



**MIAMI TOWNSHIP  
GREENE COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2021**



MIAMI TOWNSHIP  
GREENE COUNTY

TABLE OF CONTENTS

| TITLE  | PAGE |
|--|------|
| Independent Auditor's Report .....   | 1    |
| Prepared by Management:  |      |
| Combined Statement of Receipts, Disbursements, and Changes in<br>Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types -<br>For the Year Ended December 31, 2021 ..... | 5    |
| Notes to the Financial Statements - For the Year Ended December 31, 2021 .....   | 7    |
| Independent Auditor's Report on Internal Control Over Financial<br>Reporting and on Compliance and Other Matters<br>Required by <i>Government Auditing Standards</i> .....           | 17   |
| Schedule of Findings.....  | 19   |
| Prepared by Management:  |      |
| Summary Schedule of Prior Audit Findings.....  | 21   |

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**INDEPENDENT AUDITOR'S REPORT**

Miami Township  
Greene County  
101 East Herman Street  
Yellow Springs, Ohio 45387

To the Board of Trustees:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of Miami Township, Greene County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying 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 year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2021, or the changes in financial position thereof for the year then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. 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 and pervasive.

***Emphasis of Matters***

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. Our opinion is not modified with respect to this matter.

Additionally, as discussed in Note 15 to the financial statements, the Township restated its beginning fund balances due to errors from previous years. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit 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 the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 the 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 the Township's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 21, 2022

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**Miami Township  
Greene 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, 2021**

|   | <u>General</u>   | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|------------------|----------------------------|-------------------------|-----------------------------|---|
| <b>Cash Receipts</b>                                  |                  |                            |                         |                             |   |
| Property and Other Local Taxes                        | \$101,634        | \$587,928                  | \$289,279               |                             | \$978,841                               |
| Charges for Services                                  |                  | 309,142                    |                         |                             | 309,142                                 |
| Licenses, Permits and Fees                            | 2,123            |                            |                         |                             | 2,123                                   |
| Intergovernmental                                     | 73,715           | 299,736                    |                         |                             | 373,451                                 |
| Earnings on Investments                               | 548              | 125                        | 295                     | \$27                        | 995                                     |
| Miscellaneous   | 14,706           | 133,596                    |                         | 8,373                       | 156,675                                 |
| <i>Total Cash Receipts</i>                            | <u>192,726</u>   | <u>1,330,527</u>           | <u>289,574</u>          | <u>8,400</u>                | <u>1,821,227</u>                        |
| <b>Cash Disbursements</b>                             |                  |                            |                         |                             |   |
| Current:  |                  |                            |                         |                             |   |
| General Government                                    | 162,798          | 27,650                     | 1,853                   |                             | 192,301                                 |
| Public Safety   |                  | 983,320                    |                         |                             | 983,320                                 |
| Public Works  | 1,590            | 188,998                    |                         |                             | 190,588                                 |
| Health  | 13,267           | 87,563                     |                         |                             | 100,830                                 |
| Capital Outlay  | 1,328            | 4,386                      |                         | 425,031                     | 430,745                                 |
| Debt Service:   |                  |                            |                         |                             |   |
| Principal Retirement                                  |                  |                            | 124,000                 |                             | 124,000                                 |
| Interest and Fiscal Charges                           |                  |                            | 184,095                 |                             | 184,095                                 |
| <i>Total Cash Disbursements</i>                       | <u>178,983</u>   | <u>1,291,917</u>           | <u>309,948</u>          | <u>425,031</u>              | <u>2,205,879</u>                        |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | <u>13,743</u>    | <u>38,610</u>              | <u>(20,374)</u>         | <u>(416,631)</u>            | <u>(384,652)</u>                        |
| <b>Other Financing Receipts (Disbursements)</b>       |                  |                            |                         |                             |   |
| Sale of Bonds   |                  |                            |                         | 319,930                     | 319,930                                 |
| Sale of Capital Assets                                |                  |                            |                         | 380,000                     | 380,000                                 |
| Transfers In  |                  | 39,000                     |                         | 122,828                     | 161,828                                 |
| Transfers Out   | (161,828)        |                            |                         |                             | (161,828)                               |
| Other Financing Sources                               | 5,094            | 298                        |                         |                             | 5,392                                   |
| Other Financing Uses                                  |                  |                            | (1,149)                 | (71,053)                    | (72,202)                                |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(156,734)</u> | <u>39,298</u>              | <u>(1,149)</u>          | <u>751,705</u>              | <u>633,120</u>                          |
| <i>Net Change in Fund Cash Balances</i>               | (142,991)        | 77,908                     | (21,523)                | 335,074                     | 248,468                                 |
| <i>Fund Cash Balances, January 1, Restated</i>        | <u>331,601</u>   | <u>787,085</u>             | <u>676,754</u>          | <u>(65,898)</u>             | <u>1,729,542</u>                        |
| <i>Fund Cash Balances, December 31</i>                | <u>\$188,610</u> | <u>\$864,993</u>           | <u>\$655,231</u>        | <u>\$269,176</u>            | <u>\$1,978,010</u>                      |

