

MILLER TOWNSHIP

KNOX COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2020 & 2019**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

Board of Trustees
Miller Township
2639 Possum Street
Mount Vernon, Ohio 43050

We have reviewed the *Independent Auditor's Report* of Miller Township, Knox County, prepared by Julian & Grube, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 28, 2021

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**MILLER TOWNSHIP
KNOX COUNTY, OHIO**

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Independent Auditor's Report

Miller Township
Knox County
2639 Possum Street
Mount Vernon, Ohio 43050

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and December 31, 2019, and related notes of Miller Township, Knox County, Ohio.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), as described in Note 2. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Miller Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Miller Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2, the financial statements are prepared by Miller Township, on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D).

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Though Miller 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 "Unmodified 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 Miller Township, as of December 31, 2020 and 2019, or changes in net position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and December 31, 2019, and related notes of Miller Township, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) as described in Note 2.

Emphasis of Matters

As described in Note 12 to the financial statements, for the year ended December 31, 2020, Miller Township adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types. As described in Note 13 to the financial statements, for the year ended December 31, 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of Miller Township. Our opinions are not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2021, on our consideration of Miller Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Miller Township's 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 Miller Township's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
August 27, 2021

**MILLER TOWNSHIP
KNOX COUNTY, OHIO**

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020*

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts:				
Property and Other Taxes	\$ 53,904	\$ 89,993	\$ -	\$ 143,897
Licenses, Permits, and Fees	10,476	-	-	10,476
Intergovernmental	25,483	228,583	-	254,066
Earnings on Investments	176	29	10	215
Miscellaneous	6,304	10,407	-	16,711
<i>Total Cash Receipts</i>	<u>96,343</u>	<u>329,012</u>	<u>10</u>	<u>425,365</u>
Cash Disbursements:				
Current:				
General Government	80,081	-	-	80,081
Public Safety	-	121,197	-	121,197
Public Works	2,525	95,100	-	97,625
Health	1,223	642	-	1,865
Conservation-Recreation	2,223	-	-	2,223
Capital Outlay	-	32,250	-	32,250
<i>Total Cash Disbursements</i>	<u>86,052</u>	<u>249,189</u>	<u>-</u>	<u>335,241</u>
<i>Net Change in Fund Cash Balances</i>	10,291	79,823	10	90,124
<i>Fund Cash Balances, January 1</i>	<u>161,862</u>	<u>263,326</u>	<u>1,473</u>	<u>426,661</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 172,153</u>	<u>\$ 343,149</u>	<u>\$ 1,483</u>	<u>\$ 516,785</u>

See accompanying notes to the financial statement

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

1. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Miller Township, Knox 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 and cemetery maintenance. The Township contracts with the Homer Fire Department to provide fire protection and emergency medical services.

Jointly Governed Organization and Public Entity Risk Pool

The Township participates in a jointly governed organization and a public entity risk pool. Notes 8 and 9 to the financial statements provides additional information for these entities.

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

2. Summary of Significant Accounting Policies

A. Basis of Presentation

The Township's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types. The Township had no proprietary or fiduciary fund types.

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 maintains an interest earning checking account and a certificate of deposit.

D. Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

2. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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 Funds:

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

Fire Fund - This fund receives property tax money to pay for contracted fire protection services.

Ambulance Fund - This fund receives property tax money to pay for contracted ambulance services.

Coronavirus Relief Fund - This fund receives grant monies as a result of the CARES Act for responding to the COVID-19 pandemic.

3. Permanent Funds

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following permanent fund:

Cemetery Bequest Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

E. Budgetary Process

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

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

2. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

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 2020 budgetary activity appears in Note 4.

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. For regulatory purposes, nonspendable fund balance includes the nonspendable portion of the corpus in permanent funds.

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.

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

2. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

G. Property, Plant, and Equipment

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

H. Accumulated Leave

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

3. Equity in Pooled Deposits

The Township maintains a deposit pool of all funds to use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31, 2020 was as follows:

	2020
Demand deposits	\$515,305
Certificates of deposit	1,480
Total deposits	516,785

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

4. Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$98,283	\$96,343	(\$1,940)
Special Revenue	276,052	329,012	52,960
Permanent	11	10	(1)
Total	\$374,346	\$425,365	\$51,019

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$260,145	\$86,431	\$173,714
Special Revenue	518,120	251,680	266,440
Permanent	383	0	383
Total	\$778,648	\$338,111	\$440,537

5. 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.

