



OHIO AUDITOR OF STATE
KEITH FABER



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 Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2020	5
Notes to the Financial Statements - For the Year Ended December 31, 2020	7
Schedule of Expenditures of Federal Awards	17
Notes to the Schedule of Expenditures of Federal Awards	18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance	21
Schedule of Findings.....	23
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	27
Corrective Action Plan	29

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OHIO AUDITOR OF STATE KEITH FABER



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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 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 year ended December 31, 2020, and related notes of Miami Township, Greene County, Ohio (the Township).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

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

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2020, and the respective changes in financial position or cash flows thereof for the year then ended.

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 year ended December 31, 2020, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Matters

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 8, 2021

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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, 2020

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$86,770	\$572,192	\$377,744		\$1,036,706
Charges for Services		290,711			290,711
Licenses, Permits and Fees	1,570				1,570
Intergovernmental	72,226	365,616	8,518		446,360
Earnings on Investments	4,337	1,040	417	\$2,429	8,223
Miscellaneous	16,350	98,833			115,183
<i>Total Cash Receipts</i>	<u>181,253</u>	<u>1,328,392</u>	<u>386,679</u>	<u>2,429</u>	<u>1,898,753</u>
Cash Disbursements					
Current:					
General Government	108,205	162,240	4,087		274,532
Public Safety		827,953			827,953
Public Works	1,230	178,926			180,156
Health	13,002	54,099			67,101
Capital Outlay	16,536	32,191		4,246,912	4,295,639
Debt Service:					
Principal Retirement			120,000		120,000
Interest and Fiscal Charges			83,768		83,768
<i>Total Cash Disbursements</i>	<u>138,973</u>	<u>1,255,409</u>	<u>207,855</u>	<u>4,246,912</u>	<u>5,849,149</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>42,280</u>	<u>72,983</u>	<u>178,824</u>	<u>(4,244,483)</u>	<u>(3,950,396)</u>
Other Financing Receipts (Disbursements)					
Sale of Bonds				4,307,671	4,307,671
Other Financing Sources	27,356	29,519			56,875
Other Financing Uses				(223,816)	(223,816)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>27,356</u>	<u>29,519</u>	<u>0</u>	<u>4,083,855</u>	<u>4,140,730</u>
<i>Net Change in Fund Cash Balances</i>	69,636	102,502	178,824	(160,628)	190,334
<i>Fund Cash Balances, January 1</i>	<u>261,988</u>	<u>687,926</u>	<u>497,930</u>	<u>94,730</u>	<u>1,542,574</u>
<i>Fund Cash Balances, December 31</i>	<u>\$331,624</u>	<u>\$790,428</u>	<u>\$676,754</u>	<u>(\$65,898)</u>	<u>\$1,732,908</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, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the 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 6 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 is 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, 2020

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.

Coronavirus Relief 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 Funds:

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 funds:

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 (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.

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, 2020

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 re-appropriated.

A summary of 2020 budgetary activity appears in Note 3.

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.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 12.

Note 3 – 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	\$211,569	\$208,609	(\$2,960)
Special Revenue	1,256,795	1,357,911	101,116
Debt Service	884,191	386,679	(497,512)
Capital Projects	5,099,645	4,310,100	(789,545)
Total	\$7,452,200	\$6,263,299	(\$1,188,901)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$185,738	\$139,035	\$46,703
Special Revenue	1,586,391	1,260,103	326,288
Debt Service	661,621	207,855	453,766
Capital Projects	5,010,477	4,470,728	539,749
Total	\$7,444,227	\$6,077,721	\$1,366,506

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 – 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:

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$492,801
STAR Plus	\$610,569
Total deposits	1,103,370
STAR Ohio	629,538
Total investments	629,538
<i>Total carrying amount of deposits and investments</i>	\$1,732,908

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 5 – 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 6 – 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.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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:

- 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>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

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, 2020.

Supplemental Insurance

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

Note 7 – 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, 2020.

