



**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**MIAMI TOWNSHIP  
HAMILTON COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

250 West Court Street  
Suite 150 E  
Cincinnati, Ohio 45202  
Telephone 513-361-8550  
800-368-7419  
Facsimile 513-361-8577  
www.auditor.state.oh.us

## INDEPENDENT ACCOUNTANTS' REPORT

Miami Township  
Hamilton County  
P. O. Box 98  
Cleves, Ohio 45002

To the Board of Trustees:

We have audited the accompanying financial statements of Miami Township, Hamilton County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999. 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 generally accepted auditing standards 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, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2001, 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 the 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 and the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

February 26, 2001

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**MIAMI TOWNSHIP  
HAMILTON COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts:</b>			
Local Taxes	\$394,655	\$1,155,308	\$1,549,963
Intergovernmental	527,367	150,875	678,242
Special Assessments	0	20,668	20,668
Licenses, Permits, and Fees	0	54,880	54,880
Fines, Forfeitures, and Penalties	7,050	0	7,050
Earnings on Investments	94,493	35,653	130,146
Other Revenue	99,514	216,705	316,219
	<b>1,123,079</b>	<b>1,634,089</b>	<b>2,757,168</b>
<b>Cash Disbursements:</b>			
Current:			
General Government	311,778	0	311,778
Public Safety	124,678	1,399,786	1,524,464
Public Works	161,076	136,331	297,407
Health	0	137,401	137,401
Conservation - Recreation	124,110	0	124,110
Capital Outlay	143,432	14,817	158,249
	<b>865,074</b>	<b>1,688,335</b>	<b>2,553,409</b>
Total Receipts Over/(Under) Disbursements	<b>258,005</b>	<b>(54,246)</b>	<b>203,759</b>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	100,000	100,000
Transfers-Out	(100,000)	0	(100,000)
	<b>(100,000)</b>	<b>100,000</b>	<b>0</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<b>158,005</b>	<b>45,754</b>	<b>203,759</b>
Fund Cash Balances, January 1	<b>291,307</b>	<b>1,583,322</b>	<b>1,874,629</b>
<b>Fund Cash Balances, December 31</b>	<b>\$449,312</b>	<b>\$1,629,076</b>	<b>\$2,078,388</b>
Reserve for Encumbrances, December 31	<b>\$226</b>	<b>\$731</b>	<b>\$957</b>

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

**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Local Taxes	\$383,848	\$1,183,818	\$1,567,666
Intergovernmental	339,343	153,332	492,675
Special Assessments	0	13,390	13,390
Licenses, Permits, and Fees	0	47,140	47,140
Fines, Forfeitures, and Penalties	6,016	0	6,016
Earnings on Investments	58,068	20,441	78,509
Other Revenue	146,286	85,557	231,843
	<u>933,561</u>	<u>1,503,678</u>	<u>2,437,239</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	335,518	0	335,518
Public Safety	95,427	963,809	1,059,236
Public Works	83,532	420,706	504,238
Health	37,946	122,267	160,213
Conservation - Recreation	124,394	0	124,394
Capital Outlay	191,702	19,815	211,517
	<u>868,519</u>	<u>1,526,597</u>	<u>2,395,116</u>
Total Receipts Over/(Under) Disbursements	<u>65,042</u>	<u>(22,919)</u>	<u>42,123</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	80,000	80,000
Transfers-Out	(80,000)	0	(80,000)
	<u>(80,000)</u>	<u>80,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(14,958)</u>	<u>57,081</u>	<u>42,123</u>
Fund Cash Balances, January 1 (restated see note 8)	<u>306,265</u>	<u>1,526,241</u>	<u>1,832,506</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$291,307</u></b>	<b><u>\$1,583,322</u></b>	<b><u>\$1,874,629</u></b>
Reserve for Encumbrances, December 31	<u>\$462</u>	<u>\$2,925</u>	<u>\$3,387</u>

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



**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Miami Township, Hamilton County, (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 general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Hamilton County Sheriff to provide security of persons and property.

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 and Investments**

Certificates of deposit, and repurchase agreements are valued at cost.

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.

**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 Funds**

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:

Garbage and Waste Disposal District - This fund receives property tax money and is used to pay for the private removal of garbage and waste.