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

6. Defined Benefit Pension Plan

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 plan's benefits, which include postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2020, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

7. Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0% during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0% during calendar year 2020.

8. Risk Management

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000.

Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM's property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

Assets	\$ 18,826,974
Liabilities	(13,530,267)
Members' Equity	\$ 5,296,707

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

9. Jointly Governed Organization

The Township belongs to the Knox County Regional Planning Commission (the Commission). The Commission 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 Commission is directed by a board of representatives from each participating subdivision and the county commissioners. The Commission formulates and reviews plans affecting long and short term social, economic and governmental development within the region. Financial information can be obtained from Darrel Severns, Secretary to the Commission at regionalplanning@co.knox.oh.us or 740-393-6718.

10. Debt

Debt outstanding as of December 31, 2020, was as follows:

	Principal	Interest Rate
OPWC Loan	\$56,598	0%
Total	\$56,598	

This loan was secured through the Ohio Public Works Commission to fund road improvements. The amount of the loan was \$79,903 with semi-annual principal payments at 0% interest. The loan is set to mature in 2029. The Township pays this debt out of the Gasoline Tax Fund.

Amortization

Amortization of the above debt, is scheduled as follows:

Year Ending December 31:	OPWC Loan CQ32T
2021	\$6,659
2022	6,659
2023	6,659
2024	6,659
2025	6,659
2026-2029	23,303
Total	\$56,598

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

11. Fund Balances

Included in fund balance are amounts the Township cannot spend, including the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Corpus	0	0	1,100	1,100
Outstanding Encumbrances	379	2,491	0	2,870
Total	<u>\$379</u>	<u>\$2,491</u>	<u>\$1,100</u>	<u>\$3,970</u>

The fund balance of special revenue funds is restricted. The fund balance of permanent funds that is not part of the nonspendable corpus is restricted. These restricted amounts in the special revenue and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

12. Change in Accounting Principle

For 2020, the Township has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

13. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Township received CARES Act funding. Of the amounts received, \$58,354 was spent on-behalf of other governments. These amounts are reflected as public safety expenditures in the Special Revenue Funds on the accompanying financial statements.

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

14. Noncompliance

The Township did not comply with the following material compliance requirements:

- 26 US Code Sections 3102 and 3402 for not remitting filings or payments on certain quarterly federal withholdings or applicable employer matches.
- Ohio Revised Code Sections 5747.06 and 5747.07 (B) for not remitting State, School District, or Local income tax withholdings to the required agencies.
- Ohio Revised Code Section 505.24(C) for lack of proper support of Trustee's certification of time spent working on matters to be paid from the township general fund and from other township funds.

**MILLER TOWNSHIP
KNOX COUNTY, OHIO**

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019*

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts:				
Property and Other Taxes	\$ 52,526	\$ 82,559	\$ -	\$ 135,085
Licenses, Permits, and Fees	8,197	-	-	8,197
Intergovernmental	49,043	150,829	-	199,872
Earnings on Investments	110	19	11	140
Miscellaneous	-	600	-	600
<i>Total Cash Receipts</i>	<u>109,876</u>	<u>234,007</u>	<u>11</u>	<u>343,894</u>
Cash Disbursements:				
Current:				
General Government	84,896	-	-	84,896
Public Safety	-	61,556	-	61,556
Public Works	2,415	98,179	-	100,594
Health	1,903	807	-	2,710
Conservation-Recreation	2,015	-	-	2,015
<i>Total Cash Disbursements</i>	<u>91,229</u>	<u>160,542</u>	<u>-</u>	<u>251,771</u>
<i>Net Change in Fund Cash Balances</i>	18,647	73,465	11	92,123
<i>Fund Cash Balances, January 1</i>	<u>143,215</u>	<u>189,861</u>	<u>1,462</u>	<u>334,538</u>
Fund Cash Balances, December 31				
Nonspendable	-	-	1,100	1,100
Restricted	-	263,326	373	263,699
Assigned	161,862	-	-	161,862
<i>Fund Cash Balances, December 31</i>	<u>\$ 161,862</u>	<u>\$ 263,326</u>	<u>\$ 1,473</u>	<u>\$ 426,661</u>

See accompanying notes to the financial statement

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019

1. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Miller Township, Knox 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 and cemetery maintenance. The Township contracts with the Homer Fire Department to provide fire protection and emergency medical services.

