

# **Symmes Township, Ohio**

Financial Statements

Years Ended December 31, 2008 and 2007

with Independent Auditors' Report





# Mary Taylor, CPA

Auditor of State

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

We have reviewed the *Independent Auditors' Report* of Symmes Township, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

August 26, 2009

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Symmes Township, Ohio:

We have audited the accompanying financial statements of Symmes Township, Ohio (the Township) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Symmes Township, Hamilton County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
June 29, 2009

**Symmest Township, Hamilton County**  
*Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2008*

	General	Special Revenue	Debt Service	Capital Projects	Total
<b>Receipts</b>					
Property and Other Local Taxes	\$ 605,757	4,622,149	-	-	5,227,906
Charges for Services	-	201,168	-	-	201,168
Licenses, Permits and Fees	38,518	35,728	-	-	74,246
Fines and Forfeitures	16,772	4,532	-	-	21,304
Payment in lieu of taxes	-	659,333	-	-	659,333
Intergovernmental	742,463	649,057	-	-	1,391,520
Special Assessments	-	143,041	-	-	143,041
Earnings on Investments	315,957	17,890	-	-	333,847
Other	221,132	33,794	-	-	254,926
<i>Total Receipts</i>	<u>1,940,599</u>	<u>6,366,692</u>	<u>-</u>	<u>-</u>	<u>8,307,291</u>
<b>Disbursements</b>					
Current:					
General Government	1,542,445	20,790	-	-	1,563,235
Public Safety	16,772	3,239,489	-	-	3,256,261
Public Works	13,306	418,650	-	-	431,956
Health	69,503	44,594	-	-	114,097
Conservation-Recreation	-	-	-	-	-
Other	-	366,648	-	-	366,648
Contract services	-	8,752	-	-	8,752
Capital Outlay	40,725	1,123,988	-	6,546,804	7,711,517
Debt Service:					
Principal Retirement	-	-	620,000	-	620,000
Interest and Fiscal Charges	-	48,560	202,818	-	251,378
<i>Total Disbursements</i>	<u>1,682,751</u>	<u>5,271,471</u>	<u>822,818</u>	<u>6,546,804</u>	<u>14,323,844</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>257,848</u>	<u>1,095,221</u>	<u>(822,818)</u>	<u>(6,546,804)</u>	<u>(6,016,553)</u>
<b>Other Financing Sources (Uses)</b>					
Notes Issued	-	-	-	9,068,040	9,068,040
Transfers In	-	-	1,306,602	-	1,306,602
Transfers Out	-	(1,306,602)	-	-	(1,306,602)
Other Financing Sources	23,148	7,130	-	-	30,278
<i>Total Other Financing Sources (Uses)</i>	<u>23,148</u>	<u>(1,299,472)</u>	<u>1,306,602</u>	<u>9,068,040</u>	<u>9,098,318</u>
<i>Net Change in Fund Balances</i>	280,996	(204,251)	483,784	2,521,236	3,081,765
<i>Fund Balances Beginning of Year</i>	<u>3,960,259</u>	<u>5,661,438</u>	<u>99</u>	<u>633,105</u>	<u>10,254,901</u>
<i>Fund Balances End of Year</i>	<u>4,241,255</u>	<u>5,457,187</u>	<u>483,883</u>	<u>3,154,341</u>	<u>13,336,666</u>
Reserve for Encumbrances	\$ 92,527	497,718	-	226,356	816,601

