



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MIAMI TOWNSHIP
CLERMONT COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Miami Township
Clermont County
5900 McPicken Drive
Milford, Ohio 45150

To the Board of Trustees:

We have audited the accompanying financial statements of Miami Township, Clermont County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The accompanying schedule of federal awards expenditures for the year ended December 31, 2001 is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2002 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, Board of Trustees, Federal Award Agencies, Pass-through Entities and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

November 26, 2002

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$574,833	\$8,793,734		\$9,368,567
Intergovernmental	593,253	1,705,679	337,231	2,636,163
Special Assessments		154,964		154,964
Charges for Services		105,992		105,992
Licenses, Permits, and Fees	158,278	120,476		278,754
Fines, Forfeitures, and Penalties	40,152	7,881		48,033
Earnings on Investments	219,053	43,635		262,688
Other Revenue	130,752	289,898		420,650
Total Cash Receipts	<u>1,716,321</u>	<u>11,222,259</u>	<u>337,231</u>	<u>13,275,811</u>
Cash Disbursements:				
Current:				
General Government	1,377,536	123,527		1,501,063
Public Safety		7,856,387		7,856,387
Public Works		1,363,789		1,363,789
Health	129,360	43,123		172,483
Conservation - Recreation	241,092	1,144,358		1,385,450
Debt Service:				
Redemption of Principal	48,849	969,783		1,018,632
Interest and Fiscal Charges	9,125	180,764		189,889
Capital Outlay	310,367	2,623,337	222,576	3,156,280
Total Cash Disbursements	<u>2,116,329</u>	<u>14,305,068</u>	<u>222,576</u>	<u>16,643,973</u>
Total Receipts Over/(Under) Disbursements	<u>(400,008)</u>	<u>(3,082,809)</u>	<u>114,655</u>	<u>(3,368,162)</u>
Other Financing Receipts and (Disbursements):				
Proceeds from Notes		750,000		750,000
Sale of Fixed Assets		8,080		8,080
Transfers-In		1,531		1,531
Transfers-Out	(1,531)			(1,531)
Other Sources	1,260	142,837		144,097
Other Uses			(144,097)	(144,097)
Total Other Financing Receipts/(Disbursements)	<u>(271)</u>	<u>902,448</u>	<u>(144,097)</u>	<u>758,080</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(400,279)	(2,180,361)	(29,442)	(2,610,082)
Fund Cash Balances, January 1	1,080,835	6,075,710	29,442	7,185,987
Fund Cash Balances, December 31	<u>\$680,556</u>	<u>\$3,895,349</u>	<u>\$0</u>	<u>\$4,575,905</u>
Reserve for Encumbrances, December 31	<u>\$11,925</u>	<u>\$20,686</u>	<u>\$0</u>	<u>\$32,611</u>

