

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2009**



Dave Yost • Auditor of State

Board of Trustees
Miami Township
6101 Meijer Drive
Milford, Ohio 45150

We have reviewed the *Independent Auditors' Report* of Miami Township, Clermont County, prepared by Bastin & Company, LLC, for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 29, 2011

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**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO**

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Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Members of the Board of Trustees
Miami Township, Clermont County

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Miami Township (the Township), Clermont County, Ohio, as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 the *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 2, the accompanying financial statements and notes follow the cash accounting basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Miami Township, Clermont County, Ohio, as of December 31, 2009, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Police, Ambulance, Public Safety #1 and Public Safety #2 Funds for the year then ended in conformity with the basis of accounting as described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2011, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
June 17, 2011

Miami Township
Clermont County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

This discussion and analysis of Miami Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009, within the limitations of the Township's cash basis of accounting. The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

- Net assets of the Township increased \$1,079,432, or 9 percent, from the prior year.
- The General Fund ended the year with a fund balance of \$1,602,996, a decrease of \$224,085, or 12 percent, from the prior year.
- The Police and Ambulance Funds experienced decreases in net fund balances of \$233,473 and \$29,762, respectively. The Public Safety Fund #1 and Public Safety Fund #2 experienced increases of \$460,472 and \$231,824, respectively.
- The Township's receipts are primarily property taxes. These receipts represent \$15,795,126, or 70 percent of the total cash received for governmental activities during the year. Property tax receipts increased by 6 percent during 2009 compared to 2008.

Using the Basic Financial Statements

The annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to Miami Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Miami Township
Clermont County, Ohio
Management's Discussion and Analysis
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Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenditures (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009, within the limitations of the cash basis accounting. The statement of net assets presents the pooled cash and investment balances of the governmental activities of the Township at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the government's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well, such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, we report governmental activities, which include basic services such as construction, maintenance and repair of Township roads, and the provision of police, fire, ambulance and other safety services and other government services.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted for a specific use is being spent for the intended purpose.

Governmental Funds – All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's

Miami Township
 Clermont County, Ohio
 Management's Discussion and Analysis
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programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Police, Ambulance, Public Safety #1 and Public Safety #2 Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 on a cash basis.

(Table 1)

Net Assets

	Governmental Activities	
	2009	2008
Assets		
Equity in Pooled Cash	\$ 13,480,947	\$ 12,401,515
Total Assets	\$ 13,480,947	\$ 12,401,515
Net Assets		
Restricted for:		
Other Purposes	\$ 11,877,951	\$ 10,574,434
Unrestricted	1,602,996	1,827,081
Total Net Assets	\$ 13,480,947	\$ 12,401,515

As mentioned previously, net assets of governmental activities increased \$1,079,432, or 9 percent, during 2009 as overall revenues of \$23,525,964 exceeded expenditures of \$22,446,532.

Miami Township
Clermont County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Tables 2 reflect the changes in net assets in 2009 compared to 2008 on a cash basis.

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2009	2008
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 2,906,937	\$ 2,377,634
Operating Grants and Contributions	2,424,115	2,908,034
Capital Grants and Contributions	24,353	-
Total Program Receipts	<u>5,355,405</u>	<u>5,285,668</u>
General Receipts:		
Property and Other Local Taxes	15,795,126	14,851,001
Cable Franchise Fees	348,798	461,423
Grants and Entitlements not Restricted to Specific Programs	684,689	928,369
Bonds Issued	900,000	-
Interest	51,733	398,424
Miscellaneous	390,213	418,611
Total General Receipts	<u>18,170,559</u>	<u>17,057,828</u>
Total Receipts	<u>23,525,964</u>	<u>22,343,496</u>
Disbursements:		
General Government	3,896,376	3,268,413
Public Safety	12,594,913	11,745,964
Public Works	2,952,267	2,626,265
Health	228,560	27,845
Conservation & Recreation	1,289,650	1,284,814
Capital Outlay	927,675	790,814
Debt Service:		
Principal Retirement	335,000	310,000
Interest and Fiscal Charges	222,091	230,398
Total Disbursements	<u>22,446,532</u>	<u>20,284,513</u>
Increase (Decrease) in Net Assets	1,079,432	2,058,983
Net Assets, January 1	<u>12,401,515</u>	<u>10,342,532</u>
Net Assets, December 31	<u>\$ 13,480,947</u>	<u>\$ 12,401,515</u>

Program receipts represent only 23 percent of total receipts and are primarily comprised of restricted

Miami Township
 Clermont County, Ohio
 Management's Discussion and Analysis
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intergovernmental receipts such as motor vehicle license and gas tax money, TIF and RID revenues and EMS receipts. General receipts represent 77 percent of the Township's total receipts, and of this amount approximately 87 percent are property taxes and other local taxes. Local government funds, hotel/motel occupancy tax, estate tax, miscellaneous receipts, and interest income make up the balance of the Township's general receipts.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include costs of counsel, Finance Officer, Trustees, as well as internal services such as payroll and purchasing. Public Safety costs are the costs of police, fire protection and EMS. Public Works represents the cost of maintaining roads. Conservation and Recreation represents the cost of maintaining parks and administering the recreation programs. Health costs are the costs of cemetery maintenance.