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.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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, 2020.

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.

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, 2020.

Note 8 – 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 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020. 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 9 – Debt

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

	Principal	Interest Rate
LGIF Loan	\$28,750	0%
Taxable Fire Station Bonds, 2007 Series	5,135,870	3.5%
Total	\$5,164,620	

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 \$120,000 in principal and \$83,768 in interest payments on this loan during 2020. The Township's taxing authority collateralized the bonds. The bonds will mature on November 11, 2047 and bear an interest rate of 3.5%.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Amortization

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

Year Ending December 31:	LGIF Loan	Taxable Fire Station Bonds
2021	\$7,667	\$124,000
2022	7,667	128,000
2023	7,667	133,000
2024	5,749	138,000
2025		143,000
2026-2030		793,000
2031-2035		942,000
2036-2040		1,121,000
2041-2045		1,332,000
2046-2047		602,000
Total	\$28,750	\$5,456,000

Note 10 – 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 11 – 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 12 – 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 Revenue	Debt Service	Capital Projects	Total
Non-spendable:					
Unclaimed Monies	\$0	\$0	\$0	\$0	\$0
Outstanding Encumbrances	62	4,694	0	0	4,756
Total	\$62	\$4,694	\$0	\$0	\$4,756

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – 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.

This change had no effect on the beginning cash balances of all Township fund types.

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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, 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 \$134,050 in CARES Act funding. These amounts are recorded in the Coronavirus Relief Fund.

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**MIAMI TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	(1) Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Direct Program</i>			
Community Facilities Loans and Grants Cluster			
Community Facilities Loans and Grants	10.766	N/A	<u>\$4,470,728</u>
Total Community Facilities Loans and Grants Cluster			<u>\$4,470,728</u>
Total U.S. Department of Agriculture			<u>4,470,728</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed through Ohio Office of Budget and Management</i>			
Coronavirus Relief Fund	21.019	N/A	<u>125,029</u>
Total U.S. Department of the Treasury			<u>125,029</u>
Total Expenditures of Federal Awards			<u><u>\$4,595,757</u></u>

The accompanying notes are an integral part of this schedule.

N/A - No agency pass-through or other identifying number were available for these programs.

(1) - There were no amounts passed through to subrecipients.

**MIAMI TOWNSHIP
GREENE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Miami Township (the Township) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Township.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Township has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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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 and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2020, and related notes of Miami Township, Greene County, (the Township) and have issued our report thereon dated December 8, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, and the financial impact of COVID-19 and the continuing emergency measures which will impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 8, 2021

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Trustees:

Report on Compliance for the Major Federal Program

We have audited Miami Township's (the Township) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Miami Township's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Township's major federal program.

Management's Responsibility

The Township's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Township's compliance for the Township's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Township's major program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on the Major Federal Program

In our opinion, Miami Township complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Township's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 8, 2021

**MIAMI TOWNSHIP
GREENE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Community Facilities Loan and Grants Cluster (CFDA #10.766)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2020-001

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 paragraph .A14 & .A16.

FINDING NUMBER 2020-001
(Continued)

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:

- The beginning of year fund cash balance was erroneously understated by \$1,022 compared to the fiscal year 2019 end of year audited fund cash balance.
- Miscellaneous Cash Receipts and General Government Cash Disbursements were overstated by \$10,000 respectively due to an improper interfund reimbursement of CARES Act monies.
- Other Financing Sources were erroneously overstated by \$16,349 and Miscellaneous Cash Receipts were understated by the same amount due to misposted revenue.
- General Government Cash Disbursements were overstated by \$5,194 due to the misallocation of elected official's payroll withholdings. As a result, the end of year cash fund balance was understated by the same amount. This has been adjusted in the Township's accounting system.
- Miscellaneous Cash Receipts were overstated by \$10,000 and Intergovernmental Cash Receipts were understated by the same amount due to the misclassification of a grant.