See accompanying notes to the basic financial statements

**Symmes Township, Hamilton County**  
*Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

	General	Special Revenue	Debt Service	Capital Projects	Total
<b>Receipts</b>					
Property and Other Local Taxes	\$ 643,610	4,295,182	-	-	4,938,792
Charges for Services	-	18,321	-	-	18,321
Licenses, Permits and Fees	41,445	30,996	-	-	72,441
Fines and Forfeitures	18,586	5,480	-	-	24,066
Payment in Lieu of Taxes	-	649,589	-	-	649,589
Intergovernmental	452,461	577,587	-	-	1,030,048
Special Assessments	-	127,213	-	-	127,213
Earnings on Investments	579,253	38,156	-	-	617,409
Other	226,182	210,196	-	-	436,378
<i>Total Receipts</i>	<u>1,961,537</u>	<u>5,952,720</u>	<u>-</u>	<u>-</u>	<u>7,914,257</u>
<b>Disbursements</b>					
Current:					
General Government	1,456,415	5,659	-	-	1,462,074
Public Safety	18,586	2,944,009	-	-	2,962,595
Public Works	12,345	381,886	-	-	394,231
Health	48,830	29,413	-	-	78,243
Conservation-Recreation	-	646,543	-	-	646,543
Contract Services	-	33,480	-	-	33,480
Capital Outlay	118,898	963,457	-	3,750	1,086,105
Debt Service:					
Principal Retirement	-	425,000	180,000	-	605,000
Interest and Fiscal Charges	-	106,485	158,301	-	264,786
<i>Total Disbursements</i>	<u>1,655,074</u>	<u>5,535,932</u>	<u>338,301</u>	<u>3,750</u>	<u>7,533,057</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>306,463</u>	<u>416,788</u>	<u>(338,301)</u>	<u>(3,750)</u>	<u>381,200</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	163,897	338,400	-	502,297
Transfers Out	(163,897)	(338,400)	-	-	(502,297)
Advances In	-	200,000	-	-	200,000
Advances Out	(200,000)	-	-	-	(200,000)
Other Financing Sources (Uses)	8,963	(19,493)	-	-	(10,530)
<i>Total Other Financing Sources (Uses)</i>	<u>(354,934)</u>	<u>6,004</u>	<u>338,400</u>	<u>-</u>	<u>(10,530)</u>
<i>Net Change in Fund Balances</i>	(48,471)	422,792	99	(3,750)	370,670
<i>Fund Balances Beginning of Year</i>	<u>4,008,730</u>	<u>5,238,646</u>	<u>-</u>	<u>636,855</u>	<u>9,884,231</u>
<i>Fund Balances End of Year</i>	<u>3,960,259</u>	<u>5,661,438</u>	<u>99</u>	<u>633,105</u>	<u>10,254,901</u>
Reserve for Encumbrances	\$ 85,607	416,468	-	-	502,075

See accompanying notes to the basic financial statements

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Symmes Township, Hamilton County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with Loveland-Symmes Fire Department to provide fire and ambulance services and the Hamilton County Sheriff's Office, to provide police services.

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

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

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

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

**D. Fund Accounting**

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

**1. General Fund**

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

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

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

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

**3. Debt Service Funds**

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

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

**4. Capital Project Funds**

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

Safety Center Fund – The Township paid for construction of the new safety center from this fund.

Park Maintenance Building Fund – This fund captures all activity related to the construction and maintenance of facilities as the township parks.

**E. Budgetary Process**

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

**1. Appropriations**

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

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(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 also approve estimated resources.

**3. Encumbrances**

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

A summary of 2008 and 2007 budgetary activity appears in Note 3.

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

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

**G. Accumulated Leave**

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

**2. Cash and Investments**

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

	<b>2008</b>	<b>2007</b>
Demand deposits	\$ 3,658,843	<u>5,309,590</u>
US agency securities	9,577,779	4,923,129
Money market accounts	<u>100,044</u>	<u>22,182</u>
Total investments	<u>9,677,823</u>	<u>4,945,311</u>
Total deposits and investments	<u>\$ 13,336,666</u>	<u>10,254,901</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 by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,878,220	\$1,963,747	\$85,527
Special Revenue	5,739,200	6,373,822	634,622
Debt Service	1,322,930	1,306,602	(16,328)
Capital Projects	9,068,040	9,068,040	0
Total	<u>\$18,008,390</u>	<u>\$18,712,211</u>	<u>\$703,821</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,437,586	1,775,278	662,308
Special Revenue	7,547,788	7,075,791	471,997
Debt Service	339,255	822,818	-483,563
Capital Projects	6,961,298	6,773,160	188,138
Total	<u>\$ 17,285,927</u>	<u>16,447,047</u>	<u>838,880</u>