Overall, revenues increased by \$1,182,468 from 2008, largely due to increased property tax collections and from proceeds from a \$900,000 bond issue. Expenditures increased during 2009 by \$2,162,019, primarily from increased expenditures funded by the new bond issue and an increase in public safety expenditures.

Governmental Activities

If you look at the Statement of Activities on page 11, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety and Public Works, which account for 56 percent and 13 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 17 percent. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net (Disbursements) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service that is being paid from money provided by local taxpayers. These net costs are paid from general receipts, which are presented at the bottom of the statement.

A comparison between the total cost of services and the net cost is presented in Table 3 for 2009 and 2008.

(Table 3)

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2009	2009	2008	2008
General Government	\$ 3,896,376	\$ (1,243,790)	\$ 3,268,413	\$ (1,233,206)
Public Safety	12,594,913	(11,530,109)	11,745,964	(9,771,867)
Public Works	2,952,267	(1,714,725)	2,626,265	(1,685,061)
Health	228,560	(190,085)	27,845	10,532
Conservation-Recreation	1,289,650	(952,005)	1,284,814	(988,031)
Capital Outlay	927,675	(903,322)	790,814	(790,814)
Debt Service:				
Principal Retirement	335,000	(335,000)	310,000	(310,000)
Interest and Fiscal Charges	222,091	(222,091)	230,398	(230,398)
Total Expenses	<u>\$ 22,446,532</u>	<u>\$ (17,091,127)</u>	<u>\$ 20,284,513</u>	<u>\$ (14,998,845)</u>

Miami Township
Clermont County, Ohio
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The dependence upon property tax receipts is apparent as over 76 and 73 percent of governmental activities are supported through these general receipts for 2009 and 2008 respectively.

The Township's Funds

Total governmental funds had receipts of \$22,625,964 and disbursements of \$22,446,532 (excluding other financing sources and uses). The General Fund had a decrease in fund balance of \$224,085. The greatest changes in fund balances occurred in the Police Fund, which had a decrease in fund balance of \$233,473, and the Public Safety Fund #1, which had an increase in fund balance of \$460,472.

The General Fund disbursements were greater than receipts by \$224,085, compared to \$340,305 during 2008. The major cause for the change was that 2009 saw an increase in property tax collections and bond proceeds, offset by an increase in capital outlay and health related expenditures.

The Police Fund disbursements were greater than receipts by \$233,473, compared to receipts that were greater than disbursements by \$412,144 during 2008. The major cause for the change was that 2009 experienced an increase in public safety related expenditures.

The Public Safety # 1 Fund receipts were greater than disbursements by \$460,472, compared to \$727,092 during 2008. The major cause for the change was that this fund also experienced increased public safety related expenditures during 2009.

General Fund Budgeting Highlights

Miami Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2009, the Township amended its General Fund budget several times to reflect changing circumstances. Final receipts were within \$422,285 of budgeted amounts.

Final disbursements (excluding other financing uses) were budgeted at \$4,704,968 while actual disbursements were \$3,339,961. Final budgeted appropriations were increased by \$943,928 from the original budget. Actual spending was \$1,365,007 less than appropriations. The final result, including other financing sources and uses, was a decrease in the budget fund balance of \$388,904 for 2009.

Capital Assets and Debt Administration

Capital Assets

The Township has chosen not to report capital assets and infrastructure.

Debt

At December 31, 2009, the Township's outstanding debt included \$5,875,000 in notes and bonds issued for improvements to buildings and structures, and \$26,321 in capital leases for facilities and equipment.

Additional information on the Township's debt can be found in Notes 6 and 7 to the financial statements.

Miami Township
Clermont County, Ohio
Management's Discussion and Analysis
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Current Issues

The greatest challenge of today for all governments is to provide quality services to its residents while staying within the limitations imposed by limited funding. In the case of Miami Township, the funding consists mainly of property taxes. Our challenge is to seek other sources of funding, such as government grants, to augment Township revenues. We are also challenged to make decisions about expenses that make the best use of resources. Toward this end, Miami Township is dedicated to providing the best services at the most reasonable cost.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Miami Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Eric Ferry, Finance Officer, Miami Township, 6101 Meijer Drive, Milford, Ohio 45150.

