



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SYMMES TOWNSHIP
HAMILTON COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of Symmes Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion 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 opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than general accepted accounting principles.

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 the Township as of December 31, 2000 and 1999 and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As discussed in Note 9, during 1999 the Township added amounts held in trust as Debt Service fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated on September 26, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

September 26, 2001

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$462,110	\$2,929,420		\$0	\$3,391,530
Intergovernmental	571,182	432,991	\$35,785		1,039,958
Payment in Lieu of Taxes			306,615		306,615
Special Assessments		120,248			120,248
Licenses, Permits, and Fees	51,392	154,679			206,071
Fines, Forfeitures, and Penalties	3,375				3,375
Gifts				2,300	2,300
Earnings on Investments	241,209	21,074	30,275		292,558
Other Revenue	127,288	260,681			387,969
Total Cash Receipts	<u>1,456,556</u>	<u>3,919,093</u>	<u>372,675</u>	<u>2,300</u>	<u>5,750,624</u>
Cash Disbursements:					
Current:					
General Government	834,374	5,724	3,547		843,645
Public Safety		1,887,947			1,887,947
Public Works	9,266	268,395			277,661
Health	70,516	18,807			89,323
Conservation - Recreation		310,154		2,304	312,458
Debt Service:					
Redemption of Principal	0	0	65,000		65,000
Interest and Fiscal Charges	0	0	108,950		108,950
Capital Outlay	26,652	770,639			797,291
Total Cash Disbursements	<u>940,808</u>	<u>3,261,666</u>	<u>177,497</u>	<u>2,304</u>	<u>4,382,275</u>
Total Receipts Over/(Under) Disbursements	<u>515,748</u>	<u>657,427</u>	<u>195,178</u>	<u>(4)</u>	<u>1,368,349</u>
Other Financing Receipts/(Disbursements):					
Other Sources	30,354				30,354
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>546,102</u>	<u>657,427</u>	<u>195,178</u>	<u>(4)</u>	<u>1,398,703</u>
Fund Cash Balances, January 1	<u>1,010,258</u>	<u>2,225,086</u>	<u>572,308</u>	<u>20,063</u>	<u>3,827,715</u>
Fund Cash Balances, December 31	<u>\$1,556,360</u>	<u>\$2,882,513</u>	<u>\$767,486</u>	<u>\$20,059</u>	<u>\$5,226,418</u>
Reserve for Encumbrances, December 31	<u>\$19,361</u>	<u>\$441,240</u>	<u>\$0</u>	<u>\$0</u>	<u>\$460,601</u>

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

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASHBALANCES - NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Non-Expendable Trust</u>
Operating cash receipts:	
Interest	<u>\$5,363</u>
Total operating cash receipts	5,363
Operating cash disbursements:	
Contractual services	<u>14,401</u>
Total operating cash disbursements	<u>14,401</u>
Operating income/(loss)	(9,038)
Fund cash balance, January 1	<u>83,292</u>
Fund cash balance, December 31	<u><u>\$74,254</u></u>
Reserve for encumbrances, December 31	<u><u>\$2,100</u></u>

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

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes	\$422,620	\$2,980,208		\$0	\$3,402,828
Intergovernmental	510,568	432,336	\$31,652		974,556
Payment in Lieu of Taxes			286,233		286,233
Special Assessments		113,503			113,503
Licenses, Permits, and Fees	60,026	147,715			207,741
Fines, Forfeitures, and Penalties	1,975				1,975
Earnings on Investments	170,800	18,636	19,517		208,953
Other Revenue	131,014	12,123		1,962	145,099
Total Cash Receipts	<u>1,297,003</u>	<u>3,704,521</u>	<u>337,402</u>	<u>1,962</u>	<u>5,340,888</u>
Cash Disbursements:					
Current:					
General Government	1,053,299	19,467	3,385		1,076,151
Public Safety		1,898,367			1,898,367
Public Works	9,294	279,310			288,604
Health	55,109	16,786			71,895
Conservation - Recreation		306,067		3,996	310,063
Debt Service:					
Redemption of Principal	0	0	60,000		60,000
Interest and Fiscal Charges	0	0	112,714		112,714
Capital Outlay	341,166	341,071			682,237
Total Cash Disbursements	<u>1,458,868</u>	<u>2,861,068</u>	<u>176,099</u>	<u>3,996</u>	<u>4,500,031</u>
Total Receipts Over/(Under) Disbursements	<u>(161,865)</u>	<u>843,453</u>	<u>161,303</u>	<u>(2,034)</u>	<u>840,857</u>
Other Financing Receipts/(Disbursements):					
Other Sources	32,086				32,086
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(129,779)</u>	<u>843,453</u>	<u>161,303</u>	<u>(2,034)</u>	<u>872,943</u>
Fund Cash Balances, January 1 (Restated)	<u>1,140,037</u>	<u>1,381,633</u>	<u>411,005</u>	<u>22,097</u>	<u>2,954,772</u>
Fund Cash Balances, December 31	<u>\$1,010,258</u>	<u>\$2,225,086</u>	<u>\$572,308</u>	<u>\$20,063</u>	<u>\$3,827,715</u>
Reserve for Encumbrances, December 31	<u>\$56,168</u>	<u>\$150,275</u>	<u>\$0</u>	<u>\$0</u>	<u>\$206,443</u>

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

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES - NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Non-Expendable Trust</u>
Operating cash receipts:	
Interest	<u>\$6,162</u>
Total operating cash receipts	6,162
Operating cash disbursements:	
Contractual services	<u>32,299</u>
Total operating cash disbursements	<u>32,299</u>
Operating income/(loss)	(26,137)
Fund cash balance, January 1	<u>109,429</u>
Fund cash balance, December 31	<u><u>\$83,292</u></u>
Reserve for encumbrances, December 31	<u><u>\$1,501</u></u>

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

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Symmes Township, Hamilton County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Loveland/Symmes Fire District to provide fire and ambulance services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost.

Investment are reported as assets. According, purchases of investments are not recorded as disbursements, and sale of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from 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 money and is used to pay for police protection within the Township

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fire District Fund - This fund receives property tax money and is used to pay for fire protection within the Township.

Park Levy Fund - This fund receives property tax money and is used for construction and maintenance of Township parks.

3. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

Tax Increment Financing Fund - This fund receives payment in lieu of taxes (PILOT) assessed and collected by the County for repaying the principal and interest of the Township's revenue note.

4. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant Fiduciary Funds:

Expendable Trust Fund - This fund receives donations and is used for recreational and leisure time activities.

Non-Expendable Trust Fund - Cemetery Bequest Fund - This fund receives interest from the Township's interim deposits and is used for various improvements of Union Cemetery.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made.

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law. However, all material encumbrances outstanding at December 31, 2000 and 1999 are disclosed on the financial statements.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$565,913	\$339,151
Certificates of deposit	<u>4,475,000</u>	<u>3,312,000</u>
Total deposits	<u>5,040,913</u>	<u>3,651,151</u>
Riverfront U.S. Government Security Money Market Fund	<u>259,759</u>	<u>259,856</u>
Total investments	<u>259,759</u>	<u>259,856</u>
Total deposits and investments	<u><u>\$5,300,672</u></u>	<u><u>\$3,911,007</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool. Certificate of deposits are insured by surety bonds.

Investments: Investments in Money Market funds are not evidenced by securities that exist in physical or book-entry form. These investments are valued at fair market value.

Trust: The tax increment revenue note trust agreement requires the Township to establish a debt service fund that is to be maintained by a Trustee, for payment of principal and interest. At December 31, 2000 and 1999, the Trustee held on the Township's behalf \$764,844 and 569,666 respectively, which are included above in demand deposits and the Riverfront Security.

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,069,734	\$1,486,910	\$417,176
Special Revenue	3,736,440	3,919,093	182,653
Debt Service	319,000	372,675	53,675
Expendable Trust	620	2,300	1,680
Non-Expendable Trust	3,000	5,363	2,363
Total	\$5,128,794	\$5,786,341	\$657,547

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,579,756	\$960,169	\$619,587
Special Revenue	4,589,676	3,702,906	886,770
Debt Service	342,400	177,497	164,903
Expendable Trust	23,008	2,304	20,704
Non-Expendable Trust	16,500	16,501	(1)
Total	\$6,551,340	\$4,859,377	\$1,691,963

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,057,300	\$1,329,089	\$271,789
Special Revenue	3,649,505	3,704,521	55,016
Debt Service	225,000	337,402	112,402
Expendable Trust	0	1,962	1,962
Non-Expendable Trust	8,000	6,162	(1,838)
Total	\$4,939,805	\$5,379,136	\$439,331

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,078,902	\$1,515,036	\$563,866
Special Revenue	3,339,569	3,011,343	328,226
Debt Service	300,000	176,099	123,901
Expendable Trust	22,097	3,996	18,101
Non-Expendable Trust	36,000	33,800	2,200
Total	\$5,776,568	\$4,740,274	\$1,036,294

Contrary to Ohio law, at December 31, 2000, the Expendable Trust and Tax Increment Financing funds had total appropriations in excess of total estimated resources by \$824 and \$23,400, respectively. The Tax Increment Financing fund also had total appropriations in excess of total estimated resources by \$75,000 at December 31, 1999.

The Park Fund had total expenditures which exceeded total appropriations by \$108,427 at December 31, 1999, contrary to Ohio law.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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, 2000 was as follows:

	Principal	Interest Rate
TIF Revenue Note	\$1,740,000	6%

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999
(Continued)**

5. DEBT (Continued)

In 1993, the Township adopted a tax increment financing plan. The financing plan was earmarked for private street and sewers for the Symmes Station Project. In order to fund the improvements, the Township has issued a registered revenue note in the total amount of \$1,975,000. For financial reporting purposes, the Township has reported the activity of this Trustee account in the financial statements as a Debt Service fund (to report note servicing activities). The notes are being repaid from service payments that were assessed and collected by the County. These service payments are payments made by the property owners in lieu of real property taxes (PILOT). The notes commenced maturing in December 1997, and will reach final maturity on December 1, 2016.