In the Special Revenue Funds:

- The beginning of year fund cash balance was erroneously overstated by \$1,022 compared to the fiscal year 2019 end of year audited fund cash balance.
- Charges for Services Cash Receipts and Public Safety Cash Disbursements were both understated by \$29,699 due to the recording of EMS receipts at net instead of gross.
- Public Works and Public Safety Cash Disbursements were understated by \$1,558 and \$3,636 respectively due to the misallocation of elected official's payroll withholdings. As a result, the end of year cash fund balance was overstated by \$5,194. This has been adjusted in the Township's accounting system.
- Other Financing Sources, Miscellaneous Cash Receipts, Public Safety Cash Disbursements were overstated by \$10,000, \$38,346, and \$48,346 respectively due to an improper interfund reimbursement of CARES Act monies.

In the Capital Projects Fund:

- Intergovernmental Cash Receipts were overstated by \$4,307,671 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 \$4,246,912 and Other Financing Uses were overstated by the same amount due to the erroneous misclassification of fire station project expenditures.
- Other Financing Uses, Property Tax Cash Receipts, and Intergovernmental Cash Receipts were overstated by \$2,466, \$213,593, and \$8,518 respectively due to recording a tax levy into the inappropriate fund. As a result, the end of year cash fund balance was also overstated by \$219,645. This has been adjusted in the Township's accounting system.
- Payment to Refunded Bond Escrow Agent was overstated by \$79,661 due to recording debt service payments in the inappropriate fund. As a result, the year end fund cash balance was understated by the same amount. This has been adjusted in the Township's accounting system.

**FINDING NUMBER 2020-001
(Continued)**

In the Debt Service Fund:

- Principal Retirement and Interest and Fiscal Charges Cash Disbursements were understated by \$59,000 and \$20,661, respectively, due to recording debt service payments in the inappropriate fund. As a result, the year end fund cash balance was overstated by \$79,661. This has been adjusted in the Township's accounting system.
- Principal Retirement Cash Disbursements were overstated by \$63,107 and Interest and Fiscal Charges Cash Disbursements were understated by the same amount due to not reporting the proper allocation of principal and interest debt service payments.
- General Government Cash Disbursements, Property Tax Cash Receipts, and Intergovernmental Cash Receipts were understated by \$2,466, \$213,593, and \$8,518 respectively due to recording a tax levy into the inappropriate fund. As a result, the end of year cash fund balance was also understated by \$219,645. This has been adjusted in the Township's accounting system.

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.

3. FINDINGS FOR FEDERAL AWARDS

None.

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Miami Township Trustees

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Yellow Springs,
Ohio 45387
937-767-2460
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www.mlamltownship.net**

TRUSTEES	FISCAL OFFICER	FIRE CHIEF	ROAD ADMINISTRATOR	ZONING INSPECTOR
Chris Mucher Mark Crockett Don Hollister	Margaret Silliman	Colin Altman	Dan Gochenouer	Richard Zopf

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Ohio Rev. Code §5705.09(E) requires each subdivision to “establish a special bond fund for each bond issue.”	Partially Corrected	Creation of debt service fund corrected, but recording of revenues and expenditures in the wrong fund included in Finding 2020-001
2019-002	Material Financial Statement Misstatements	Not Corrected	Repeated as Finding 2020-001

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Miami Township Trustees

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TRUSTEES	FISCAL OFFICER	FIRE CHIEF	ROAD ADMINISTRATOR	ZONING INSPECTOR
Chris Mucher Mark Crockett Don Hollister	Margaret Silliman	Colin Altman	Dan Gochenouer	Richard Zopf

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2020**

Finding Number: 2020-001
Planned Corrective Action: Perform detailed review of UAN ledgers and financial statements to ensure accurate recording and reporting of all transactions.
Anticipated Completion Date: 12/31/2021
Responsible Contact Person: Fiscal Officer Margaret Silliman

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 12/30/2021

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