Miami Township
Clermont County, Ohio
Statement of Net Assets - Cash Basis
December 31, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash	<u>\$ 13,480,947</u>
<i>Total Assets</i>	<u><u>\$ 13,480,947</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$ 11,877,951
Unrestricted	<u>1,602,996</u>
<i>Total Net Assets</i>	<u><u>\$ 13,480,947</u></u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 3,896,376	\$ 2,561,475	\$ 91,111	\$ -	\$ (1,243,790)
Public Safety	12,594,913	151,385	913,419	-	(11,530,109)
Public Works	2,952,267	-	1,237,542	-	(1,714,725)
Health	228,560	38,475	-	-	(190,085)
Conservation-Recreation	1,289,650	155,602	182,043	-	(952,005)
Capital Outlay	927,675	-	-	24,353	(903,322)
Debt Service:					
Principal Retirement	335,000	-	-	-	(335,000)
Interest and Fiscal Charges	222,091	-	-	-	(222,091)
Total Governmental Activities	\$ 22,446,532	\$ 2,906,937	\$ 2,424,115	\$ 24,353	\$ (17,091,127)
General Receipts					
Property Taxes Levied for:					
					943,089
					2,700,569
					2,087,459
					2,673,541
					3,485,835
					1,425,154
					1,020,448
					1,459,031
					348,798
					684,689
					900,000
					51,733
					390,213
Total General Receipts					18,170,559
					1,079,432
Net Assets Beginning of Year					12,401,515
Net Assets End of Year					\$ 13,480,947

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General	Police	Ambulance	Public Safety #1	Public Safety #2	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash	\$ 1,602,996	\$ 2,151,617	\$ 1,128,487	\$ 2,314,137	\$ 2,381,039	\$ 3,902,671	\$ 13,480,947
<i>Total Assets</i>	<u>\$ 1,602,996</u>	<u>\$ 2,151,617</u>	<u>\$ 1,128,487</u>	<u>\$ 2,314,137</u>	<u>\$ 2,381,039</u>	<u>\$ 3,902,671</u>	<u>\$ 13,480,947</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	\$ 164,819	\$ 123,454	\$ 194,721	\$ 18,022	\$ 93,071	\$ 417,411	\$ 1,011,498
Unreserved:							
Undesignated, Reported in:							
General Fund	1,438,177	-	-	-	-	-	1,438,177
Special Revenue Funds	-	2,028,163	933,766	2,296,115	2,287,968	3,485,260	11,031,272
<i>Total Fund Balances</i>	<u>\$ 1,602,996</u>	<u>\$ 2,151,617</u>	<u>\$ 1,128,487</u>	<u>\$ 2,314,137</u>	<u>\$ 2,381,039</u>	<u>\$ 3,902,671</u>	<u>\$ 13,480,947</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio

*Reconciliation of Total Fund Balances of Governmental Funds to
Total Net Assets of Governmental Activities
December 31, 2009*

Total Fund Balances of Governmental Funds	<u>\$ 13,480,947</u>
Total Net Assets of Governmental Activities	<u><u>\$ 13,480,947</u></u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Police	Ambulance	Public Safety #1	Public Safety #2	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ 943,089	\$ 2,700,569	\$2,087,459	\$2,673,541	\$3,485,835	\$ 3,904,633	\$15,795,126
Intergovernmental	684,689	244,125	89,134	159,744	239,331	1,691,781	3,108,804
Special Assessments	-	-	-	-	-	268,167	268,167
Payments in Lieu of Taxes	-	-	-	-	-	2,372,152	2,372,152
Charges for Services	-	-	120,956	-	-	178,252	299,208
Licenses, Permits and Fees	348,798	-	-	-	-	15,825	364,623
Fines and Forfeitures	25,396	-	-	-	-	30,429	55,825
Interest	38,480	-	-	-	-	13,253	51,733
Other	163,927	15,829	66,178	120	5,054	59,218	310,326
<i>Total Receipts</i>	<u>2,204,379</u>	<u>2,960,523</u>	<u>2,363,727</u>	<u>2,833,405</u>	<u>3,730,220</u>	<u>8,533,710</u>	<u>22,625,964</u>
Disbursements							
Current:							
General Government	2,074,542	-	-	-	-	1,821,834	3,896,376
Public Safety	-	3,193,996	2,393,489	2,301,204	3,405,936	1,300,288	12,594,913
Public Works	-	-	-	-	-	2,952,267	2,952,267
Health	200,600	-	-	-	-	27,960	228,560
Conservation-Recreation	-	-	-	-	-	1,289,650	1,289,650
Capital Outlay	900,000	-	-	-	-	27,675	927,675
Debt Service:							
Principal Retirement	-	-	-	-	-	335,000	335,000
Interest and Fiscal Charges	-	-	-	-	-	222,091	222,091
<i>Total Disbursements</i>	<u>3,175,142</u>	<u>3,193,996</u>	<u>2,393,489</u>	<u>2,301,204</u>	<u>3,405,936</u>	<u>7,976,765</u>	<u>22,446,532</u>
<i>Excess of Receipts Over (Under)</i> <i>Disbursements</i>	<u>(970,763)</u>	<u>(233,473)</u>	<u>(29,762)</u>	<u>532,201</u>	<u>324,284</u>	<u>556,945</u>	<u>179,432</u>
Other Financing Sources (Uses)							
Proceeds from Sale of Bonds	880,000	-	-	-	-	-	880,000
Premium on Sale of Bonds	43,936	-	-	-	-	-	43,936
Costs of Issuance on Sale of Bonds	(23,936)	-	-	-	-	-	(23,936)
Transfers In	-	-	-	-	-	557,689	557,689
Transfers Out	(153,322)	-	-	(71,729)	(92,460)	(240,178)	(557,689)
<i>Total Other Financing Sources (Uses)</i>	<u>746,678</u>	<u>-</u>	<u>-</u>	<u>(71,729)</u>	<u>(92,460)</u>	<u>317,511</u>	<u>900,000</u>
<i>Net Change in Fund Balances</i>	<u>(224,085)</u>	<u>(233,473)</u>	<u>(29,762)</u>	<u>460,472</u>	<u>231,824</u>	<u>874,456</u>	<u>1,079,432</u>
<i>Fund Balances Beginning of Year</i>	<u>1,827,081</u>	<u>2,385,090</u>	<u>1,158,249</u>	<u>1,853,665</u>	<u>2,149,215</u>	<u>3,028,215</u>	<u>12,401,515</u>
<i>Fund Balances End of Year</i>	<u>\$1,602,996</u>	<u>\$ 2,151,617</u>	<u>\$1,128,487</u>	<u>\$2,314,137</u>	<u>\$2,381,039</u>	<u>\$ 3,902,671</u>	<u>\$13,480,947</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio

*Reconciliation of the Net Change in Fund Balances of Governmental Funds
to the Change in Net Assets of Governmental Activities
For the Fiscal Year Ended December 31, 2009*

Net Change in Fund Balances of Governmental Funds	<u>\$ 1,079,432</u>
Change in Net Assets of Governmental Activities	<u>\$ 1,079,432</u>
See accompanying notes to the basic financial statements	

Miami Township
Clermont County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 775,550	\$ 775,550	\$ 943,089	\$ 167,539
Intergovernmental	243,602	999,602	684,689	(314,913)
Licenses, Permits and Fees	126,312	518,312	348,798	(169,514)
Fines and Forfeitures	9,022	37,022	25,396	(11,626)
Interest	13,533	55,533	38,480	(17,053)
Other	58,645	240,645	163,927	(76,718)
<i>Total Receipts</i>	<u>1,226,664</u>	<u>2,626,664</u>	<u>2,204,379</u>	<u>(422,285)</u>
Disbursements				
Current:				
General Government	2,660,440	3,604,368	2,239,361	1,365,007
Health	200,600	200,600	200,600	-
Capital Outlay	900,000	900,000	900,000	-
<i>Total Disbursements</i>	<u>3,761,040</u>	<u>4,704,968</u>	<u>3,339,961</u>	<u>1,365,007</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,534,376)</u>	<u>(2,078,304)</u>	<u>(1,135,582)</u>	<u>942,722</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Bonds	880,000	880,000	880,000	-
Premium on Sale of Bonds	43,936	43,936	43,936	-
Costs of Issuance on Sale of Bonds	(23,936)	(23,936)	(23,936)	-
Transfers Out	(153,322)	(153,322)	(153,322)	-
<i>Total Other Financing Sources (Uses)</i>	<u>746,678</u>	<u>746,678</u>	<u>746,678</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(1,787,698)	(1,331,626)	(388,904)	942,722
<i>Fund Balance Beginning of Year</i>	1,625,331	1,625,331	1,625,331	-
Prior Year Encumbrances Appropriated	201,750	201,750	201,750	-
<i>Fund Balance End of Year</i>	<u>\$ 39,383</u>	<u>\$ 495,455</u>	<u>\$ 1,438,177</u>	<u>\$ 942,722</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Police Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 2,426,256	\$ 2,586,156	\$ 2,700,569	\$ 114,413
Intergovernmental	240,000	240,000	244,125	4,125
Other	233,844	233,844	15,829	(218,015)
<i>Total Receipts</i>	<u>2,900,100</u>	<u>3,060,000</u>	<u>2,960,523</u>	<u>(99,477)</u>
Disbursements				
Current:				
Public Safety	5,494,984	5,465,344	3,317,450	2,147,894
<i>Total Disbursements</i>	<u>5,494,984</u>	<u>5,465,344</u>	<u>3,317,450</u>	<u>2,147,894</u>
<i>Net Change in Fund Balance</i>	(2,594,884)	(2,405,344)	(356,927)	2,048,417
<i>Fund Balance Beginning of Year</i>	2,179,324	2,179,324	2,179,324	-
Prior Year Encumbrances Appropriated	<u>205,766</u>	<u>205,766</u>	<u>205,766</u>	-
<i>Fund Balance End of Year</i>	<u>\$ (209,794)</u>	<u>\$ (20,254)</u>	<u>\$ 2,028,163</u>	<u>\$ 2,048,417</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Ambulance Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 1,881,359	\$ 2,181,359	\$ 2,087,459	\$ (93,900)
Intergovernmental	86,000	86,000	89,134	3,134
Charges for Services	120,000	120,000	120,956	956
Other	62,641	62,641	66,178	3,537
<i>Total Receipts</i>	<u>2,150,000</u>	<u>2,450,000</u>	<u>2,363,727</u>	<u>(86,273)</u>
Disbursements				
Current:				
Public Safety	3,419,657	3,368,317	2,588,210	780,107
<i>Total Disbursements</i>	<u>3,419,657</u>	<u>3,368,317</u>	<u>2,588,210</u>	<u>780,107</u>
<i>Net Change in Fund Balance</i>	(1,269,657)	(918,317)	(224,483)	693,834
<i>Fund Balance Beginning of Year</i>	977,254	977,254	977,254	-
Prior Year Encumbrances Appropriated	180,995	180,995	180,995	-
<i>Fund Balance End of Year</i>	<u>\$ (111,408)</u>	<u>\$ 239,932</u>	<u>\$ 933,766</u>	<u>\$ 693,834</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Public Safety Fund #1
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 2,390,128	\$ 2,580,128	\$ 2,673,541	\$ 93,413
Intergovernmental	155,000	155,000	159,744	4,744
Other	94,872	94,872	120	(94,752)
<i>Total Receipts</i>	<u>2,640,000</u>	<u>2,830,000</u>	<u>2,833,405</u>	<u>3,405</u>
Disbursements				
Current:				
Public Safety	4,642,140	4,576,940	2,319,226	2,257,714
<i>Total Disbursements</i>	<u>4,642,140</u>	<u>4,576,940</u>	<u>2,319,226</u>	<u>2,257,714</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,002,140)</u>	<u>(1,746,940)</u>	<u>514,179</u>	<u>2,261,119</u>
Other Financing Sources (Uses)				
Transfers Out	(71,729)	(71,729)	(71,729)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(71,729)</u>	<u>(71,729)</u>	<u>(71,729)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(2,073,869)	(1,818,669)	442,450	2,261,119
<i>Fund Balance Beginning of Year</i>	<u>1,853,665</u>	<u>1,853,665</u>	<u>1,853,665</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ (220,204)</u>	<u>\$ 34,996</u>	<u>\$ 2,296,115</u>	<u>\$ 2,261,119</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Public Safety Fund #2
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 3,338,377	\$ 3,418,377	\$ 3,485,835	\$ 67,458
Intergovernmental	235,000	235,000	239,331	4,331
Other	126,623	126,623	5,054	(121,569)
<i>Total Receipts</i>	<u>3,700,000</u>	<u>3,780,000</u>	<u>3,730,220</u>	<u>(49,780)</u>
Disbursements				
Current:				
Public Safety	5,699,875	5,739,876	3,499,007	2,240,869
<i>Total Disbursements</i>	<u>5,699,875</u>	<u>5,739,876</u>	<u>3,499,007</u>	<u>2,240,869</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,999,875)</u>	<u>(1,959,876)</u>	<u>231,213</u>	<u>2,191,089</u>
Other Financing Sources (Uses)				
Transfers Out	(92,460)	(92,460)	(92,460)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(92,460)</u>	<u>(92,460)</u>	<u>(92,460)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(2,092,335)	(2,052,336)	138,753	2,191,089
<i>Fund Balance Beginning of Year</i>	<u>2,149,215</u>	<u>2,149,215</u>	<u>2,149,215</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 56,880</u>	<u>\$ 96,879</u>	<u>\$ 2,287,968</u>	<u>\$ 2,191,089</u>

