



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**MIAMI TOWNSHIP
GREENE COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2023 - 2022**



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Trustees
Miami Township
101 E. Harman St.
Yellow Springs, OH 45387

We have reviewed the *Independent Auditor's Report* of Miami Township, Greene County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding For Recovery Resolved under Audit

The prior fiscal officer, Margaret Silliman, was responsible for recording and paying out employee accrued leave balances when applicable in accordance with the Township Policy Manual. Colin Altman received a payout for his accrued comp time balance in accordance with the Township Policy Manual at the beginning of 2022. Ms. Silliman did not reset Mr. Altman's accrued comp time balance to 0 after the 2022 payout. Mr. Altman then received a payout for his accrued comp time balance at the beginning of 2023 that was for the same time already paid out at the beginning of 2022. As a result, Mr. Altman was inappropriately paid for the same comp time twice in the amount of \$7,001.68.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.24, a Finding for Recovery for public monies illegally expended is hereby issued against Colin Altman and Margaret Silliman and their bonding company, Ohio Township Association Risk Management Authority, jointly and severally, in the amount of \$7,001.68, and in favor of Miami Township's Fire Fund.

On October 30, 2024, Mr. Altman entered into a repayment agreement with the Township to repay the amount over 24 months. The finding is considered resolved.

Board of Trustees
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101 E. Harman St.
Yellow Springs, OH 45387
Page -2-

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



Keith Faber
Auditor of State
Columbus, Ohio

December 10, 2024

MIAMI TOWNSHIP
GREENE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2023	4
Notes to the Financial Statements For the Year Ended December 31, 2023	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2022	13
Notes to the Financial Statements For the Year Ended December 31, 2022	14
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	22
Schedule of Findings.....	24
Summary Schedule of Prior Audit Findings	28

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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 the 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 years ended December 31, 2023 and 2022, 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 years ended December 31, 2023 and 2022, 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, 2023 and 2022, or the changes in financial position thereof for the years 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.

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 September 30, 2024, 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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

September 30, 2024

**MIAMI TOWNSHIP
GREENE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$ 112,087	\$ 1,283,704	\$ 195,748	\$ -	\$ 1,591,539
Charges for Services	-	177,233	-	-	177,233
Licenses, Permits and Fees	1,437	-	-	-	1,437
Intergovernmental	59,500	226,791	1,665	-	287,956
Earnings on Investments	36,892	5,930	23,093	1,677	67,592
Miscellaneous	1,146	121,365	-	3,315	125,826
<i>Total Cash Receipts</i>	<u>211,062</u>	<u>1,815,023</u>	<u>220,506</u>	<u>4,992</u>	<u>2,251,583</u>
Cash Disbursements					
Current:					
General Government	190,929	500	-	-	191,429
Public Safety	-	1,243,943	-	-	1,243,943
Public Works	1,555	229,327	-	-	230,882
Health	10,513	65,752	-	-	76,265
Capital Outlay	-	61,910	-	-	61,910
Debt Service:					
Principal Retirement	-	7,667	133,001	-	140,668
Interest and Fiscal Charges	-	-	180,592	-	180,592
<i>Total Cash Disbursements</i>	<u>202,997</u>	<u>1,609,099</u>	<u>313,593</u>	<u>-</u>	<u>2,125,689</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>8,065</u>	<u>205,924</u>	<u>(93,087)</u>	<u>4,992</u>	<u>125,894</u>
Other Financing Receipts (Disbursements)					
Advances In	140,000	40,000	-	-	180,000
Advances Out	(40,000)	(140,000)	-	-	(180,000)
Other Financing Sources	213	1,645	-	-	1,858
Other Financing Uses	-	-	(1,857)	(102)	(1,959)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>100,213</u>	<u>(98,355)</u>	<u>(1,857)</u>	<u>(102)</u>	<u>(101)</u>
<i>Net Change in Fund Cash Balances</i>	108,278	107,569	(94,944)	4,890	125,793
<i>Fund Cash Balances, January 1</i>	<u>86,559</u>	<u>592,624</u>	<u>645,062</u>	<u>312,541</u>	<u>1,636,786</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 194,837</u>	<u>\$ 700,193</u>	<u>\$ 550,118</u>	<u>\$ 317,431</u>	<u>\$ 1,762,579</u>

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

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 are all 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.

