



Dave Yost • Auditor of State



**SYMMES TOWNSHIP  
LAWRENCE COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Symmestown Township  
Lawrence County  
11423 County Road 14  
P.O. Box 38  
Waterloo, Ohio 45688

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 Symmestown Township, Lawrence 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 opinions.

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

As described in Note 1 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, Lawrence 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 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2016, 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.



**Dave Yost**  
Auditor of State

Columbus, Ohio

April 21, 2016

**SYMMES TOWNSHIP  
LAWRENCE 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	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$8,425	\$2,562	\$10,987
Intergovernmental	7,694	94,595	102,289
Miscellaneous	580	505	1,085
<i>Total Cash Receipts</i>	<u>16,699</u>	<u>97,662</u>	<u>114,361</u>
<b>Cash Disbursements</b>			
Current:			
General Government	14,233	3,879	18,112
Public Safety	1,500		1,500
Public Works		88,228	88,228
Health			0
Capital Outlay		49	49
Debt Service:			
Principal Retirement		7,700	7,700
Interest and Fiscal Charges		1,223	1,223
<i>Total Cash Disbursements</i>	<u>15,733</u>	<u>101,079</u>	<u>116,812</u>
<i>Net Change in Fund Cash Balances</i>	966	(3,417)	(2,451)
<i>Fund Cash Balances, January 1</i>	<u>22,444</u>	<u>172,799</u>	<u>195,243</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		158,060	158,060
Committed		11,322	11,322
Assigned	6,677		6,677
Unassigned (Deficit)	16,733		16,733
<i>Fund Cash Balances, December 31</i>	<u>\$23,410</u>	<u>\$169,382</u>	<u>\$192,792</u>

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

**SYMMES TOWNSHIP  
LAWRENCE 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	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$9,132	\$2,778		\$11,910
Intergovernmental	7,700	94,150	99,059	200,909
Miscellaneous	391	457		848
<i>Total Cash Receipts</i>	<u>17,223</u>	<u>97,385</u>	<u>99,059</u>	<u>213,667</u>
<b>Cash Disbursements</b>				
Current:				
General Government	24,013	2,853		26,866
Public Safety	1,606			1,606
Public Works		108,865		108,865
Health				0
Capital Outlay	261		99,059	99,320
Debt Service:				
Principal Retirement		7,400		7,400
Interest and Fiscal Charges		1,340		1,340
<i>Total Cash Disbursements</i>	<u>25,880</u>	<u>120,458</u>	<u>99,059</u>	<u>245,397</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(8,657)</u>	<u>(23,073)</u>	<u>0</u>	<u>(31,730)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Insurance Proceeds		8,280		8,280
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>8,280</u>	<u>0</u>	<u>8,280</u>
<i>Net Change in Fund Cash Balances</i>	<u>(8,657)</u>	<u>(14,793)</u>	<u>0</u>	<u>(23,450)</u>
<i>Fund Cash Balances, January 1</i>	<u>31,101</u>	<u>187,592</u>		<u>218,693</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		155,607		155,607
Committed		17,192		17,192
Unassigned (Deficit)	22,444	0	0	22,444
<i>Fund Cash Balances, December 31</i>	<u>\$22,444</u>	<u>\$172,799</u>	<u>\$0</u>	<u>\$195,243</u>

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



**SYMMES TOWNSHIP  
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
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 the Symmes Township, Lawrence 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, and fire protection services. The Township contracts with Aid Township Volunteer Fire department to provide fire services.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. 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 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**

The Township has one primary checking account.

**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 accounts for and reports all financial resources not accounted for and reported in another fund.

**SYMMES TOWNSHIP  
LAWRENCE COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

**2. 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 Fund:

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

**3. 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 Fund:

CDBG Community Building Project Fund – This fund received receipts and disbursements from Lawrence County on behalf of the Township for the Community Building Project.

**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.

**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 2014 and 2013 budgetary activity appears in Note 3.

**SYMMES TOWNSHIP  
LAWRENCE COUNTY**

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

**1. Summary of Significant Accounting Policies (Continued)**

**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**

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.

**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 Township Trustees 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.

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.

**SYMMES TOWNSHIP  
LAWRENCE COUNTY**

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

**2. Equity in Pooled Deposits**

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

	2014	2013
Demand deposits	\$192,792	\$195,243
Total deposits	192,792	195,243

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. Budgetary Activity**

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

**2014 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$25,191	\$16,699	(\$8,492)
Special Revenue	142,224	97,662	(44,562)
Total	\$167,415	\$114,361	(\$53,054)

**2014 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$22,763	\$15,733	\$7,030
Special Revenue	155,889	101,079	54,810
Total	\$178,652	\$116,812	\$61,840

**2013 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$8,225	\$17,223	\$8,998
Special Revenue	2,492	105,665	103,173
Capital Projects		99,059	99,059
Total	\$10,717	\$221,947	\$211,230

**2013 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$32,649	\$25,900	\$6,749
Special Revenue	158,702	120,652	38,050
Capital Projects		99,059	(99,059)
Total	\$191,351	\$245,611	(\$54,260)

**SYMMES TOWNSHIP  
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(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.