**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Police District - This fund receives property tax money and is used for police protection with in the township. The Township contracts with the Hamilton County Sheriff for security of persons and property.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function 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 individual commitments are made. Material encumbrances outstanding at year end are canceled, and encumbered against the subsequent year appropriations. Amounts for encumbrances outstanding at year end that were cancelled and encumbered against subsequent year appropriations follow. These amounts are not reported as "reserve for encumbrances, December 31" on the financial statements:

<u>Fund</u>	<u>December 31, 2000</u>	<u>December 31, 1999</u>
General	\$ 49,209	\$23,952
Special Revenue	112,803	70,728

A summary of 2000 and 1999 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.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	(\$97,026)	(\$10,572)
Certificates of deposit	<u>200,000</u>	<u>400,000</u>
Total deposits	<u>102,974</u>	<u>389,428</u>
Repurchase agreement	<u>1,975,414</u>	<u>1,485,201</u>
Total investments	<u>1,975,414</u>	<u>1,485,201</u>
Total deposits and investments	<u><u>\$2,078,388</u></u>	<u><u>\$1,874,629</u></u>

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

**Investments:** The Township invested in overnight repurchase agreements which were collateralized with U.S. Treasury obligations. The Township sweep amount exceeded the amount of outstanding checks at December 31, 1999 and 2000.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 2000 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$886,660	\$1,123,079	\$236,419
Special Revenue	<u>1,436,366</u>	<u>1,734,089</u>	<u>297,723</u>
Total	<u><u>\$2,323,026</u></u>	<u><u>\$2,857,168</u></u>	<u><u>\$534,142</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,169,592	\$965,300	\$204,292
Special Revenue	<u>1,958,012</u>	<u>1,689,068</u>	<u>268,944</u>
Total	<u><u>\$3,127,604</u></u>	<u><u>\$2,654,368</u></u>	<u><u>\$473,236</u></u>

**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$878,966	\$933,561	\$54,595
Special Revenue	1,386,856	1,583,678	196,822
Total	\$2,265,822	\$2,517,239	\$251,417

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,189,020	\$948,982	\$240,038
Special Revenue	1,977,224	1,529,521	447,703
Total	\$3,166,244	\$2,478,503	\$687,741

The Township had Disbursements in excess of appropriations in the police fund in 2000. The Township had appropriations in excess of estimated revenue in the General fund, on an interim basis, in 1999.

**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.

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

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.

**5. RETIREMENT SYSTEMS**

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

**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. RETIREMENT SYSTEMS (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 2000, and 8.13% thereafter. The Township has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

**7. RESTATEMENT OF BEGINNING FUND CASH BALANCES**

In 1999, the General Fund beginning balance was restated by \$2,091. The Township voided outstanding checks from 1995 and 1997. Voiding the outstanding checks caused the fund balance to increase by \$2,091.

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OFFICE OF THE AUDITOR  
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250 West Court Street  
Suite 150 E  
Cincinnati, Ohio 45202  
Telephone 513-361-8550  
800-368-7419  
Facsimile 513-361-8577  
www.auditor.state.oh.us

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Miami Township  
Hamilton County  
P. O. Box 98  
Cleves, Ohio 45002

To the Board of Trustees:

We have audited the accompanying financial statements of Miami Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated February 26, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 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 is described in the accompanying schedule of findings as item 2000-40431-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated February 26, 2001.

### 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we 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 February 26, 2001.

Miami Township  
Hamilton County  
Report on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
Page 2

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

February 26, 2001



**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

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

**FINDING NUMBER 2000-40431-001**

**Noncompliance Citation**

Ohio Rev. Code, Section 5705.41(B), prohibits a subdivision or taxing unit from making an expenditure unless it has been properly appropriated.

As of December 31, 2000, total budgetary expenditures in the amount of \$717,685 were found to exceed total appropriations of \$550,000 by \$167,685 in the Special Revenue Fund's Police fund.

Failure to monitor budgetary accounts and make necessary budgetary amendments could result in deficit fund balances. Therefore, we recommend the Township exercise due care in establishing and monitoring the yearly budget measures at the legal level of control so that appropriations are equal to or more than expenditures when adopted and throughout the year.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**MIAMI TOWNSHIP**

**HAMILTON 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  
MARCH 29, 2001**