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

**MIAMI TOWNSHIP
CLERMONT COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$520,891	\$8,531,579		\$9,052,470
Intergovernmental	762,865	1,481,719	70,094	2,314,678
Special Assessments		137,152		137,152
Charges for Services		115,111		115,111
Licenses, Permits, and Fees	150,505	136,602		287,107
Fines, Forfeitures, and Penalties	45,996	3,000		48,996
Earnings on Investments	310,543	106,246		416,789
Other Revenue	94,788	32,521		127,309
Total Cash Receipts	<u>1,885,588</u>	<u>10,543,930</u>	<u>70,094</u>	<u>12,499,612</u>
Cash Disbursements:				
Current:				
General Government	1,245,907	88,925		1,334,832
Public Safety		6,655,397		6,655,397
Public Works		1,533,600		1,533,600
Health	134,442	34,207		168,649
Conservation - Recreation	275,367	630,960		906,327
Debt Service:				
Redemption of Principal	31,792	606,935		638,727
Interest and Fiscal Charges	9,515	47,947		57,462
Capital Outlay	573,162	1,025,610	67,020	1,665,792
Total Cash Disbursements	<u>2,270,185</u>	<u>10,623,581</u>	<u>67,020</u>	<u>12,960,786</u>
Total Receipts Over/(Under) Disbursements	<u>(384,597)</u>	<u>(79,651)</u>	<u>3,074</u>	<u>(461,174)</u>
Other Financing Receipts and (Disbursements):				
Proceeds of Bonds		2,000,000		2,000,000
Sale of Fixed Assets	23,467	22,779		46,246
Transfers-In		17,528		17,528
Transfers-Out	(17,528)			(17,528)
Other Sources	1,752	3,074		4,826
Other Uses			(3,074)	(3,074)
Total Other Financing Receipts/(Disbursements)	<u>7,691</u>	<u>2,043,381</u>	<u>(3,074)</u>	<u>2,047,998</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(376,906)</u>	<u>1,963,730</u>	<u>0</u>	<u>1,586,824</u>
Fund Cash Balances, January 1	<u>1,457,742</u>	<u>4,111,979</u>	<u>29,442</u>	<u>5,599,163</u>
Fund Cash Balances, December 31	<u>\$1,080,836</u>	<u>\$6,075,709</u>	<u>\$29,442</u>	<u>\$7,185,987</u>
Reserve for Encumbrances, December 31	<u>\$96,873</u>	<u>\$29,937</u>	<u>\$0</u>	<u>\$126,810</u>

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

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Miami Township, Clermont County, Ohio (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road maintenance, cemetery maintenance, fire protection, police services, park recreation services, and emergency medical services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash Deposits and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit, U.S. Government Agency Securities, and Money Market Investments are valued at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Police Fund

This fund receives tax money for the operating expenses incurred by the police district in the Township.

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Ambulance Fund

This fund receives tax money to provide emergency medical services to the Township.

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital projects fund:

OPWC Fund

This fund receives Ohio Public Works Commission (OPWC) monies for street improvements.

FEMA Fund

This fund receives federal monies from the U.S. Federal Emergency Management Agency for repairs due to being declared a disaster area due to a flood.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated. The Township did not encumber all commitments required by Ohio law. The budgetary presentations include audit adjustments to include material items that should have been encumbered. A summary of 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2001	2000
Demand deposits	\$ 1,852,965	\$ 4,595,438
Certificates of deposit	<u>1,246</u>	<u>1,195</u>
Total deposits	<u>1,854,211</u>	<u>4,596,633</u>
Money Market Investments	15,486	49,923
U.S. Government Agency Securities	<u>2,706,208</u>	<u>2,539,431</u>
Total investments	<u>2,721,694</u>	<u>2,589,354</u>
Total deposits and investments	<u><u>4,575,905</u></u>	<u><u>7,185,987</u></u>

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

Investments: U.S. Government Agency Securities are held by the Trustee. The Trustee maintains records identifying the Township as owner of these securities. Money Market investments are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 2001 and 2000 follows:

Fund Type	2001 Budgeted vs. Actual Receipts		Variance
	Budgeted Receipts	Actual Receipts	
General	\$ 1,499,321	\$ 1,717,581	\$ 218,260
Special Revenue	12,043,463	12,124,707	81,244
Capital Projects	<u>294,190</u>	<u>337,231</u>	<u>43,041</u>
Total	<u><u>\$ 13,836,974</u></u>	<u><u>\$ 14,179,519</u></u>	<u><u>\$ 342,545</u></u>

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

Fund Type	2001 Budgeted vs. Actual Budgetary Appropriation Authority	Basis Budgetary Expenditures	Expenditures Variance
General	\$ 2,466,201	\$ 2,129,785	\$ 336,416
Special Revenue	18,379,389	14,325,754	4,053,635
Capital Projects	<u>294,190</u>	<u>366,673</u>	<u>(72,483)</u>
Total	<u>\$ 21,139,780</u>	<u>\$ 16,822,212</u>	<u>\$ 4,317,568</u>