See accompanying notes to the basic financial statements.

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**Miami Township**  
*Greene County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Miami Township, Greene County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township also provides fire and EMS coverage to portions of Bath Township, Greene County and Green Township, Clark County. Police protection is provided by Greene County Sheriff's office.

***Public Entity Risk Pool***

The Township participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

***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:

***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.

***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:

***Gas Tax Fund*** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Motor Vehicle License Tax Fund*** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund*** This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

***Permissive Motor Vehicle Tax Fund*** This fund accounts for and reports that portion of the motor vehicle license registration fees restricted for maintenance and repair of roads within the Township

***Fire Fund*** This fund receives property tax money for providing fire protection and charges for emergency medical services to all Township residents that have insurance. For those that do not have insurance, the services are provided free of charge.

**Miami Township**  
*Greene County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Fire and Rescue, Ambulance and EMS Service** This fund receives payments made strictly from insurance payments covering emergency medical services.

**Cemetery Fund** This fund receives funds from the sale of cemetery plots, burials, and the opening and closing of graves.

**American Rescue Plan Fund** – This fund is used to account for federal funding monies disbursed to aide with expenditures related to the COVID-19 pandemic.

**Debt Service Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

**Bond Retirement Fund** The bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance the construction of a new fire/rescue service facility. The residents of the township passed a 2.40 mills levy for the payment of debt charges over a maximum period of 30 years.

**Capital Project Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project Fund:

**USDA Fund** The Township issued \$5,750,000 in Taxable Fire Station Bonds for the construction of the new fire/rescue service facility. The Township draws down on these bonds as construction progresses on the new facility.

***Basis of Accounting***

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 (C). 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 (C) permit.

***Budgetary Process***

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

**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.

**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.

**Miami Township**  
*Greene County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**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 2021 budgetary activity appears in Note 4.

**Deposits and Investments**

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**Capital Assets**

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

**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.

**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:

**Nonspendable** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township.

**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.

**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.

**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.

**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.

**Miami Township**  
*Greene County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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 13.

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General and USDA Capital Projects Funds by \$116,482 and \$10,822, respectively, for the year ended December 31, 2021. Also contrary to Ohio law, appropriation authority exceeded certified estimated resources in the USDA Capital Projects Fund by \$25,152 for the year ended December 31, 2021.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

| 2021 Budgeted vs. Actual Receipts |                      |                    |                  |
|-----------------------------------|----------------------|--------------------|------------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance         |
| General                           | \$596,387            | \$197,820          | (\$398,567)      |
| Special Revenue                   | 1,345,663            | 1,369,825          | 24,162           |
| Debt Service                      | 274,000              | 289,574            | 15,574           |
| Capital Projects                  | 122,828              | 831,158            | 708,330          |
| Total                             | <u>\$2,338,878</u>   | <u>\$2,688,377</u> | <u>\$349,499</u> |

| 2021 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |                  |
|---|----------------------------|---------------------------|------------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance         |
| General   | \$229,009                  | \$345,491                 | (\$116,482)      |
| Special Revenue                                       | 1,455,126                  | 1,298,049                 | 157,077          |
| Debt Service  | 408,000                    | 311,097                   | 96,903           |
| Capital Projects                                      | 485,262                    | 496,084                   | (10,822)         |
| Total   | <u>\$2,577,397</u>         | <u>\$2,450,721</u>        | <u>\$126,676</u> |

**Note 5 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

**Miami Township**  
*Greene County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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|   | 2021               |
|---|--------------------|
| <b>Cash Management Pool:</b>  |                    |
| Demand deposits   | \$736,908          |
| Total deposits  | 736,908            |
| STAR Ohio   | 1,241,102          |
| Total investments   | 1,241,102          |
| <i>Total carrying amount of deposits and investments held in the Pool</i> | <i>\$1,978,010</i> |

