



**Auditor of State  
Betty Montgomery**



**MIAMI TOWNSHIP  
HAMILTON COUNTY**

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**Auditor of State  
Betty Montgomery**

**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, 2002 and 2001. 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, 2002 and 2001, 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 10, 2003 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, the Board, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

February 10, 2003

**MIAMI TOWNSHIP  
HAMILTON 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, 2002**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Local Taxes	\$435,867	\$1,488,324	\$1,924,191
Intergovernmental	326,143	201,292	527,435
Special Assessments	0	26,301	26,301
Licenses, Permits, and Fees	0	56,395	56,395
Fines, Forfeitures, and Penalties	6,219	0	6,219
Earnings on Investments	29,084	10,387	39,471
Other Revenue	273,208	301,304	574,512
	<u>1,070,521</u>	<u>2,084,003</u>	<u>3,154,524</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	397,557	0	397,557
Public Safety	236,576	1,461,676	1,698,252
Public Works	273,411	495,401	768,812
Health	29,643	139,954	169,597
Conservation - Recreation	118,324	0	118,324
Capital Outlay	36,235	194,881	231,116
	<u>1,091,746</u>	<u>2,291,912</u>	<u>3,383,658</u>
Total Receipts (Under) Disbursements	<u>(21,225)</u>	<u>(207,909)</u>	<u>(229,134)</u>
<b>Other Financing Receipts and (Disbursements):</b>			
Transfers-In	0	30,000	30,000
Transfers-Out	(30,000)	0	(30,000)
	<u>(30,000)</u>	<u>30,000</u>	<u>0</u>
Deficiency of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	(51,225)	(177,909)	(229,134)
Fund Cash Balances, January 1	<u>514,496</u>	<u>1,841,482</u>	<u>2,355,978</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$463,271</u></b>	<b><u>\$1,663,573</u></b>	<b><u>\$2,126,844</u></b>
Reserve for Encumbrances, December 31	<u>\$7</u>	<u>\$1,131</u>	<u>\$1,138</u>

*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 AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Local Taxes	\$458,612	\$1,551,958	\$2,010,570
Intergovernmental	463,323	183,578	646,901
Special Assessments	0	28,125	28,125
Licenses, Permits, and Fees	0	50,195	50,195
Fines, Forfeitures, and Penalties	8,263	0	8,263
Earnings on Investments	77,131	20,858	97,989
Other Revenue	131,362	346,469	477,831
	<u>1,138,691</u>	<u>2,181,183</u>	<u>3,319,874</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
General Government	382,317	0	382,317
Public Safety	242,469	1,288,671	1,531,140
Public Works	242,238	551,940	794,178
Health	7,194	146,960	154,154
Conservation - Recreation	120,599	0	120,599
Capital Outlay	29,199	34,476	63,675
	<u>1,024,016</u>	<u>2,022,047</u>	<u>3,046,063</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over Disbursements	<u>114,675</u>	<u>159,136</u>	<u>273,811</u>
<b>Other Financing Receipts and (Disbursements):</b>			
Transfers-In	0	50,000	50,000
Transfers-Out	<u>(50,000)</u>	<u>0</u>	<u>(50,000)</u>
Total Other Financing Receipts/(Disbursements)	<u>(50,000)</u>	<u>50,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	64,675	209,136	273,811
Fund Cash Balances, January 1	<u>449,313</u>	<u>1,629,076</u>	<u>2,078,389</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$513,988</b></u>	<u><b>\$1,838,212</b></u>	<u><b>\$2,352,200</b></u>
Reserve for Encumbrances, December 31	<u><u>\$1,713</u></u>	<u><u>\$2,858</u></u>	<u><u>\$4,571</u></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, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Miami Township, Hamilton 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 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 Deposits**

The Township maintains all funds in an interest –bearing checking account.

**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 used to pay for the private removal of garbage and waste.

Police District

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

**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**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 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. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2002 and 2001 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. Accumulated Leave**

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

**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>2002</u>	<u>2001</u>
Demand deposits	<u>\$2,126,844</u>	<u>\$2,352,200</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,095,987	\$1,070,521	(\$25,466)
Special Revenue	2,002,411	2,114,003	111,592
Total	\$3,098,398	\$3,184,524	\$86,126

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,590,699	\$1,121,753	\$468,946
Special Revenue	3,172,858	2,293,043	879,815
Total	\$4,763,557	\$3,414,796	\$1,348,761

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$838,129	\$1,138,691	\$300,562
Special Revenue	1,883,844	2,231,183	347,339
Total	\$2,721,973	\$3,369,874	\$647,901

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,284,426	\$1,075,729	\$208,697
Special Revenue	2,807,495	2,024,905	782,590
Total	\$4,091,921	\$3,100,634	\$991,287

The Township had disbursements in excess of appropriations in the Cemetery Fund in 2002, and in the Cemetery and Lighting Funds in 2001.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 proceeding 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.

**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**4. PROPERTY TAX (Continued)**

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 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 2002 and 2001, members of 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 2002 and 2001. The Township has paid all contributions required through December 31, 2002.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

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

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



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' 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, 2002 and 2001, and have issued our report thereon dated February 10, 2003. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings as item 2002-40431-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated February 10, 2003.

#### **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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated February 10, 2003.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

February 10, 2003

**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001**

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

**FINDING NUMBER 2002-40431-001**

**Noncompliance/Reportable Condition**

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

As of December 31, 2002, total budgetary expenditures exceeded total appropriations of \$124,000 by \$16,018 in the Cemetery Fund.

As of December 31, 2001, total budgetary expenditures exceeded total appropriations of \$105,000 by \$41,811 in the Cemetery Fund and total appropriations of \$18,765 by \$1,208 in the Lighting 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.

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**MIAMI TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected ?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2000-40431-001	ORC, Section 5705.41(B), Expenditures exceeding appropriated	No	Issued as finding 2002-40431-001 for the 2002-2001 audit





**Auditor of State  
Betty Montgomery**

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**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 18, 2003**