



**MILLER TOWNSHIP
KNOX COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

MILLER TOWNSHIP
KNOX COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Fiduciary Fund Type For the Year Ended December 31, 2000	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance - Nonexpendable Trust Fund For the Year Ended December 31, 2000	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Fiduciary Fund Type For the Year Ended December 31, 1999	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance - Nonexpendable Trust Fund For the Year Ended December 31, 1999	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13

THIS PAGE INTENTIONALLY LEFT BLANK



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Second Floor
Columbus, Ohio 43216
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Board Of Trustees
Miller Township
Knox County
13621 Sycamore Road
Mt. Vernon, OH 43050

We have audited the accompanying financial statements of Miller Township, Knox County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 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 audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits 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 audits provide 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Miller Township, Knox County, Ohio, as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2001 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 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 audits.

This report is intended solely for the information and use of management, the Board of Township 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

February 16, 2001

THIS PAGE INTENTIONALLY LEFT BLANK

**MILLER TOWNSHIP
KNOX COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Local Taxes	\$19,450	\$17,133	\$0	\$36,583
Intergovernmental	27,966	62,585	0	90,551
Licenses, Permits, and Fees	2,826	1,550	0	4,376
Earnings on Investments	1,115	537	28	1,680
Other Revenue	2,168	2,407	0	4,575
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	53,525	84,212	28	137,765
Cash Disbursements:				
Current:				
General Government	32,199	0	0	32,199
Public Safety	0	10,303	0	10,303
Public Works	1,892	71,836	0	73,728
Health	6,131	467	0	6,598
Conservation - Recreation	374	0	75	449
Capital Outlay	2,000	7,819	0	9,819
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	42,596	90,425	75	133,096
Total Receipts Over/(Under) Disbursements	10,929	(6,213)	(47)	4,669
Fund Cash Balances, January 1, 2000	45,627	73,433	1,608	120,668
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31, 2000	<u>\$56,556</u>	<u>\$67,220</u>	<u>\$1,561</u>	<u>\$125,337</u>

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

MILLER TOWNSHIP
KNOX COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>NonExpendable Trust</u>
Operating Cash Receipts:	
Interest	\$218
	<hr/>
Total Operating Cash Receipts	218
Operating Cash Disbursements:	
Supplies and Materials	36
Capital Outlay	1,200
	<hr/>
Total Operating Cash Disbursements	1,236
	<hr/>
Operating Income/(Loss)	(1,018)
	<hr/>
Fund Cash Balance, January 1, 2000	4,623
	<hr/>
Fund Cash Balance, December 31, 2000	<u><u>\$3,605</u></u>

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

**MILLER TOWNSHIP
KNOX COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Local Taxes	\$15,623	\$16,146	\$0	\$31,769
Intergovernmental	36,326	62,760	0	99,086
Licenses, Permits, and Fees	2,205	2,060	0	4,265
Earnings on Investments	935	427	24	1,386
Other Revenue	261	2,834	0	3,095
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	55,350	84,227	24	139,601
Cash Disbursements:				
Current:				
General Government	36,068	0	0	36,068
Public Safety		20,809	0	20,809
Public Works	1,786	49,835	0	51,621
Health	5,013	486	0	5,499
Conservation - Recreation	246	0	55	301
Capital Outlay	0	1,200	0	1,200
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	43,113	72,330	55	115,498
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	12,237	11,897	(31)	24,103
Other Financing Receipts:				
Other Sources	<hr/>	<hr/>	<hr/>	<hr/>
	68	0	0	68
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	12,305	11,897	(31)	24,171
Fund Cash Balances, January 1, 1999	<hr/>	<hr/>	<hr/>	<hr/>
	33,322	61,536	1,639	96,497
Fund Cash Balances, December 31, 1999	<hr/> \$45,627	<hr/> \$73,433	<hr/> \$1,608	<hr/> \$120,668