Fund Type	2000 Budgeted vs. Actual Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,586,888	\$ 1,910,807	\$ 323,919
Special Revenue	12,709,859	12,587,311	(122,548)
Capital Projects	<u>0</u>	<u>70,094</u>	<u>70,094</u>
Total	<u>\$ 14,296,747</u>	<u>\$ 14,568,212</u>	<u>\$ 271,465</u>

Fund Type	2000 Budgeted vs. Actual Budgetary Appropriation Authority	Basis Budgetary Expenditures	Expenditures Variance
General	\$ 2,534,327	\$ 2,384,586	\$ 149,741
Special Revenue	17,133,666	10,653,518	6,480,148
Capital Projects	<u>29,442</u>	<u>70,094</u>	<u>(40,652)</u>
Total	<u>\$ 19,697,435</u>	<u>\$ 13,108,198</u>	<u>\$ 6,589,237</u>

Contrary to Ohio law, appropriations exceeded estimated resources in the following funds for fiscal year 2000:

Fund	Variance
Cemetery Bequest	(6,544)
Park Trust	(30,766)
Fire Levy	(993,275)
Drug Enforcement	(5,000)
Permissive Tax	(9,227)
Drug Enforcement & Ed	(12,000)
Public Works	(29,442)

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

Contrary to Ohio law, budgetary expenditures plus encumbrances exceeded appropriations at fiscal year 2000 year-end in the following funds by:

Fund	Variance
Speed Grant	(11,406)
COPS FAST	(25,085)
Safe Roads	(22,315)
Cops in Shops	(11,995)
Public Works	(40,652)

Contrary to Ohio law, budgetary expenditures plus encumbrances exceeded appropriations at fiscal year 2001 year-end in the following funds by:

Fund	Variance
Lighting District	(10,826)
Seatbelt	(13,048)
COPS FAST	(13,653)
COPS FAST	(151,164)
Safe Roads	(30,158)
Cops in Shops	(11,302)
Public Works	(72,483)

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Paul Young Property – 1994	\$ 95,079	6.5%
Ambulance Lease – 1998	101,157	5.1%
TAN for Park Land Development - 2000	1,600,000	5.7%
General Obligation Road Equipment Note – 2001	85,072	4.2%
General Obligation Fire Depart. App. Note - 2001	<u>650,000</u>	4.1%
Total	<u>\$ 2,531,308</u>	

The Paul Young Property, 1994, is an agreement between the Township and Mr. Paul Young for the purchase of land for a township park. The Township is paying Mr. Young \$3,442 per month, including interest, over ten years. The agreement is uncollateralized.

The EMS Ambulance Lease, 1998, relates to the purchase of two new ambulances. The tax-exempt municipal lease will be repaid over five years with not less than the principal amount of \$53,258 being paid annually. The Lease is secured by emergency vehicles.

The Tax Anticipation Notes, 2000, are for recreational purposes including the acquisition, development and maintenance of township parks. The Township is repaying the notes with proceeds from an operating levy. The notes will be repaid over five years with not less than the principal amount of \$400,000 being paid annually. The Notes are secured by an operating levy.

The General Obligation Road Equipment Note, 2001 relates to the purchase of road equipment. The Notes will be repaid over four years with principal amounts of \$16,666 for the first two years and \$16,667 thereafter. The Notes are uncollateralized.

The General Obligation Fire Apparatus Note, 2001 is for the purpose of purchasing a fire aerial truck. The Notes will be repaid over ten years with a principal amount of \$32,000 paid biannually. The Note is secured by a tax levy.