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.

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.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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.

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 2023 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.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

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 and the nonspendable portion of the corpus in permanent funds.

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.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 223,122	\$ 211,275	\$ (11,847)
Special Revenue	1,952,892	1,816,668	(136,224)
Debt Service	215,982	220,506	4,524
Capital Projects	3,800	4,992	1,192
Total	<u>\$ 2,395,796</u>	<u>\$ 2,253,441</u>	<u>\$ (142,355)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 213,491	\$ 203,986	\$ 9,505
Special Revenue	1,832,528	1,664,952	167,576
Debt Service	315,592	315,450	142
Capital Projects	800	102	698
Total	<u>\$ 2,362,411</u>	<u>\$ 2,184,490</u>	<u>\$ 177,921</u>

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:

	2023
Cash Management Pool:	
Demand deposits	\$ 432,650
Total deposits	432,650
STAR Ohio	1,329,929
Total investments	1,329,929
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u>\$ 1,762,579</u>

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. At December 31, 2023, the Township is holding \$8,340 in unremitted employee 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.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (Continued)

Investments

Investments in STAR Ohio and mutual funds 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.

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>2023</u>
Cash and investments	\$ 33,494,547
Actuarial liabilities	\$ 10,885,549

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, 2023.

Note 6 – Risk Management (Continued)

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, 2023.

Ohio Police and Fire Retirement System

The Township 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, 2023.

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, 2023.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
LGIF Loan	\$ 5,749	0%
Taxable Fire Station Bonds, 2007 Series	5,071,000	3.5%
Total	\$ 5,076,749	

The Township is a participant in LGIF loan program for the purchase of MARCS Radios. Beaver Creek 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 \$133,001 in principal and \$180,592 in interest payments on this loan during 2023. 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:

Year Ending December 31:	LGIF Loan	Taxable Fire Station Bonds, 2007 Series
2024	\$ 5,749	\$ 314,771
2025		314,385
2026		314,344
2027		314,129
2028		314,169
2029-2033		1,570,098
2034-2038		1,570,501
2039-2043		1,569,284
2044-2048		1,256,390
Total	\$ 5,749	\$ 7,538,071

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. 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.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – 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 and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 989	\$ 55,853	\$ 56,842
Total	\$ 989	\$ 55,853	\$ 56,842

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

Note 12 – Restatement of Beginning Fund Balance

The following adjustment is reflected in the January 1, 2023 Special Revenue fund balance:

	Special Revenue Fund
December 31, 2022 audited balance	\$ 591,258
To account for checks voided in 2023 from prior periods	1,366
January 1, 2023 balance	\$ 592,624

The Township made an adjustment to accurately report beginning fund balance

**MIAMI TOWNSHIP
GREENE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$ 112,681	\$ 649,602	\$ 298,412	\$ -	\$ 1,060,695
Charges for Services	-	298,990	-	-	298,990
Licenses, Permits and Fees	1,222	-	-	-	1,222
Intergovernmental	64,766	259,178	-	-	323,944
Earnings on Investments	10,836	2,196	7,808	394	21,234
Miscellaneous	-	108,028	-	42,971	150,999
<i>Total Cash Receipts</i>	<u>189,505</u>	<u>1,317,994</u>	<u>306,220</u>	<u>43,365</u>	<u>1,857,084</u>
Cash Disbursements					
Current:					
General Government	185,851	1,410	3	-	187,264
Public Safety	-	1,203,203	-	-	1,203,203
Public Works	1,439	237,640	-	-	239,079
Health	9,129	147,695	-	-	156,824
Capital Outlay	13,338	96,211	-	-	109,549
Debt Service:					
Principal Retirement	-	7,667	127,800	-	135,467
Interest and Fiscal Charges	-	-	185,700	-	185,700
<i>Total Cash Disbursements</i>	<u>209,757</u>	<u>1,693,826</u>	<u>313,503</u>	<u>-</u>	<u>2,217,086</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(20,252)</u>	<u>(375,832)</u>	<u>(7,283)</u>	<u>43,365</u>	<u>(360,002)</u>
Other Financing Receipts (Disbursements)					
Advances In	-	100,000	-	-	100,000
Advances Out	(100,000)	-	-	-	(100,000)
Other Financing Sources	18,240	2,097	-	-	20,337
Other Financing Uses	(39)	-	(2,886)	-	(2,925)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(81,799)</u>	<u>102,097</u>	<u>(2,886)</u>	<u>-</u>	<u>17,412</u>
<i>Net Change in Fund Cash Balances</i>	<u>(102,051)</u>	<u>(273,735)</u>	<u>(10,169)</u>	<u>43,365</u>	<u>(342,590)</u>
<i>Fund Cash Balances, January 1</i>	<u>188,610</u>	<u>864,993</u>	<u>655,231</u>	<u>269,176</u>	<u>1,978,010</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 86,559</u>	<u>\$ 591,258</u>	<u>\$ 645,062</u>	<u>\$ 312,541</u>	<u>\$ 1,635,420</u>