Jointly Governed Organization and Public Entity Risk Pools

The Township participates in a jointly governed organization and a public entity risk pool. Notes 8 and 9 to the financial statements provides additional information for these entities.

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

2. Summary of Significant Accounting Policies

A. Basis of Presentation

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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 maintains an interest earning checking account and a certificate of deposit.

D. Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019

2. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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 Funds:

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

Fire Fund - This fund receives property tax money to pay for contracted fire protection services.

Ambulance Fund - This fund receives property tax money to pay for contracted ambulance services.

3. Permanent Funds

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following permanent fund:

Cemetery Bequest Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's 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. Unencumbered appropriations lapse at year end.

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019

2. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (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 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 2019 budgetary activity appears in Note 4.

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.

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019

2. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

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. Assigned also includes amounts for subsequent year appropriations in excess of estimated receipts.

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.

H. Accumulated Leave

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

3. Equity in Pooled Deposits

The Township maintains a deposit pool of all funds to use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31, 2019 was as follows:

	2019
Demand deposits	\$425,190
Certificates of deposit	1,471
Total deposits	426,661

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019

3. Equity in Pooled Deposits (Continued)

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

4. Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$76,964	\$109,876	\$32,912
Special Revenue	183,557	234,007	50,450
Permanent	5	11	6
Total	\$260,526	\$343,894	\$83,368

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$220,179	\$91,229	\$128,950
Special Revenue	373,419	160,613	212,806
Permanent	367	0	367
Total	\$593,965	\$251,842	\$342,123

5. 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.

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

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019

6. Defined Benefit Pension Plan

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 plan's benefits, which include postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

7. Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0% during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0% during calendar year 2019.

8. Risk Management

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000.

Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019

8. Risk Management (Continued)

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>(11,329,011)</u>
Members’ Equity	\$ 4,591,493

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

9. Jointly Governed Organization

The Township belongs to the Knox County Regional Planning Commission (the Commission). The Commission 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 Commission is directed by a board of representatives from each participating subdivision and the county commissioners. The Commission formulates and reviews plans affecting long and short term social, economic and governmental development within the region. Financial information can be obtained from Darrel Severns, Secretary to the Commission at regionalplanning@co.knox.oh.us or 740-393-6718.

10. Debt

Debt outstanding as of December 31, 2019, was as follows:

	Principal	Interest Rate
OPWC Loan	\$59,927	0%
Total	\$59,927	

This loan was secured through the Ohio Public Works Commission to fund road improvements. The amount of the loan was \$79,903 with semi-annual principal payments at 0% interest. The loan is set to mature in 2029. The Township pays this debt out of the Gasoline Tax Fund.

MILLER TOWNSHIP
KNOX COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019

10. Debt (Continued)

Amortization

Amortization of the above debt, is scheduled as follows:

Year Ending December 31:	OPWC Loan CQ32T
2020	\$3,329
2021	6,659
2022	6,659
2023	6,659
2024	6,659
2025-2029	29,962
Total	<u><u>\$59,927</u></u>

11. Noncompliance

The Township did not comply with the following material compliance requirements:

- 26 US Code Sections 3102 and 3402 for not remitting filings or payments on certain quarterly federal withholdings or applicable employer matches.
- Ohio Revised Code Sections 5747.06 and 5747.07 (B) for not remitting State, School District, or Local income tax withholdings to the required agencies.
- Ohio Revised Code Section 505.24(C) for lack of proper support of Trustee’s certification of time spent working on matters to be paid from the township general fund and from other township funds.