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 892,839	1,970,500	1,077,661
Special Revenue	5,747,126	6,316,617	569,491
Debt Service	500,000	338,400	-161,600
Capital Projects	0	0	0
Total	<u>\$ 7,139,965</u>	<u>8,625,517</u>	<u>1,485,552</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,730,173	2,104,578	625,595
Special Revenue	7,201,637	6,310,293	891,344
Debt Service	345,050	338,301	6,749
Capital Projects	3,750	3,750	0
Total	<u>\$ 10,280,610</u>	<u>8,756,922</u>	<u>1,523,688</u>

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)

**4. Property Tax**

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

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

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

**5. Debt**

Debt outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2003 Various Purpose Limited Tax General Obligation Bonds	\$1,980,000	2%
2004 Various Purpose Limited Tax General Obligation Bonds	\$3,575,000	2%
2008 Park Land Acquisition General Obligation Notes	<u>\$9,000,000</u>	2.5%
Total	<u>\$14,555,000</u>	

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

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

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

The Township's taxing authority collateralized the bonds.

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

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

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

The Township's taxing authority collateralized the bonds.

**C. 2008 - \$9,000,000 Park Land Acquisition Notes**

The Township issued the 2008 \$9,000,000 Park Land Acquisition Notes to purchase the Rozzi Property in December 2008.

The Township's taxing authority collateralized the bonds.

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)

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

Year Ending December 31:	2003 General Obligation Bonds	2004 General Obligation Bonds
2009	\$ 216,033	\$ 654,530
2010	212,252	654,080
2011	213,053	652,650
2012	213,302	655,850
2013	213,102	658,050
2014-2018	1,068,650	629,350
2019-2021	633,800	380,000
<b>Total</b>	<b>\$ 2,770,192</b>	<b>\$ 4,284,510</b>

**6. Retirement Systems**

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. 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 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively, of their gross salaries and the Township contributed an amount equaling 14% and 13.85%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

**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. OTARMA is a member of the American Public Entity Excess Pool (APEEP). 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 Coverage**

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$13,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to the annual aggregate limit of \$10,000,000.

SYMMES TOWNSHIP  
HAMILTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)

**Property Coverage**

The Travelers Indemnity Company reinsures specific losses exceeding \$300,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$300,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**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, 2007 and 2006:

		2007	2006
Assets	\$	43,210,703	42,042,275
Liabilities		(13,357,837)	(12,120,661)
Net Assets	\$	29,852,866	29,921,614

At December 31, 2007 and 2006, respectively, liabilities noted above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$7,000. This payable include the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA the expected rates charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Township's contributions to OTARMA for the years ending December 31, 2007 and 2006 were \$189,382 and \$184,482, respectively.

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees  
Symmes Township, Ohio:

We have audited the financial statements of Symmes Township, Ohio (Township) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 29, 2009. We noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Township in a separate letter dated June 29, 2009.

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

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
June 29, 2009

**SYMMES TOWNSHIP, OHIO**  
 Schedule of Prior Audit Findings  
 Years Ended December 31, 2008 and 2007

Finding Number	Finding Summary	Status
2006-001	Issuance of 1099-MISC Forms	Partially corrected, management letter comment in FY08
2006-002	ORC 5705.36A – Amending estimated resources	Corrected
2006-003	ORC 5705.39 – Appropriations exceeding estimated resources	Corrected
2006-004	ORC 5705.41B – Disbursements plus encumbrances exceeding appropriations	Repeated in management letter in FY08
2006-005	ORC 5705.41D – Encumbering funds	Corrected



Mary Taylor, CPA  
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  
SEPTEMBER 8, 2009**