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

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 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 all 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.

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.

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.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

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 (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.

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 2022 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.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

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 and the nonspendable portion of the corpus in permanent funds.

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.

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 – Compliance

Contrary to Ohio law, appropriations exceeded estimated resources in the Cemetery and Special Levy – Fire funds by \$2,061 and \$90,309, respectively for the year ended December 31, 2022.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 210,965	\$ 207,745	\$ (3,220)
Special Revenue	1,157,388	1,320,091	162,703
Debt Service	279,000	306,220	27,220
Capital Projects	-	43,365	43,365
Total	\$ 1,647,353	\$ 1,877,421	\$ 230,068

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 236,094	\$ 210,802	\$ 25,292
Special Revenue	1,812,153	1,704,960	107,193
Debt Service	318,620	316,389	2,231
Total	\$ 2,366,867	\$ 2,232,151	\$ 134,716

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. The Township also has segregated accounts, which include clearing accounts and amounts with fiscal and escrow agents that are not part of this pool. A summary of the Township's deposit and investment accounts are as follows:

	2022
Cash Management Pool:	
Demand deposits	\$ 373,084
Total deposits	373,084
STAR Ohio	1,262,336
Total investments	1,262,336
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$ 1,635,420

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. At December 31, 2022, the Township is holding \$33,033 in unremitted employee 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.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 5 – Deposits and Investments (Continued)

Investments

Investments in STAR Ohio and mutual funds 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:

- 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>2022</u>
Cash and investments	\$ 32,288,098
Actuarial liabilities	\$ 9,146,434

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, 2022.

Note 7 – Risk Management (Continued)

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, 2022.

Ohio Police and Fire Retirement System

The Township 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, 2022.

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, 2022.

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 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. 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.

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Postemployment Benefits (Continued)

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 10 – Debt

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
LGIF Loan	\$ 13,416	0%
Taxable Fire Station Bonds, 2007 Series	5,204,000	3.5%
Total	\$ 5,217,416	

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 \$127,800 in principal and \$185,700 in interest payments on this loan during 2022. 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:

Year Ending December 31:	LGIF Loan	Taxable Fire Station Bonds, 2007 Series
2023	\$ 7,667	\$ 313,976
2024	5,749	314,771
2025		314,385
2026		314,344
2027		314,129
2028-2032		1,570,526
2033-2037		1,570,150
2038-2042		1,569,707
2043-2047		1,570,058
Total	\$ 13,416	\$ 7,852,046

Miami Township
Greene County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. 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 and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 1,006	\$ 11,134	\$ 12,140
Total	\$ 1,006	\$ 11,134	\$ 12,140

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

Note 13– COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Miami Township, Greene County, (the Township) and have issued our report thereon dated September 30, 2024, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

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 purpose 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings as item 2023-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings as items 2023-002 and 2023-003 to be significant deficiencies.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2023-002 through 2023-004.