Independent Auditor's 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*

Miller Township
Knox County
2639 Possum Street
Mount Vernon, Ohio 43050

To the Board of Trustees:

We have audited, in accordance with the 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Miller Township, Knox County, Ohio, as of and for the years ended December 31, 2020 and December 31, 2019, and the related notes to the financial statements and have issued our report thereon dated August 27, 2021, wherein we noted as described in Note 2 to the financial statements, Miller Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Furthermore, as described in Note 12 to the financial statements, for the year ended December 31, 2020, Miller Township adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types. Additionally, as described in Note 13 to the financial statements, for the year ended December 31, 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of Miller Township.

Internal Control over Financial Reporting

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

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Miller Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-001 through 2020-004 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Miller Township's financial statements are free from 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 financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as items 2020-002 through 2020-004.

Miller Township's Responses to Findings

Miller Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Miller Township's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Miller Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Miller Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
August 27, 2021

**MILLER TOWNSHIP
KNOX COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2020 AND 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2020-001

Material Weakness - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information.

The following adjustments were made to the financial statements and notes for the years ended December 31, 2020 and 2019, respectively.

2020:

- General Fund licenses, permits and fees receipts were decreased \$8,409, General Fund miscellaneous receipts increased \$6,304, and General Fund cash fund balance was decreased \$2,105. Special Revenue Fund, Gasoline Tax, cash and miscellaneous receipts increased \$2,105. These adjustments were due to BWC refunds not being allocated properly.
- General Fund property and other local tax receipts were decreased \$6,669 and General Fund intergovernmental receipts were increased \$6,669. These adjustments were due to Homestead & Rollback receipts not being recorded properly.
- Special Revenue Fund, Coronavirus Relief Fund, property and other local tax receipts were decreased \$79,612 and intergovernmental receipts were increased \$79,612. These adjustments were due to CARES Act monies not being recorded properly.
- Special Revenue Fund, Coronavirus Relief Fund, general government disbursements were decreased \$58,354 and public safety disbursements were increased \$58,354. These adjustments were due to disbursements of Coronavirus Relief Fund monies not being recorded properly.
- Special Revenue Fund, Gasoline Tax, public works disbursements were decreased \$13,543 and cash fund balance was increased \$13,543, General Fund general government disbursements were increased \$13,543 and cash fund balance was decreased \$13,543. These adjustments were due the Trustee’s pay and employer portion of OPERS not having proper certification.

2019:

- General Fund Unassigned fund balance was decreased \$161,862 and Assigned fund balance was increased \$161,862. This adjustments was to properly record for appropriations in excess of estimated receipts for a subsequent year.
- General Fund property and other local tax receipts were decreased \$26,399 and intergovernmental receipts were increased by \$26,399, Special Revenue Funds (Road and Bridge, Fire, and Ambulance) property and other local tax receipts were decreased by \$3,854, \$13,532, and \$4,005 respectively, and intergovernmental receipts were increased by \$3,854, \$13,532, and \$4,005 respectively. These adjustments were due to Homestead & Rollback receipts not being recorded properly.

**MILLER TOWNSHIP
KNOX COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2020 AND 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2020-001 (Continued)

- Special Revenue Fund, Gasoline Tax, public works disbursements were decreased \$13,543 and cash fund balance was increased \$13,543, General Fund general government disbursements were increased \$13,543 and cash fund balance was decreased \$13,543. These adjustments were due the Trustee’s pay and employer portion of OPERS not having proper certification.

The Township has adjusted their system fund balances for all applicable.

Control procedures not properly developed related to the financial statements limit management’s ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

We recommend Miller Township implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors. A second review of the monthly cash activity and financial statements by someone other than the individual preparing them would be beneficial.

Client Response: The Township Fiscal Officer will more closely examine HINKLE filed report prior to filing and will work toward more accurately presenting those in the future.

Finding Number	2020-002
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Material Weakness/Noncompliance – Federal Withholding

26 US Code Sections 3102 and 3402 require the employing government to withhold federal and employment-related taxes (such as Medicare and Social Security) from each employee. Furthermore, these chapters hold employers liable for reporting and payment of these taxes.

The Township did not file nor submit timely Federal withholding and applicable employer match reports and payments to the IRS for 2019 and 2020. Total estimated unremitted and unpaid is \$18,826.

Lack of filing timely reports and taxes due to the IRS may result in additional fines and penalties.