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

	Paul Young Property 1994	Ambulance Lease 1998	Tax Anticipation Notes 2000	Gen. Oblig. Road Note 2001	Gen. Oblig. Fire Note 2001
Year ending December 31:					
2002	\$ 41,308	\$ 53,286	\$ 482,800	\$ 36,483	\$ 92,242
2003	41,308	53,286	460,000	35,084	88,319
2004	20,654	0	440,000	18,755	85,654
2005	0	0	420,000	0	82,989
2006	0	0	0	0	80,324
Subsequent	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>361,644</u>
Total	<u>\$ 103,270</u>	<u>\$ 106,572</u>	<u>\$ 1,802,800</u>	<u>\$ 90,322</u>	<u>\$ 791,172</u>

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year.

Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, which the General Reinsurance Corporation will reinsure.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

7. RISK MANAGEMENT (Continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and report the following assets, liabilities and retained earnings at December 31:

<u>Casualty Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$23,703,776	\$22,684,383
Liabilities	<u>9,379,003</u>	<u>8,924,977</u>
Retained earnings	<u>\$14,324,773</u>	<u>\$13,759,406</u>
<u>Property Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$5,011,131	\$4,156,784
Liabilities	<u>647,667</u>	<u>497,831</u>
Retained earnings	<u>\$4,363,464</u>	<u>\$3,658,953</u>

8. NON-COMPLIANCE

- Contrary to Ohio law, the Township had negative fund balances in the COPS Fast and Lighting District funds at December 31, 2001.
- The Townships Clerk was overpaid \$918.
- The Township failed to establish separate funds to account for grant receipts and expenditures.
- The Township did not encumber all commitments.
- The Township was reimbursed for overtime under the COPS in School federal grant, which is not an allowable expenditure for the grant.
- The Township submitted quarterly reports for the COPS in School federal grant that contained errors.
- The Township failed to obtain a federal program-specific audit within nine months after the end of the audit period.
- The Township did not have a system in place to determine if vendors were suspended or debarred under the Disaster Assistance Federal Program.

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2001**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
<i>Passed Through Ohio Emergency Management Agency:</i>			
Disaster Assistance	N/A	83.544	189,015
Total U.S. Federal Emergency Management Agency			<u>189,015</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct from Federal Government:</i>			
COPS in School	N/A	16.710	154,369
Total U.S. Department of Justice			<u>154,369</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Public Safety</i>			
Safe Roads	N/A	20.600	30,158
COPS-In-Shops	N/A	20.601	11,302
Total U.S. Department of Transportation			<u>41,460</u>
Total			<u>\$ 384,844</u>

The accompanying notes to this schedule are an integral part of this schedule.

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2001**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Township's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the Township contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Township has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Miami Township
Clermont County
5900 McPicken Drive
Milford, Ohio 45150

To the Board of Trustees:

We have audited the accompanying financial statements of Miami Township, Clermont County, Ohio (the Township), as of and for the years ended December 31, 2000 and 2001, and have issued our report thereon dated November 26, 2002. We conducted our audit 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.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-40413-002 through 2001-40413-007. We also noted immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated November 26, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2001-40413-001 and 2001-40413-008.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, of the reportable conditions described above, we consider item 2001-40413-001 to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated November 26, 2002.

This report is intended solely for the information and use of management, Board of Trustees, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

November 26, 2002



STATE OF OHIO
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Miami Township
Clermont County
5900 McPicken Drive
Milford, Ohio 45150

To the Board of Trustees:

Compliance

We have audited the compliance of Miami Township, Clermont County, Ohio (the Township), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Township's management. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township's compliance with those requirements.

As described in item 2001-40413-009 in the accompanying scheduled of findings and questioned costs, the Township did not comply with requirements regarding activities allowed and allowable costs that are applicable to its COPS in School grant. Compliance with such requirements is necessary, in our opinion, for the Township to comply with requirements applicable to that program

In our opinion, except for the noncompliance described in the preceding paragraph, the Township complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings as items 2001-40413-010 through 2001-40413-012.

Internal Control Over Compliance

The management of the Township is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Township's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Township's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. These reportable conditions are described in the accompanying schedule of findings as items 2001-40413-0010 and 2001-40413-012.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are not material weakness.