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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

September 30, 2024

MIAMI TOWNSHIP
GREENE COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

FINDING NUMBER 2023-001

Material Weakness

Financial Reporting

The Township is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting.

During 2023 and 2022, receipts, disbursements and fund balances were not always posted or classified correctly. The following posting errors were noted:

- Debt payments were recorded as Public Safety instead of Principal Retirement in the Special Levy- Fire and Fire and Rescue, Ambulance and EMS Funds in 2023 and 2022; and
- Debt payments were not always classified to Principal and Interest correctly in the General (Bond) (Note) Retirement Fund in 2023 and 2022;
- One payment to the IRS was voided from the system but cleared the bank in June of 2023. This resulted in an overpayment to the IRS and the bank cash balances not agreeing to the system.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassification and adjusting entries. The Financial Statements reflect all reclassifications and adjustments. The Township has made these adjustments to their accounting system.

Aspects to the Notes of the financial statements were modified to reflect adjustments and correct errors in 2023 and 2022.

The following reclassifications were inconsequential to the overall financial statements of the Township for December 31, 2023 and 2022 and were not posted to the financial statements or ledgers:

- Rollback receipts were posted to Property Tax instead of Intergovernmental in the General, Road and Bridge, Special Levy- Fire, and General (Bond) (Note) Retirement Funds in 2023 and 2022; and
- A Sale of Capital Asset receipt was recorded as Miscellaneous Revenue in the Road and Bridge Fund in 2023.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

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

MIAMI TOWNSHIP
GREENE COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2023-002

Significant Deficiency/ Noncompliance

Appropriations Exceeding Estimated Resources

Ohio Rev. Code §5705.39 states in part that the total appropriations from each fund should not exceed the total estimated revenue. Appropriations exceeded estimated resources in the Cemetery and Special Levy – Fire funds by \$2,061 and \$90,309, respectively for the year ended December 31, 2022.

Appropriating more money than expected or actually received could lead to negative fund balances and monies being used to cover expenses being charged to inappropriate funds or lines items. It could also, lead to commitments being made without sufficient funds to pay for those commitments.

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

MIAMI TOWNSHIP
GREENE COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2023-003

Significant Deficiency/ Noncompliance

Posting of Leave/ Proper Public Purpose

The Township's policy states full time employees accumulate sick leave at a rate of 4.6 days per 80 hours of employment. Vacation time is accumulated at varying rates per payroll based on the length of time the employee has been with the Township. During our testing, we noted several instances where sick and vacation leave was being accumulated for more than 26 pay periods in a year without explanation.

The Township's policy also states that employees are unable to carry over more than 200 hours of vacation leave per year without written approval by the board. We noted several instances where employees beginning leave balances were over 200 hours and board approval was not received. The Township made attempts to correct this in 2023.

The fire department maintains their own leave balances in a separate software. We recommend the Township reconcile these balances in UAN to correct all leave balances and maintain appropriate records going forward.

State ex. Rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialize by a duly enacted ordinance or resolution and may have a prospective effect only.

The Township's policy states compensatory time cannot be rolled over at the end of each year and that remaining time is to be paid out at \$.50/ \$1 earned. We noted several instances where compensatory time was not reduced to zero in the UAN system. This resulted in an employee being paid twice for the same hours. The overpayment to this employee was \$7,001 in 2023.

We also noted \$465 of late fees to Ohio Bureau of Workers Compensation and Ohio Police and Fire in 2022 and 2023.

We recommend that the Township review and amend their leave balances to ensure balances are accurate the policy is being followed at all times to ensure employee payouts are accurate. We also recommend that the Township pay withholdings and other bills by the due date to avoid accruing late fees and penalties.

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

MIAMI TOWNSHIP
GREENE COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2023-004

Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Township did not properly certify the availability of funds prior to purchase commitment for 18% of the expenditures tested for 2023 and for 42% of the expenditures tested for 2022.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Township. When prior certification is not possible, "then and now" certification should be used.

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

**MIAMI TOWNSHIP
GREENE COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Statement Errors	Not Corrected	Repeated as Finding 2023-001

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 12/24/2024

65 East State 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