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

**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.

**Investments**

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**Note 6 – Property Taxes**

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**Note 7 – Risk Management**

**Workers' Compensation**

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Risk Pool Membership**

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

**Miami Township**  
*Greene County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

|                       |              |
|-----------------------|--------------|
|                       | <u>2021</u>  |
| Cash and investments  | \$34,880,599 |
| Actuarial liabilities | \$10,601,444 |

***Self-Insurance***

The Township is also self-insured for dental insurance with Superior Dental. There are no liabilities disclosed related to self-insurance as of December 31, 2021.

***Supplemental Insurance***

The Township is also insured through VFIS for supplemental accident & sickness for the Fire Department's volunteer members.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Township 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 postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

***Ohio Police and Fire Retirement System***

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2021.

***Social Security***

The Township's part-time fire fighters contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.



**Miami Township**  
*Greene County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer 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 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**Note 10 – Debt**

Debt outstanding at December 31, 2021, was as follows:

|   | Principal   | Interest Rate |
|---|-------------|---------------|
| LGIF Loan                               | \$21,083    | 0%            |
| Taxable Fire Station Bonds, 2007 Series | 5,331,800   | 3.5%          |
| Total                                   | \$5,352,883 |               |

The Township is a participant in LGIF loan program for the purchase of MARCS Radios. Beavercreek Township is acting as the administering agency for the loan and in 2013, the Township received \$69,000 of the loan proceeds at no interest payable in equal monthly installments over nine years.

On December 27, 2017, the Township issued Taxable Fire Station Bonds for the purpose of paying the cost of constructing a fire/rescue service facility and providing for related apparatus. The United States Department of Agriculture (USDA) approved up to \$5,750,000 in loans to the Township for this project. The Township will repay the loans in semiannual installments over 30 years. The scheduled payment amount below assumes that \$5,750,000 will be borrowed. The USDA will adjust scheduled payment to reflect any revisions in the amounts the Township actually borrows. The Township made \$124,000 in principal and \$184,095 in interest payments on this loan during 2021. The Township's taxing authority collateralized the bonds. The bonds will mature on November 11, 2047 and bear an interest rate of 3.5%.

**Amortization**

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

**Miami Township**  
*Greene County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

| Year Ending<br>December 31: | LGIF Loan | Taxable Fire<br>Station Bonds |
|-----------------------------|-----------|-------------------------------|
| 2022                        | \$7,667   | \$313,491                     |
| 2023                        | 7,667     | 313,975                       |
| 2024                        | 5,749     | 314,771                       |
| 2025                        |           | 314,385                       |
| 2026                        |           | 314,344                       |
| 2027-2031                   |           | 1,571,142                     |
| 2032-2036                   |           | 1,569,959                     |
| 2037-2041                   |           | 1,569,660                     |
| 2042-2046                   |           | 1,569,800                     |
| 2047-2051                   |           | 314,010                       |
| Total                       | \$21,083  | \$8,165,537                   |

**Note 11 – Construction and Contractual Commitments**

Several contractors are currently under contract with the Township for the construction of the new fire house. Miami Township Fire & Rescue employees, the Township Board of Trustees, Fiscal Officer and Zoning Inspector moved in to the new facility in late November 2020.

**Note 12 – Contingent Liabilities**

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

**Note 13 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. 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<br>Revenue | Debt<br>Service | Capital<br>Projects | Total    |
|--------------------------|---------|--------------------|-----------------|---------------------|----------|
| Nonspendable:            |         |                    |                 |                     |          |
| Unclaimed Monies         |         |                    |                 |                     | \$0      |
| Outstanding Encumbrances | \$4,680 | \$6,132            |                 |                     | 10,812   |
| Total                    | \$4,680 | \$6,132            | \$0             | \$0                 | \$10,812 |

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, and capital projects funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Miami Township**  
*Greene County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 14 – 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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Township received COVID-19 funding. 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.