This report is intended for the information and use of management, Board of Trustees, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Jim Petro
Auditor of State

November 26, 2002

**MIAMI TOWNSHIP
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 Section .505
DECEMBER 31, 2001 and 2000**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	FEMA – CFDA # 83.544 COPS – CFDA # 16.710
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

FINDING NUMBER 2001-40413-001

Material Weakness

During our review of the monthly bank reconciliations, we noted that:

- There were unexplained variances between the reconciled bank balance and the Township's accounting system book balance throughout both fiscal years;
- The Township reconciles each bank account individually, however, there was no overall reconciliation of all accounts to the Township's accounting system cashbook balance.
- Outstanding checks older than six months were included on the Township's December 2000 and 2001 bank reconciliation.
- Many receipts were misclassified or were not posted to the books, resulting in numerous audit adjustments. Instances were noted in which receipts were not posted in a timely manner, and receipts were double posted.
- The Township did not record the interest earned on all accounts and investments when earned during fiscal year 2000.
- There were several instances in which checks for disbursements cleared the bank but were never posted to the books.
- System adjustments were made to the Township's computerized accounting system without appropriate supporting documentation.
- Some receipts could not be easily traced to a deposit slip, due to the Township not depositing funds timely with the bank and intact.
- Debt payments were not properly posted to the Township's accounting system.

On April 5, 2002, we reviewed the Township's accounting records and determined that monthly reconciliations were not performed and we issued a 90 day unauditible letter. The Township contracted with an accounting firm to perform monthly reconciliations of its accounts for 2000 and 2001. At December 31, 2001 the Township's accounting system reflected \$2,537 less than the Township's reconciled balances. The Township could not determine why this variance existed.

Reconciliations are an effective tool to help management determine the completeness of recorded transactions and verify that all recorded transactions have been deposited with the financial institution. We recommend the Township reconcile all their accounts to the total fund cashbook balance on a monthly basis. Any variances should be immediately investigated and documented. We also recommend this monthly reconciliation be reviewed for any discrepancies and approved by the Trustees when the review is completed. This can help to hinder any misappropriations of funds and detect any errors which may have occurred on the books or by the bank. Also, by having someone other than the Clerk/Treasurer review the bank reconciliations, errors can be detected and corrected in a timely manner.

FINDING NUMBER 2001-40413-001
(Continued)

Per Management Advisory Services (MAS) Bulletin 1991-11, outstanding checks should be removed from bank reconciliations and should be added back into the book balance in an Unclaimed Monies Fund for a period of five years. If after five years these monies are not claimed, the Township should pay these monies into the General Fund.

FINDING NUMBER 2001-40413-002

Finding for Recovery Repaid Under Audit

Ohio Rev. Code, Section 507.09, sets the Clerk's compensation based upon the Township's budget. The Township's budget was greater than \$6,000,001, therefore, setting the 2000 salary at \$18,672. The Township Clerk's Compensation was paid to Eric Ferry in the amount of \$18,672 for 2000. His term began on April 1, 2000 at which time he would be entitled to an annual salary of \$18,672. Mr. Ferry was paid the above amount starting January 1, 2000, and therefore, was overpaid in the amount of \$918.

On November 15, 2002, at Mr. Ferry's instruction, the Township withheld \$918 from Mr. Ferry's paycheck. This amount was paid into the Township's general fund.

FINDING NUMBER 2001-40413-003

Ohio Rev. Code, Section 5705.09(F), requires the Township to establish a separate fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. Upon establishing a separate fund, estimated receipts should be certified to the County Auditor as available as available for expenditures and anticipated expenditures should be included in the Township's appropriations. During the audit, the following funds were not established:

- COPS in Shops;
- Safe Roads;
- FEMA;
- COPS in schools;
- COPS;
- Speed Grant; and
- Seatbelt Grant.

We recommend the Township establish separate funds to account for grant receipts and disbursements. The Township should record all grant activity within these funds. These procedures would allow Township officials to monitor activity. Due to audit adjustments, these funds were established and reported on the Township's financial statements.