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

MILLER TOWNSHIP
KNOX COUNTY

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

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	<u>\$160</u>
Total Operating Cash Receipts	160
Total Operating Cash Disbursements	<u>0</u>
Operating Income/(Loss)	160
Fund Cash Balance, January 1, 1999	<u>4,463</u>
Fund Cash Balance, December 31, 1999	<u><u>\$4,623</u></u>

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

**MILLER TOWNSHIP
KNOX COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Miller Township, Knox 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'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. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales 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 Fund:

Motor Vehicle Tax, Gasoline Tax, Road and Bridge, and Permissive Motor Vehicle Tax Funds - These funds receive gasoline tax, local taxes, and motor vehicle tax money for constructing, maintaining and repairing Township roads.

**MILLER TOWNSHIP
KNOX COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. 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 - Park Fund - This fund receives gifts and donations from benefactors and uses the fund balance from a certificate of deposit for improving the Township's Parks.

Non-Expendable Trust - Cemetery Bequest Fund - This fund receives gifts and donations from benefactors and uses the interest earned on the fund balance from a certificate of deposit for improving the Township's cemeteries.

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 and 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. Outstanding encumbrances at year end are carried forward and need not be re-appropriated.

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.

**MILLER TOWNSHIP
KNOX COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31, 2000 and December 31, 1999 were as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$123,776	\$120,668
Certificates of deposit	<u>5,166</u>	<u>4,623</u>
Total deposits	<u>\$128,942</u>	<u>\$125,291</u>

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

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	\$42,996	\$53,525	\$10,529
Special Revenue	82,687	84,212	1,525
Expendable Trust	48	28	(20)
Non-Expendable Trust	<u>244</u>	<u>218</u>	<u>(26)</u>
Total	<u>\$125,975</u>	<u>\$137,983</u>	<u>\$12,008</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$88,623	\$42,596	\$46,027
Special Revenue	156,119	90,425	65,694
Expendable Trust	1,655	75	1,580
Non-Expendable Trust	<u>4866</u>	<u>1,236</u>	<u>3,630</u>
Total	<u>\$251,263</u>	<u>\$134,332</u>	<u>\$116,931</u>

**MILLER TOWNSHIP
KNOX COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$42,771	\$55,418	\$12,647
Special Revenue	80,178	84,227	4,049
Expendable Trust	46	24	(22)
Non-Expendable Trust	136	160	24
Total	\$123,131	\$139,829	\$16,698

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$76,093	\$43,113	\$32,980
Special Revenue	141,713	72,330	69,383
Expendable Trust	1,685	55	1,630
Non-Expendable Trust	4,699	0	4,699
Total	\$224,190	\$115,498	\$108,692

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. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

PERS members contributed 8.5% of their gross salaries. In 1999, Township contributed an amount equal to 13.55% of participants' gross salaries. In 2000, the Township contributed an average of 10.84%. The Township has paid all contributions required through December 31, 2000.

**MILLER TOWNSHIP
KNOX COUNTY**

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

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive Municipal Liability
- Public Officials Errors & Omissions
- Automobile Liability
- Auto Physical Damage Coverage
- Property Coverage
- Valuable Papers & Records
- Business Electronic Equipment
- Inland Marine Coverage

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

THIS PAGE INTENTIONALLY LEFT BLANK



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Second Floor
Columbus, Ohio 43216

Telephone 614-466-3402
800-443-9275

Facsimile 614-728-7199
www.auditor.state.oh.us

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

Board Of Trustees
Miller Township
Knox County
13621 Sycamore Road
Mt. Vernon, Ohio 43050

To the Board of Trustees:

We have audited the accompanying financial statements of Miller Township, Knox County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated February 16, 2001. We conducted our audits in accordance with generally accepted auditing standards 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated February 16, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated February 16, 2001.

Miller Township
Knox County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*

This report is intended for the information and use of 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

February 16, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

MILLER TOWNSHIP

KNOX 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
MARCH 20, 2001**