**Note 15 – Restatement of Fund Balance**

For 2021, the Township made adjustments in the General and Special Revenue Funds for duplicate payments to the IRS from a prior year in the amounts of \$23 and \$3,343, respectively. The adjustments had the following effect on the financial statements in 2021:

|  | General          | Special<br>Revenue | Debt<br>Service  | Capital<br>Projects | Total              |
|--|------------------|--------------------|------------------|---------------------|--------------------|
| Fund Cash Balances, December 31, 2020        | \$331,624        | \$790,428          | \$676,754        | (\$65,898)          | \$1,732,908        |
| Restatement                                  | (23)             | (3,343)            |                  |                     | (3,366)            |
| Restated Fund Cash Balances, January 1, 2021 | <u>\$331,601</u> | <u>\$787,085</u>   | <u>\$676,754</u> | <u>(\$65,898)</u>   | <u>\$1,729,542</u> |

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

Miami Township  
Greene County  
101 East Herman Street  
Yellow Springs, Ohio 45387

To the Board of Trustees:

We have audited, 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2021 and the related notes to the financial statements of Miami Township, Greene County, (the Township) and have issued our report thereon dated December 21, 2022, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit, the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township, and the Township restated its beginning fund balances.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***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 the 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 the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 21, 2022

MIAMI TOWNSHIP  
GREENE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2021

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

FINDING NUMBER 2021-001

**Material Weakness – Financial Statement Errors**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to lack of adequate controls over transaction recording and financial statement reporting, the following errors were noted during the audit that were determined to be material and have been adjusted in the accompanying financial statements and the accounting system:

In the General Fund:

- Property and Other Local Taxes Cash Receipts were overstated by \$13,764 due to the improper recording of homestead and rollback monies. As a result, Intergovernmental Cash Receipts were understated by the same amount.
- Other Financing Sources was overstated by \$388,373 due to the improper recording of the sale of the fire station and the reimbursement of a prior capital purchase. As a result, Sale of Capital Assets and Miscellaneous Cash Receipts were understated by \$380,000 and \$8,373 respectively in the Capital Projects Fund.

In the Special Revenue Funds:

- Property and Other Local Taxes Cash Receipts were overstated by \$78,055 (\$9,042 in the Road and Bridge Fund and \$69,013 in the Fire Levy Fund) due to the improper recording of homestead and rollback monies. As a result, Intergovernmental Cash Receipts were understated by the same amount.
- Charges for Services Cash Receipts and Public Safety Cash Disbursements were both understated by \$14,630 due to the recording of EMS receipts at net instead of gross in the Fire EMS Fund.

In the Debt Service Funds:

- Principal Retirement Debt Service Cash Disbursements were overstated by \$184,095 and Interest and Fiscal Charges Debt Service Cash Disbursements were understated by the same amount due to the improper recording of loan repayments.

In the Capital Projects Funds:

- Intergovernmental Cash Receipts were overstated by \$167,620 and Sale of Bonds were understated by the same amount due to the improper recording of USDA debt proceeds.
- Capital Outlay Cash Disbursements were understated by \$425,031 and Other Financing Uses were overstated by the same amount due to the erroneous misclassification of fire station project expenditures.

The Township should establish and implement procedures to verify the completeness and accuracy of the Township's financial statements. Someone independent of the financial statement preparation process should review them for completeness and accuracy. Failure to do so could result in the users of financial statements using materially incorrect amounts to base their opinion about Township's finances.

**Officials' Response**

We did not receive a response from Officials to this finding.

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**Miami Township Trustees**

**101 E Herman St,  
Yellow Springs,  
Ohio 45387  
937-767-2460  
Fax 937-767-7811  
www.mlamltownship.net**

|   |                       |                   |                           |                         |
|---|-----------------------|-------------------|---------------------------|-------------------------|
| <b>TRUSTEES</b>                               | <b>FISCAL OFFICER</b> | <b>FIRE CHIEF</b> | <b>ROAD ADMINISTRATOR</b> | <b>ZONING INSPECTOR</b> |
| Chris Mucher<br>Marlian Moir<br>Don Hollister | Margaret Silliman     | Colin Altman      | Dan Gochenouer            | Richard Zopf            |

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2021**

| <b>Finding Number</b> | <b>Finding Summary</b>                                      | <b>Status</b>    | <b>Additional Information</b> |
|-----------------------|---|------------------|-------------------------------|
| 2020-001              | Material Weakness -<br>Financial Statement<br>Misstatements | Not<br>Corrected | Repeated as Finding 2021-001  |

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# OHIO AUDITOR OF STATE KEITH FABER



**MIAMI TOWNSHIP**

**GREENE 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 1/10/2023**

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](http://www.ohioauditor.gov)