\$ 9,219,958	\$ 8,831,724

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 YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,255,759	\$ 1,268,420	\$ 12,661
Special Revenue	6,798,885	6,755,920	(42,965)
Debt Service	348,988	60,212	(288,776)
Total	\$ 8,403,632	\$ 8,084,552	\$ (319,080)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,862,822	\$ 1,499,632	\$ 363,190
Special Revenue	7,536,305	6,364,603	1,171,702
Debt Service	348,988	313,138	35,850
Total	\$ 9,748,115	\$ 8,177,373	\$ 1,570,742

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,262,910	\$ 1,256,353	\$ (6,557)
Special Revenue	6,916,379	6,903,874	(12,505)
Debt Service	971,490	971,490	-
Total	\$ 9,150,779	\$ 9,131,717	\$ (19,062)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,483,034	\$ 1,572,008	\$ 911,026
Special Revenue	8,800,175	7,933,160	867,015
Debt Service	971,490	863,140	108,350
Total	\$ 12,254,699	\$ 10,368,308	\$ 1,886,391

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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 YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

5. DEBT

Debt outstanding at December 31, 2014 was as follows:

	Principal	Interest
2010 Park Land Acquisition and Improvement GO Bonds	7,065,000	1% - 5.25%
2012 Various Purpose Refunding Limited Tax GO Bonds	2,000,000	1% - 2%
	<u>\$ 9,065,000</u>	

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 and \$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. The Township repaid the bonds in 2013.

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. The Township repaid the bonds in 2014.

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.

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

Year ending December 31:	2010 Bonds	2012 Bonds
2015	\$ 522,542	\$ 307,425
2016	518,543	309,050
2017	518,542	314,925
2018	517,905	315,650
2019	526,605	305,575
2020-2024	2,603,907	617,375
2025-2029	2,598,813	-
2030-2034	2,602,762	-
2035-2037	1,560,675	-
Total	<u>\$ 11,970,294</u>	<u>\$ 2,170,000</u>

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

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 2014 and 2013, 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, 2014.

7. RESTATEMENT OF PRIOR PERIOD FUND BALANCES

	Miscellaneous Note Proceeds Special Revenue Fund	Miscellaneous - TIF Debt Service Fund
December 31, 2012 Balance	\$ 1,850,115	\$ 153,003
Adjustment	8,427	(8,427)
January 1, 2013 Balance	1,841,688	144,576

These adjustments were necessary to reflect the results of the 2012 refunding bond issuance in the proper fund.

8. 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, 2014, 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.

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Continued)**

8. RISK MANAGEMENT (Continued)

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, 2013 and 2014:

	<u>2013</u>	<u>2014</u>
Assets	\$34,954,286	\$35,970,263
Liabilities	8,486,363	8,912,432
Net Position	\$26,467,923	\$27,057,831

At December 31, 2013 and 2014, respectively, the liabilities above include approximately \$7.9 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.2 million of unpaid claims to be billed to approximately 957 member governments in the future, as of December 31, 2013 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the Township's share of these unpaid claims collectible in future years is approximately \$40,000.

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.

<u>Contributions to OTARMA</u>	
<u>2013</u>	<u>2014</u>
\$73,396	\$76,492

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.

9. INTERFUND TRANSFERS

During 2014 and 2013, transfers of \$60,212 and \$971,490, respectively, were 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.



428 Second St.
Marietta, OH 45750
740.373.0056

1035 Murdoch Ave
Parkersburg, WV 26101
304.422.2203

121 E Main St
St. Clairsville, OH 43950
740.695.1569

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

August 7, 2015

Symmes Township
Hamilton County
9323 Union Cemetery Rd.
Loveland, OH 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 **Symmes Township**, Hamilton County (the Township) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated August 7, 2015, 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 opinions 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of audit findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a 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. We consider finding 2014-001 described in the accompanying schedule of audit findings to be a material weakness.



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• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
• Association of Certified Anti - Money Laundering Specialists •



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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 7, 2015.

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 communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

FINDING NUMBER 2014-001

Material Weakness

Posting Receipts, Disbursements and Classification of Fund Balances

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code. Fund balances should be properly classified based on Governmental Accounting Standards Board Statement No. 54.

During 2014 and 2013, receipts, disbursements and fund balances were not always posted or classified correctly. The following errors were noted:

- Cable franchise fees were recorded as Miscellaneous receipts instead of Licenses, Permits and Fees receipts in the General Fund in 2014 and 2013;
- Fund balances not held for encumbrances were recorded as Assigned instead of Unassigned in the General Fund in 2014 and 2013;
- Fund balances held for encumbrances were recorded as Committed instead of Assigned in the General Fund in 2014;
- Transfers out were recorded as Other Financing Uses instead of Transfers Out in the Note Proceeds Miscellaneous Fund in 2014 and 2013;
- Fund balances restricted by state statute were recorded as Committed and Assigned instead of Restricted in the Special Revenue Funds in 2014 and 2013;
- Fund balances were recorded as Assigned instead of Restricted in the Capital Projects Funds in 2013.

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring reclassifications. The financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to Ohio Administrative Code and/or the Ohio Township Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements. The Fiscal Officer should refer to Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances.

Officials' Response: We did not receive a response from Officials to this finding.

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-1	Audit Adjustments	No	Not Corrected; Included in Finding 2014-001



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
DECEMBER 1, 2015**