See accompanying notes to the basic financial statements

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. REPORTING ENTITY

Miami Township, Clermont County, (the Township), is a body politic and corporate 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 also has an elected Finance Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides road and bridge maintenance, police protection, fire protection and emergency medical services.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

Based on these criteria, the Township has no component units.

C. Public Entity Risk Pools

The Township participates in one public entity risk pool, the Ohio Township Association Risk Management Authority (OTARMA). Note 12 to the financial statements provides additional information for this entity.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2. C, these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. All activities of the Township are governmental activities. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township does not report any business-type activities.

The statement of net assets presents the cash of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township function or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. All of the Township's funds are categorized as governmental.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major governmental funds are as follows:

1. General Fund

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

2. Police Fund

This fund receives tax levy money for the operating expenses incurred by the police department for the Township.

3. Ambulance Fund

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

4. Public Safety Fund #1

This fund receives tax levy money for operating expenses incurred by the fire/EMS and police departments. The monies are split with 57 percent going to fire/EMS operations and 43 percent to police operations.

5. Public Safety Fund #2

This fund receives tax levy money for operating expenses incurred by the fire/EMS and police departments. The monies are split evenly for fire/EMS and police operations.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department and object level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash."

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 were \$38,480.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

H. Capital Assets

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

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

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

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include special revenue funds. Those resources restricted for road and bridge repairs and maintenance, police and fire protection, and ambulance services were generated by levies. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

O. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

P. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Inter-fund type eliminations have not been made in the aggregation of this data.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis presented for the General, Police, Ambulance, Public Safety #1 and Public Safety #2 funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is due to outstanding year end encumbrances, which are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$164,819 for the General Fund, \$123,454 for the Police Fund, \$194,721 for the Ambulance Fund, \$18,022 for the Public Safety #1 Fund, and \$93,071 for the Public Safety #2 Fund.

4. DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$13,478,661 of the Township's bank balance of \$13,728,661 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

The Township did not have any investments as of December 31, 2009.

5. PROPERTY TAX

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 represent the collection of 2008 taxes. Public utility real and tangible personal property taxes received in 2009 became a lien on December 31, 2008, were levied after October 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2009 (other than public utility property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008, on the true value as of December 31, 2008. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2009, was \$26.01 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Property	\$1,060,173,210
Public Utility Property	17,263,990
Tangible Personal Property	1,646,273
Total Assessed Value	\$1,079,083,473

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

6. DEBT

For the year ended December 31, 2009, changes in the Township's project related debt was as follows:

	<u>Interest Rate</u>	<u>Balance January 1, 2009</u>	<u>Additions</u>	<u>Payments and Deletions</u>	<u>Balance December 31, 2009</u>	<u>Amount Due Within One Year</u>
2001 General Obligation Fire Apparatus Notes	4.10%	\$ 195,000	\$ -	\$ 65,000	\$ 130,000	\$ 65,000
2003 Road Improvement Bonds	1.40-4.75%	850,000	-	50,000	800,000	50,000
2004 Various Purpose Limited Tax General Obligation Bonds	2.75-5.00%	3,080,000	-	95,000	2,985,000	90,000
2006 Various Purpose Limited Tax General Obligation Bonds	4.00%	950,000	-	100,000	850,000	100,000
2007 General Obligation Road Improvement Bonds	4.00-4.25%	255,000	-	25,000	230,000	25,000
2009 Various Purpose Limited Tax General Obligation Bonds	2.00-5.00%	<u>-</u>	<u>880,000</u>	<u>-</u>	<u>880,000</u>	<u>45,000</u>
		<u>\$5,330,000</u>	<u>\$ 880,000</u>	<u>\$335,000</u>	<u>\$5,875,000</u>	<u>\$375,000</u>

The General Obligation Fire Apparatus Note, 2001, is for the purchase a fire aerial truck. The note will be repaid over ten years with a principal amount of \$32,500 paid biannually. The note is secured by a tax levy.

The Road Improvement Bonds, 2003 (a tax increment financing project), is for the purpose of improving the Township's public streets. The bonds will be repaid over twenty years. The bonds are collateralized by revenue submitted to the Township from Clermont County by the benefiting companies.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

The Various Purpose Limited Tax General Obligation Bonds, 2004, are for the purpose of acquiring and constructing improvements to a Township building for use by the Township and constructing road improvements, and paying permissible costs of issuance. Repayment of the bonds and interest is expected to be repaid from TIF revenues. The bonds carry interest rates from 2.75 percent to a maximum of 5.0 percent and are payable over 25 years.

The Various Purpose Limited Tax General Obligation Bonds, 2006, are for the purpose of certain Township road improvements (\$350,000) and for the purchase of 4 ambulances (\$700,000) for the Township's fire department. The bonds carry an interest rate of 4.00 percent and are payable over 10 years.

The Road Improvement General Obligation Bonds, 2007, are for the purpose of certain Township roadway and utility improvements along State Route 131. The bonds carry interest rates from 4.00 percent to 4.25 percent and are payable over 10 years.

The Various Purpose Limited Tax General Obligation Bonds, 2009, are for the purchase of a service building for the Township. The bonds carry interest rates from 2.00 percent to 5.00 percent and are payable over 15 years.

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed an amount equal to 10.5 percent of its valuation. The amortization of the above remaining debt, including interest, is scheduled as follows:

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

Year ending December 31:	2001 General Obligation Fire Apparatus Notes		2003 Road Improvement Bonds		2004 Various Purpose General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 65,000	\$ 4,664	\$ 50,000	\$ 34,290	\$ 90,000	\$ 124,846
2011	65,000	1,999	50,000	32,640	100,000	122,034
2012	-	-	50,000	30,865	100,000	118,784
2013	-	-	50,000	28,990	105,000	115,409
2014	-	-	50,000	27,040	110,000	111,734
2015-2019	-	-	280,000	102,700	635,000	484,558
2020-2024	-	-	270,000	32,538	805,000	327,500
2025-2029	-	-	-	-	1,040,000	141,101
Total	\$ 130,000	\$ 6,663	\$ 800,000	\$ 289,063	\$ 2,985,000	\$ 1,545,966

Year ending December 31:	2006 Various Purpose General Obligation Bonds		2007 General Obligation Road Improvement Bonds		2009 Various Purpose General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 100,000	\$ 34,000	\$ 25,000	\$ 9,619	\$ 45,000	\$ 35,187
2011	100,000	30,000	25,000	8,569	50,000	34,288
2012	100,000	26,000	25,000	7,506	50,000	33,287
2013	110,000	22,000	25,000	6,444	50,000	32,288
2014	110,000	17,600	35,000	5,444	50,000	31,037
2015-2019	330,000	26,400	95,000	7,787	280,000	129,075
2020-2024	-	-	-	-	355,000	55,250
2025-2029	-	-	-	-	-	-
Total	\$ 850,000	\$ 156,000	\$ 230,000	\$ 45,369	\$ 880,000	\$ 350,412