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

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

**5. Debt**

Debt outstanding at December 31, 2014 was as follows:

	Principal	Interest Rate
General Obligation Road Maintenance Equipment Bonds	\$24,900	3.75%
Total	\$24,900	

The Township issued general obligation road maintenance equipment bonds to finance the purchase of a truck and backhoe for Township road maintenance through USDA Rural Development. The Township's taxing authority collateralizes the bonds.

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

	General Obligation Bonds
Year ending December 31:	
2015	\$8,934
2016	8,935
2017	8,922
Total	\$26,791

**SYMMES TOWNSHIP  
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
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 this 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% respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2014.

**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, 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  
LAWRENCE COUNTY**

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

**7. 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 (the latest information available):

	<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 \$3,000.

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>
\$4,627	\$4,996

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  
LAWRENCE COUNTY**

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

**8. Contingent Liabilities**

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

**9. Encumbrances**

Encumbrances outstanding at December 31 may be reported as part of restricted, committed, or assigned classifications of fund balance. At December 31, 2013, the Township's commitments for encumbrances in the General Fund and Special Revenue Funds were \$20 and \$194, respectively. There were no encumbrances outstanding at December 31, 2014.





# Dave Yost • Auditor of State

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

Symmes Township  
Lawrence County  
11423 County Road 14  
P.O. Box 38  
Waterloo, Ohio 45688

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 the Symmes Township, Lawrence 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 April 21, 2016 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.

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.

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 2014-003 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2014-001 and 2014-002.

***Entity'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 audit the Township's responses 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 communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

April 21, 2016

**SYMMES TOWNSHIP  
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013**

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

**FINDING NUMBER 2014-001**

**Noncompliance - Finding for Recovery – Repaid Under Audit**

**Ohio Rev. Code, Section 507.09**, defines, in part, the maximum compensation allowed for Township Fiscal Officers based on their annual budget. During January 1 through February 13, 2013, the Township Fiscal Officer was entitled to annual compensation of \$12,733 because the Township’s budget was between \$250,001 and \$500,000. The Township’s Official Certificate of Estimated Resources for 2013 which was dated October 30, 2012 showed a total of \$318,439.37. The Township decreased estimated resources to \$232,510.37 with the Amended Official Certificate of Estimated Resources dated February 14, 2013. The Township further decreased estimated resources to \$229,410.37 with the Amended Official Certificate of Estimated Resources dated April 18, 2013. During February 14, 2013 through December 31, 2013, the Township Fiscal Officer was entitled to annual compensation of \$9,903 because the Township’s budget was between \$100,001 and \$250,000.

As stated above, the Fiscal Officer was entitled to be paid annual compensation of \$12,733 from January 1, 2013 through February 13, 2013. From February 14, 2013 through December 31, 2013, the Fiscal Officer was entitled to be paid annual compensation of \$9,903. The Township, however, erroneously paid the Fiscal Officer at an incorrect rate for February 14, 2013 to December 31, 2013. This resulted in the Fiscal Officer being overpaid as follows:

Fiscal Officer Name	Ohio Rev. Code Approved Pay from January 1, 2013 to February 13, 2013	Ohio Rev. Code Approved Pay from February 14, 2013 to December 31, 2013	Total Ohio Rev. Code Approved Pay for 2013	2013 Actual Amount Paid	2013 Over / (Under) Payment
Patricia Belville	\$1,553.73	\$8,694.60	\$10,248.33	\$12,732.72	\$2,484.39

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Patricia Belville, Symmes Township Fiscal Officer in the amount of \$2,484.39 and in favor of Symmes Township, Lawrence County, General Fund for \$998.66; Gasoline Tax Fund for \$848.99; Motor Vehicle License Tax Fund for \$318.37; and Road and Bridge Fund for \$318.37.

The amount was repaid in full by the Fiscal Officer, Patricia Belville on March 31, 2016 and April 3, 2016 and was posted to the Township’s accounting system via receipt numbers 17-2016 and 19-2016.

We recommend that the Township monitor payments to elected officials to ensure that payments are in accordance with the Ohio Revised Code.

**Officials’ Response:**

The Township will strive to monitor this item to ensure they are in accordance with the Ohio Revised Code. Finding has been paid in full.

**FINDING NUMBER 2014-002**

**Noncompliance - Finding for Recovery – Repaid Under Audit**

**Ohio Rev. Code, Section 505.24**, defines, in part, the maximum compensation allowed for Township Trustees based on their annual budget. During January 1 through February 13, 2013, the Township Trustees were entitled to annual compensation of \$8,490, or \$42.45 per day up to a maximum of 200 days, because the Township’s budget was between \$250,001 and \$500,000. The Township’s Official Certificate of Estimated Resources for 2013 which was dated October 30, 2012 showed a total of \$318,439.37. The Township decreased estimated resources to \$232,510.37 with the Amended Official Certificate of Estimated Resources dated February 14, 2013. The Township further decreased estimated resources to \$229,410.37 with the Amended Official Certificate of Estimated Resources dated April 18, 2013. During February 14, 2013 through December 31, 2013, the Township Trustees were entitled to annual compensation of \$7,332, or \$36.66 per day up to a maximum of 200 days, because the Township’s budget was between \$100,001 and \$250,000.