FINDING NUMBER 2001-40413-004

Noncompliance Citation

Ohio Rev. Code, Section 5705.10, states money that is paid into a fund must be used only for the purpose for which such fund has been established. A negative fund balance indicates that money from one fund was used to cover the expenses of another fund. During 2001, the Township had the following funds with negative fund balances.

Fund	Fund Balance at December 31, 2001
COPS FAST	(\$ 13,374)
Lighting District	(9,765)

We recommend that the Township reconcile monthly, monitor fund balances, and take corrective action.

FINDING NUMBER 2001-40413-005

Noncompliance Citation

Ohio Rev. Code, Section 5705.39, states that the total appropriations from each fund should not exceed the total estimated revenue. Appropriations exceeded estimated revenue in the following funds for fiscal year 2000:

Fund	Appropriations	Estimated Revenue	Variance
Cemetery Bequest	6,544	-0-	(\$ 6,544)
Park Trust	30,766	-0-	(30,766)
Fire Levy	3,324,162	2,330,886	(993,276)
Drug Enforcement	22,821	17,821	(5,000)
Permissive Tax	805,776	796,549	(9,227)
Drug Enforcement & Ed	72,284	60,284	(12,000)
Public Works	29,442	-0-	(29,442)

These variances were due to amending appropriations at year-end, but not amending estimated resources. During our review, we noted that the Township did not post estimated receipts to the receipts ledger. The receipts ledger facilitates the comparison of estimated to actual receipts within each fund. This analysis permits corrective action to be taken throughout the year if revenue estimates, which are the basis for appropriations, fall below appropriations and allows the Township to determine if they need to amend their Certificate of Estimated Resources.

We recommend that the Township review estimated revenue with appropriations before making any modifications to these official documents.

FINDING NUMBER 2001-40413-006

Noncompliance Citation

Ohio Rev. Code, Section 5705.41 (B), provides that no subdivision or taxing unit is to expend money unless it has been appropriated. Expenditures plus encumbrances exceeded appropriations at fiscal year 2000 year-end in the following funds:

Fund	Expenditures	Appropriations	Variance
Speed Grant	11,406	-0-	(\$11,406)
COPS FAST	25,085	-0-	(25,085)
Safe Roads	22,315	-0-	(22,315)
Cops in Shops	11,995	-0-	(11,995)
Public Works	70,094	29,442	(40,652)
Lighting District	154,679	150,000	(4,679)

Expenditures plus encumbrances exceeded appropriations at fiscal year-end 2001 in the following funds:

Fund	Expenditures	Appropriations	Variance
Lighting District	166,260	155,434	(\$10,826)
Seatbelt	13,048	-0-	(13,048)
COPS FAST	13,653	-0-	(13,653)
COPS FAST	151,164	-0-	(151,164)
Safe Roads	30,158	-0-	(30,158)
Cops in Shops	11,302	-0-	(11,302)
Public Works	236,100	163,617	(72,483)

We recommend that the Township monitor budgetary activity and take corrective action.

FINDING NUMBER 2001-40413-007

Noncompliance Citation

Ohio Rev. 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 there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two exceptions to the above requirements:

- A. Then and Now Certificates- If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board of Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.

**FINDING NUMBER 2001-40413-007
(Continued)**

- B. If the amount involved is less than \$1,000 dollars, the fiscal officer may authorize payment through a Then and Now Certificate without affirmation of the Board of Trustees, if such expenditure is otherwise valid.

Where a continuing contract is to be performed in whole or in part in an ensuing fiscal year, only the amount required to meet those amounts in the fiscal year in which the contract is made need be certified.

Contrary to the above requirement, the availability of funds were not certified for all year-end commitments. Furthermore, the Township did not properly encumber twenty-seven percent of the items tested. Failure to certify the availability of funds and encumber appropriations can result in overspending funds and negative cash fund balances. Therefore, we recommend the Township obtain approved purchase orders, which contain the Treasurer's certification that the amount required to meet the obligation has been lawfully appropriated and authorized, prior to making a commitment.