Year ending December 31:	Total	
	Principal	Interest
2010	\$ 375,000	\$ 242,606
2011	390,000	229,530
2012	325,000	216,442
2013	340,000	205,131
2014	355,000	192,855
2015-2019	1,620,000	750,520
2020-2024	1,430,000	415,288
2025-2029	1,040,000	141,101
Total	\$ 5,875,000	\$ 2,393,473

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

7. CAPITAL LEASES

During 2005 the Township entered into a long-term lease to finance the purchase of telephone equipment. The lease includes an interest factor of 4.192 percent. The lease requires semi-annual lease payments over five years of \$26,873 which are due on October 28 and April 28.

The Township's future minimum payments under the remaining capital lease obligation as of December 31, 2009 are as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2010	\$ 26,873
Total minimum lease payments	26,873
Less: amount representing interest	<u>(552)</u>
Present value of future minimum lease payments	<u>\$ 26,321</u>

8. INTERFUND TRANSFERS

Transfers represent the (1) allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or (2) the transfers between various tax increment financing funds or funds that receive levy revenues to funds established for the retirement of related debt.

During 2009 the following transfers were made:

<hr/>	
Transfers from the General Fund to:	
Debt Service	\$153,322
Transfer from Public Safety #1 to:	
Debt Service	71,729
Transfers from Public Safety #2 to:	
Debt Service	92,460
Transfers from Park Levy to:	
Debt Service	108,848
Transfers from TIF #1 to:	
Debt Service	85,790
Transfers from TIF #8 to:	
Debt Service	22,770
Transfers from TIF #10 to:	
Debt Service	<u>22,770</u>
Total	<u>\$557,689</u>

Transfers from the General Fund were to provide for the payment of debt. Other transfers were to provide for the retirement of debt from applicable funds established to receive funds from levies or tax increment financing agreements.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

9. INTERFUND BALANCES

Interfund balances as of December 31, 2009, consisted of the following individual fund receivables and payables:

Due to General Fund from:	
Road and Bridge Fund	\$ 25,000
Permissive Tax Fund	<u>135,000</u>
Total	<u><u>\$160,000</u></u>

The balances due to the General Fund represent loans made to provide working capital for operations in the funds receiving the advance.

10. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description – The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10.0 percent of covered payroll and law enforcement members contributed 10.1 percent.

The Township's contribution rate for 2009 was 14.0 percent, except for those plan members in law enforcement, for whom the Township's contribution was 17.63 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions to the traditional and combined plans for the year ended December 31, 2009, 2008, and 2007 were \$830,357, \$819,940, and \$727,663, respectively; which were equal to the required contributions for each year.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered. The Township's contribution was 24 percent for firefighters. Contribution rates are established by State statute. The Township's contributions to OP&F for firefighters were \$756,416, \$785,759, and \$660,196 for the years ended December 31, 2009, 2008, and 2007, respectively. All of the required contributions were paid within the respective years.

11. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care.

The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement. To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. Disclosures for the health care plan are presented separately in OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional and combined plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14 percent of covered payroll (17.63 percent for law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2009, the amount of the employer contributions which was allocated to fund post-employment health care was 5.5 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

on the number of covered dependents and the coverage selected. The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$326,206, \$365,578, and \$258,037, respectively. All of the required contributions were paid within the respective years.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – OP&F's post-employment health care plan was established and is administered as an Internal Revenue Code 410(h) account within the defined benefit plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 24 percent of covered payroll for police and fire employers.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

The Township's contributions to OP&F which were allocated to fund post-employment health care benefits for firefighters were \$212,742, \$220,995, and \$185,680 for the year ended December 31, 2009, 2008, and 2007, respectively. All of the required contributions were paid within the respective year.

12. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008:

	2009	2008
Assets	\$38,982,088	\$40,737,740
Liabilities	<u>(12,880,766)</u>	<u>(12,981,818)</u>
Net Assets	<u>\$26,101,322</u>	<u>\$27,755,922</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$12.0 and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 946 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$146,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009
(continued)**

significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Townships contributions to OTARMA for the past three years are as follows.

<u>Year</u>	<u>Contribution</u>
2007	\$163,840
2008	132,078
2009	136,056

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

13. COMPLIANCE

Contrary to Ohio Revised Code, Section 5705.36 (A)(4), a reduced amended certificate of estimated resources was not obtained when actual resources were known to be less than those that had been previously estimated in twenty five funds.

Contrary to Ohio Revised Code, Section 5705.39, appropriations exceeded estimated resources in seven funds.

Bastin & Company, LLC

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Members of the Board of Trustees
Miami Township, Clermont County

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Miami Township (the Township), Clermont County, Ohio as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 17, 2011 wherein we noted that the Township's financial statements follow the cash accounting basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we consider the deficiency labeled as 2009-01 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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 grant agreements, 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 2009-02.