As stated above, the Trustees were entitled to be paid at the rate of \$42.45 per day from January 1, 2013 through February 13, 2013. From February 14, 2013 through December 31, 2013, the Township Trustees were entitled to be paid at the rate of \$36.66 per day. The Township, however, erroneously paid the Trustees at an incorrect rate for February 14, 2013 to December 31, 2013. This resulted in each Township Trustee being overpaid as follows:

Trustee Name	Ohio Rev. Code Approved Pay from January 1, 2013 to February 13, 2013	Ohio Rev. Code Approved Pay from February 14, 2013 to December 31, 2013	Total Ohio Rev. Code Approved Pay for 2013	2013 Actual Amount Paid	2013 Over / (Under) Payment
Rick Carpenter	\$1,035.98	\$6,437.32	\$7,473.30	\$8,490	\$1,016.70
Ronald Hatfield	\$1,035.98	\$6,437.32	\$7,473.30	\$8,490	\$1,016.70
Cecil Mays	\$1,035.98	\$6,437.32	\$7,473.30	\$8,490	\$1,016.70

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Rick Carpenter, Ronald Hatfield, and Cecil Mays, Symmes Township Trustees in the amount of \$1,016.70 for Rick Carpenter, \$1,016.70 for Ronald Hatfield, and \$1,016.70 for Cecil Mays and in favor of Symmes Township, Lawrence County, General Fund for \$152.52 and Gasoline Tax Fund for \$2,897.58.

The amount was repaid in full by the Fiscal Officer, Patricia Belville on March 31, 2016 and April 3, 2016 and was posted to the Township’s accounting system via receipt numbers 17-2016 and 19-2016.

We recommend that the Township monitor payments to elected officials to ensure that payments are in accordance with the Ohio Revised Code.

**Officials’ Response:**

The Township will strive to monitor this item to ensure they are in accordance with the Ohio Revised Code. Finding has been paid in full.

**FINDING NUMBER 2014-003**

**Material Weakness**

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements.

Sound financial reporting is the responsibility of the Fiscal Officer and Board of Trustees and is essential to ensure the information provided to the readers of the financial statement is complete and accurate.

The Township misclassified and misposted various revenues and expenditures to the annual financial report submitted to the Auditor of State for fiscal years 2014 and 2013. These misstatements had the following effect on the Township's financial statements:

On the December 31, 2014 Financial Statement:

- General Fund intergovernmental receipts in the amount of \$1,221 were posted as property and other local taxes.
- Road and Bridge Fund intergovernmental revenues in the amount of \$337 were posted to the General Fund.
- Road and Bridge Fund property and other local taxes revenues in the amount of \$1,570 were posted to the General Fund.
- General Fund assigned fund balance of \$6,677 was improperly classified as unassigned fund balance.
- Road and Bridge Fund committed fund balance of \$9,144 was improperly classified as restricted fund balance.
- Gasoline Tax Fund public works expenditures in the amount of \$1,000 were improperly classified as capital outlay.
- Debt payment activity for principal retirement in the amount of \$7,700 and interest expense in the amount of \$1,223 was classified as capital outlay in the amount of \$4,923 and public work in the amount of \$4,000.

On the December 31, 2013 Financial Statement:

- General Fund intergovernmental receipts in the amount of \$1,087 were posted as property and other local taxes.
- Road and Bridge Fund intergovernmental revenues in the amount of \$319 were posted to the General Fund.
- On behalf activity relating to a Community Development Block Grant in the amount of \$99,059 was not recorded.
- Road and Bridge Fund committed fund balance of \$16,873 was improperly classified as restricted fund balance.

**FINDING NUMBER 2014-003  
(Continued)**

- Insurance proceeds in the amount of \$8,280 in the Motor Vehicle License Tax Fund were improperly classified as Transfers In.
- FEMA Fund public works expenditures in the amount of \$6,524 were improperly classified as other financing uses.
- Debt payment activity for principal retirement in the amount of \$7,400 and interest expense in the amount of \$1,340 was classified as Capital Outlay.

This resulted in audit adjustments and reclassifications to the financial statements as noted above.

The fund balance adjustments have been posted to the Township's accounting system.

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and footnotes by the Fiscal Officer and Board of Trustees to identify and correct errors and omissions.

We also recommend the Fiscal Officer take care in posting transactions in order to ensure the year-end financial statements reflect the appropriate activity for the Township's receipts and expenditures.

**Officials' Response:**

The Township will strive to improve this item for future audits.

**SYMMES TOWNSHIP  
LAWRENCE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
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; <b><i>Explain</i></b>
2012-01	Ohio Revised Code Section 5705.41(D) – Funds not properly certified in advance of Expenditure.	No	Not Corrected. Management letter comment issued.
2012-02	Material Weakness relating to misclassified and misposted revenues and expenditures on the financial statement.	No	Not Corrected. See Finding Number 2014-003.

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# Dave Yost • Auditor of State

**SYMMES TOWNSHIP**

**LAWRENCE 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  
MAY 17, 2016**