Also, as described in Findings 2001-40413-004 and 2001-40413-006, the Township incurred negative fund cash balances and overspent appropriations in certain funds. The fiscal officer's certification, if used properly, would have prevented these violations.

Ohio Rev. Code, Section 5705.36, requires the fiscal officer to certify to the County Auditor on or about January 1 the amount available for expenditures in each fund in the budget, with year-end balances. Due to not certifying all year end commitments, incorrect amounts were certified to the County Auditor for January 1, 2001 and 2002.

FINDING NUMBER 2001-40413-008

Reportable Condition

Monitoring controls are comprised of regular management and supervisory activities established to oversee whether management's objectives are being achieved, covering operational and legal compliance, as well as financial control objectives. Effective monitoring controls should identify unexpected results or expectations (including significant compliance exceptions), investigate underlying causes and take corrective action. We noted areas for which monitoring controls performed by management should be established. There was no documented review and approval of:

- Monthly bank reconciliations;
- Budget-to-actual statements;
- Official or Amended Certificate of Estimated Resources; and
- Budgetary amounts, including the budget and appropriation resolution.

If no review or approval of the monthly reconciliations or reports is performed, incorrect amounts may not be detected and could result in a negative fund balance. By having a system in place for review and approval, errors and discrepancies can be noted and corrected in a timely manner.

**FINDING NUMBER 2001-40413-008
 (Continued)**

Additionally, all official actions, including approving reports, all budgetary actions and amounts, should be approved in the minutes. Therefore, we recommend that the approval of the Official and Amended Certificate of Estimated Resources, all official actions including budgetary documents and amounts be documented in the minutes.

An effective monitoring control system should be implemented to assist management in detecting material misstatements in financial information. This would include the Board reviewing and approving monthly financial reports, bank reconciliations, fund balances, and budget-to-actual data. Reviewing monthly reports allows the Board to evaluate the budget and the efficiency of the departments. These reviews and approvals should be noted in the minutes of the Board.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

FINDING NUMBER 2001-40413-009

CFDA Title and Number	Community Oriented Policing Services (COPS) in Schools – 16.710
Federal Award Number / Year	2000SHWX0589
Federal Agency	U.S. Department of Justice
Pass-Through Agency	None – Direct from Federal Government

Noncompliance Finding/Questioned Costs

COPS in School Award Grant Agreement, Condition 1 defines allowable expenditures. The funding under this project is for the payment of salaries and approved fringe benefits for three years for sworn entry level “career law enforcement officers”, lateral transfers, or rehired officers. Overtime, training, weapons, communication equipment and vehicles cannot be paid for with this funding.” Additionally pay for court time, holidays, and negotiated union time cannot be paid for with this funding. Salary submitted for reimbursement included overtime, court time, paid holidays and negotiated union time. These are not allowable under the grant and therefore does not conform to the allowability of costs limitations in the program agreement or regulations. We have identified \$29,250 in questioned costs relating to overtime/paid time off. We recommend the Police Chief review allowable and unallowable activities with the Clerk or other personnel who may be responsible for pulling salary and benefit information for the COPS in Schools grant. Expenditures submitted for reimbursement should be reviewed by a grant administrator who is knowledgeable of grant and allowable activities/costs.