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity, 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 cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
June 17, 2011

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2009**

Finding Number 2009-01 – Audit Reclassification Adjustments

During 2009, the Township did not consistently record various receipts or expenditures into proper accounts. As a result, various reclassification adjustments have been made to the financial statements to properly reflect revenues or expenditures into the appropriate line item. A description of the significant adjustments made as a result of the audit follows:

Intergovernmental Revenues – Reclassification adjustments totaling \$4,885,247 were made to reclassify various items initially recorded as property taxes to payments in lieu of taxes related to TIF and RID funds, or to reclassify as intergovernmental revenues items initially recorded as property taxes in various funds for rollback and homestead taxes.

Other Revenues – Reclassification adjustments totaling \$1,128,802 were made to reclassify items initially recorded as other revenues to more appropriate classifications, such as charges for services or proceeds from bond issues.

Expenditures – Reclassification adjustments totaling \$428,780 were made to properly classify expenditure items to functional expenditures which had been initially recorded within payroll related liability accounts, and to reclassify \$900,000 of capital outlay expenditures related to the purchase of land and a building initially recorded as general government expenditures.

The presentation of materially correct financial statements is the responsibility of management. We recommend that the Village implement control procedures to ensure the proper recording and reporting of revenues and expenditures by appropriate line item.

Township's Response

The Township concurs with the finding and will attempt to record revenue and expenditures to proper line items in the future.

Finding Number 2009-02 – Budgetary Compliance

Ohio Revised Code Section 5705.36(A)(4) requires that when it is known that actual resources will be less than currently estimated resources, and the deficiency will reduce available resources below the current level of appropriation, an amended certificate of estimated resources should be obtained to reduce estimated resources available for appropriation. In addition, Ohio Revised Code Section 5705.39 prohibits appropriations in excess of estimated resources available. Ohio Revised Code Section 5705.41(B) furthermore prohibits the expenditure of money unless it has been appropriated.

While the Township did not incur actual budgetary expenditures in excess of actual resources available, compliance with the above three requirements will provide assurance that actual budgetary expenditures will not exceed actual resources available.

The following items were noted that were not in compliance with the above applicable sections of the Ohio Revised Code.

1. The following funds had estimated resources available that exceeded actual resources available, and the deficiency reduced available resources below the current level of appropriation contrary to Ohio Revised Code Section 5705.36(A)(4):

<u>Fund</u>	<u>Actual Resources Available</u>	<u>Appropriations</u>	<u>Variance</u>
Cemetery	\$55,002	\$56,528	(\$1,526)
Lighting District	294,990	336,823	(41,833)
Police	5,345,613	5,465,344	(119,731)
Park Levy	1,635,567	1,772,530	(136,963)
Drug Law Enforcement	6,052	13,052	(7,000)
Fire Fighters Challenge	27,353	75,673	(48,320)
Cops In Shops Grant	1,419	7,975	(6,556)
Dare Grant	29,877	39,777	(9,900)
TIF #1	403,228	486,145	(82,917)
TIF #2	667,314	670,374	(3,060)
TIF #6	22,481	36,826	(14,345)
TIF #7	25,489	34,952	(9,463)
TIF #8	122,098	289,767	(167,669)
TIF #9	32,036	34,056	(2,020)
TIF #10	225,935	226,626	(691)
RID #6	86,639	87,720	(1,081)
RID #8	75,733	125,807	(50,074)
RID #10	474,128	755,319	(281,191)
RID #11	89,802	161,185	(71,383)
RID #13	113,754	115,224	(1,470)
RID #14	176	237	(61)
FEMA Fire Grant	42,205	145,494	(103,289)
USDOJ COPS SOS Grant	-	194,012	(194,012)
Continuing Police Education	4,680	5,920	(1,240)
Debt Service	557,689	565,398	(7,709)

2. The following funds had appropriations in excess of estimated resources available contrary to Ohio Revised Code Section 5705.39:

<u>Fund</u>	<u>Estimated Resources Available</u>	<u>Appropriations</u>	<u>Variance</u>
Road and Bridge	\$1,710,774	\$1,744,544	(\$33,770)
Police	5,445,090	5,465,344	(20,254)
Park Levy	1,768,174	1,772,530	(4,356)
Zoning	360	1,547	(1,187)
Fire Fighters Challenge	35,000	75,673	(40,673)
TIF #12	-	40,000	(40,000)
FEMA Fire Grant	42,293	145,494	(103,201)

We recommend that management of the Township more closely monitor its budgetary compliance with the applicable sections of the Ohio Revised Code.

Township's Response

The Township concurs with the finding and will attempt to more closely monitor its compliance with the requirements of the Ohio Revised Code in the future.

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Status Explanation:
2008-01	Adjustments and reclassifications to correct financial statements.	No	Condition existed during current audit period, reissued as finding 2009-01



Dave Yost • Auditor of State

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
AUGUST 16, 2011**