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

Year ending December 31:	Tax Increment Note
2001	\$174,400
2002	170,200
2003	171,000
2004	171,500
2005	171,700
2006-2010	860,700
2011-2015	862,900
2016	<u>174,900</u>
Total	<u><u>\$2,757,300</u></u>

6. RETIREMENT SYSTEMS

The Township's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Township contributed an average rate of 10.84% for fiscal year 2000 and 13.55% for fiscal year 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- General liability and casualty
- Public official's liability
- Township police liability
- Vehicles

The Township also provides health insurance to full-time employees through a private carrier.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

To the Board of Trustees:

We have audited the accompanying financial statements of Symmes Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated September 26, 2001, in which we noted the Township revised its accounting for amounts held in trust. 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.

Compliance

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 grants, noncompliance with which could have a direct and material effect on 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2000-40431-001 through 2000-40431-004. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated September 26, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention related to significant deficiencies in the design or operation of the internal control over financial reporting that in our judgement, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings as items 2000-40431-002 and 2000-40431-003.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Symmes Township
Hamilton County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated September 26, 2001.

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

Jim Petro
Auditor of State

September 26, 2001

**SYMMES TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

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

FINDING NUMBER 2000-40431-001

Noncompliance Citation

Ohio Rev. Code, Section 5705.39, states that the total appropriation from each fund shall not exceed the total estimated revenue as certified by the budget commission.

Appropriations exceeded the estimated revenues in the following funds:

Fund	<u>Estimated Revenues</u>	<u>Appropriations</u>	<u>Variance</u>
<u>FY 2000</u>			
Expendable Trust	\$20,683	\$21,507	(\$824)
Tax Increment Financing	319,000	342,400	(23,400)
<u>FY 1999</u>			
Tax Increment Financing	225,000	300,000	(75,000)

FINDING NUMBER 2000-40431-002

Noncompliance Citation/Reportable Condition

Ohio Rev. Code Section 5705.41(B), states that no subdivision or taxing unit is to expend money unless it has been appropriated. In addition, Ohio Rev. Code Section 5705.41(D) does not allow an order or contract to be entered into without the fiscal officer's certification that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in process of collection to the credit of an appropriate fund free from any previous encumbrances. At December 31, 1999, the Park Fund had expenditures of \$335,427 and appropriations of \$227,000 which resulted in a variance of \$108,427. This amount exceed appropriations in by 47.8%. However, this did not result in a negative cash fund balance.

FINDING NUMBER 2000-40431-003

Noncompliance Citation/Reportable Condition

Ohio Rev. Code Section 5705.41 (D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate needs be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two exceptions to the above requirements:

1. Then and Now Certificates- If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board of Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
2. If the amount involved is less than \$1,000 dollars, the Clerk may authorize payment through a Then and Now Certificate without affirmation of the Board of Trustees, if such expenditure is otherwise valid.

Contrary to the above requirements, the Township failed to obtain the certification of the availability of funds from the Clerk prior to the invoice date for 73% of expenditures tested, and neither of the two exceptions provided above were utilized.

FINDING NUMBER 2000-40431-004

Noncompliance Citation

Section 3.02 of the Trust Agreement between the Township and Provident Bank (Trustee) for the Symmes Station Project requires an Authorized Officer to request that the Trustee transfer any amount remaining in the Construction Fund to the Note fund after the project is complete. The Township completed the Symmes Station Project at the end of 1998. However, as of 12/31/00, the Construction fund had a cash and investments balance totaling \$137,839.

Section 3.06(e) of the Trust Agreement between the Township and Provident Bank for the Symmes Station Project requires, if there are no delinquent payments of principal and interest, money transferred to the Note Fund (above reserve requirements) in excess of the amount necessary to be applied in payment of principal and interest (and redemption premium, if any) due and payable on the Notes due on the Payment Date next following the date of deposit, including interest earned, shall be credited against the next ensuing Minimum Service Payment. At the time of excess money in the Note fund, the Trustee shall report the amount of the deposit to the Township and the Developer and the amount of the next ensuing Minimum Service Payment (if any) due from the Developers shall be reduced by the amount on Deposit.

Section 2.16 of the Trust Agreement between the Township and Provident Bank for the Symmes Station Project gives the Issuer the option to call the notes on or after December 1, 2001.

The Township should take the necessary steps required by their Trustee to close the Construction Fund. This will allow for the funds remaining in the Construction fund to be used for the payment of principal and interest on the tax increment notes.

Also since the Bond Account had a balance of \$577,776 at December 31, 2000. We recommend that the Township do one of the following:

- A. The Township should notify the developer/tax payers that they can reduce their minimum service payments to the County, since there are sufficient funds to cover the next three minimum service payments; or
- B. The Township can continue to build their bond account balance, and call the notes early, which will reduce the total amount of interest paid on their debt.



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SYMMES TOWNSHIP

HAMILTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 9, 2001**