FINDING NUMBER 2001-40413-010

CFDA Title and Number	Community Oriented Policing Services (COPS) in Schools – 16.710
Federal Award Number / Year	2000SHWX0589
Federal Agency	U.S. Department of Justice
Pass-Through Agency	None – Direct from Federal Government

**FINDING NUMBER 2001-40413-010
 (Continued)**

Noncompliance Finding/Reportable Condition

COPS in School Award Grant Agreement, Condition 6 requires semi annual progress reports and quarterly financial reports to be submitted by the local government. Quarterly reports were submitted during 2001; however, incorrect amounts were reported on the quarterly reports. The second quarter Financial Status Report contained an error of \$16,626 as an understatement of the Federal share and as an overstatement of the local share of matching funds. This error did not effect the actual amount that was reimbursed but caused the Township to carry forward unobligated balances at an inflated amount. If not corrected, the remaining funds are not being properly reflected, and therefore monies could be overspent. The Chief should review the amounts presented on the Financial Status Report against what has been reimbursed to date and correct any discrepancy. Additionally, reports should be reviewed for accuracy prior to being submitted.

FINDING NUMBER 2001-40413-011

CFDA Title and Number	Community Oriented Policing Services (COPS) in Schools – 16.710 Disaster Assistance Federal Emergency Management Agency – 83.544
Federal Award Number / Year	1) 2000SHWX0589 2) 2001 FIPS#025-49322-00 FEMA-1390-DR-OH
Federal Agency	1) US. Department of Justice 2) Federal Emergency Management Agency (FEMA)
Pass-Through Agency	1) None – Direct from Federal Government 2) Ohio Emergency Management Agency (OEMA)

Noncompliance Finding

OMB Circular A-133, Section 200(a), states that Non-Federal entities that expend \$300,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year. Furthermore, OMB Circular A-133, Section 300(e), when read in conjunction with Section 320(a) requires recipients of federal grants to ensure that required audits are performed and submitted within nine (9) months after the end of the audit period. For the year ended December 31, 2001, the Township expended \$395,292 of federal funds. However, the Township did not obtain an audit of its Federal program and submit the audit report by the deadline.

We recommend the Township Clerk/Treasurer review federal program expenditures each year and take action to ensure that a single or program specific audit is performed and submitted within nine months after the end of the audit period.

FINDING NUMBER 2001-40413-012

CFDA Title and Number	Disaster Assistance Federal Emergency Management Agency – 83.544
Federal Award Number / Year	2001 FIPS#025-49322-00 FEMA-1390-DR-OH
Federal Agency	Federal Emergency Management Agency (FEMA)
Pass-Through Agency	Ohio Emergency Management Agency (OEMA)

FINDING NUMBER 2001-40413-012
(Continued)

Noncompliance Finding/Reportable Condition

44 C.F.R., Section 13.35, requires an entity to ensure that the vendors have not been debarred or suspended when entering into contracts. Due to the flood, the Township declared an emergency and therefore did not formally bid, and therefore, did not verify that the vendors were debarred or suspended. The Township did not have any procedures in place to determine if vendors were suspended or are debarred. This could have caused the Township to violate Federal Regulations and enter into monetary dealings with vendors who are prohibited from receiving Federal money. We recommend that the Township verify that a vendor has not been debarred or suspended when entering into contracts. The Township should obtain suspension and debarment certifications for vendors. The Township should also review the List of Parties Excluded From Federal Procurement or Nonprocurement Programs, issued by the General Services Administration and ascertain if contracts were awarded to suspended or debarred parties.

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**MIAMI TOWNSHIP
CLERMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001 AND DECEMBER 31, 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-40413-001	Ohio Admin. Code, 117-3-09. did not properly maintain a cash journal and receipts ledger	No	Finding No Longer Valid because Ohio Admin Code has been updated.
1999-40413-002	ORC, Section 5705.09, not properly establishing a fund	No	Not Corrected. Reported as a Material Noncompliance Condition for fiscal year 2000 and 2001 – Finding Number 2001-40413-003
1999-40413-003	ORC, Section 5705.41(B), exp. > appr.	No	Not Corrected. Reported as a Material Noncompliance Condition for Fiscal Year 2001 and 2000 - Finding Number 2001-40413-006.



STATE OF OHIO
OFFICE OF THE AUDITOR

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MIAMI TOWNSHIP
CLERMONT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 17, 2002**