We recommend that the Township contact the IRS and work to immediately submit and Federal withholding/employer portion taxes and remittances to the IRS in a timely fashion.

Client Response: The current Fiscal Officer is actively working with the IRS and a CPA firm to resolve any discrepancies and expects to have all filings and remittances resolved in October, 2021.

**MILLER TOWNSHIP
KNOX COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2020 AND 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2020-003

Material Weakness/Noncompliance – Other Withholdings

Ohio Revised Code Section 5747.06 requires every employer, including political subdivisions, maintaining an office or transacting business within this state and making payment of any compensation to any employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a tax computed in such manner as to result, as far as practicable, in withholding from the employee’s compensation during each calendar year an amount substantially equivalent to the tax reasonably estimated to be due from the employee under this chapter and Chapter 5748 of the Revised Code with respect to the amount of such compensation included in the employee’s adjusted gross income during the calendar year.

Ohio Revised Code Section 5747.07 (B) provides that, with certain exceptions, every employer is required to deduct and withhold any amount under Ohio Revised Code Section 5747.06 shall file a return and shall pay the amount required by law in accordance with guidelines provided by this section.

The Township did not remit all required State, School District, or Local income tax withholdings to the required agencies for 2019 and 2020. Total estimated unremitted and unpaid is \$2,446 for School District withholding, local withholding and Ohio withholding combined.

Lack of filing timely reports and taxes due to the applicable agencies may result in additional fines and penalties.

We recommend that the Township immediately contact the agencies delinquent and submit/remit any filings/payments due for employee withholding taxes.

Client Response: The current Fiscal Officer is actively working with the local agencies and a CPA firm to resolve any discrepancies and expects to have all filings and remittances resolved in October, 2021.

Finding Number	2020-004
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Material Weakness/Noncompliance – Trustee Pay Allocation

Ohio Revised Code 505.24(C) requires that each trustee shall certify the percentage of time spent working on matters to be paid from the township general fund and from other township funds in such proportions as the kinds of services performed.

The Township Trustees pay and employer portions of OPERS were paid half from the general fund and half from the gasoline tax fund, however the Township was unable to provide the required certifications of the percentage of time spent working on either of those funds. For years ended December 31, 2019 and December 31, 2020, the amounts allocated to the gasoline tax fund in each year was \$13,543, for a total of \$27,086.

Lack of proper support of Trustee’s certification of time spent working on matters to be paid from the township general fund and from other township funds may result in unallowable costs being charged to funds.

We recommend the Township Fiscal Officer and Board of Trustees ensure they maintain support of the Trustee’s certification of time spent working on matters to be paid from the township general fund and from other township funds. Otherwise, this may result in unallowable costs being charged to funds on a monthly basis.

**MILLER TOWNSHIP
KNOX COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2020 AND 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2020-004 (Continued)

Client Response: The Township is actively working on a process for having the Trustees certify time spent on matter unrelated to the general fund and coming up with documentation that can be maintained to support their certification.

**MILLER TOWNSHIP
KNOX COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2020 AND 2019**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2018-001	2016	<u>Material Weakness – Receipts</u> – Typically homestead & rollback receipts are received twice a year from the State. The Township should have controls to ensure these receipts are received. The Township did not have controls to ensure homestead & rollback monies were received.	Partially Corrected	Moved to Management Letter.
2018-002	2018	<u>Material Weakness – Financial Reporting</u> - Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Certain adjustments were made to the financial statements and notes.	Not Corrected	Repeated as finding 2020-001
2018-003	2018	<u>Material Noncompliance – Purchase Orders</u> – ORC 5705.41(D) stipulates the requirements related to purchase orders. The Fiscal Officer’s certification was not utilized for several material disbursements made by the Township.	Partially Corrected	Moved to Management Letter.
2018-004	2018	<u>Material Noncompliance – Payroll Withholdings</u> - 26 US Code requires withholding and submitting applicable amounts including certain employer matches. The Township did not remit filings or payments on certain quarterly federal withholdings or applicable employer matches.	Not Corrected	Repeated as finding 2020-002

OHIO AUDITOR OF STATE KEITH FABER



MILLER TOWNSHIP

KNOX COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/9/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov