

**MIAMI TOWNSHIP  
CLERMONT COUNTY, OHIO  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2006**





# Mary Taylor, CPA

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, 2006 through December 31, 2006. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

October 10, 2007

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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, 2006, 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 1, 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, 2006, 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 1.

For the year ended December 31, 2006, the Village revised its financial presentation to the requirements of Governmental Accounting Standard No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2007 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Bastin & Company, LLC*

Cincinnati, Ohio  
June 29, 2007



Miami Township Clermont County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

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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, 2006, 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 2006 are as follows:

- Net assets of the Township increased \$3,862,454, or 89 percent, a significant change from the prior year.
- The General Fund has net assets of \$1,559,593, a decrease of \$478,395 which is largely do costs of remodeling and moving to the Miami Township Civic Center.
- The Police Fund, Ambulance Fund, Public Safety Fund #1 and Public Safety Fund #2 all experienced significant increases in net assets of \$1,247,007, \$408,543, \$364,388 and \$1,347,084, respectively. These increases are largely due to an increase in tax receipts and relatively stable levels of spending.

The Township's receipts are primarily property taxes and intergovernmental receipts. These receipts represent respectively 63 and 20 percent of the total cash received for governmental activities during the year.

Public Safety Fund #1 was called Safety Service Levy Fund in prior years. Its name was changed to bring it in line with a new Public Safety Fund #2 established in 2006. Both of these funds are for the use of the Fire/EMS and Police Funds.

Public Safety Fund #1 is split 57 percent to Fire/EMS operations and 43 percent to Police operations.

Public Safety Fund #2 received its first receipts in 2006. It was establish for the collection of a new levy passed in 2005. Public Safety Fund #2 is split evenly to Fire/EMS and Police operations.

**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.

Miami Township Clermont County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

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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.

**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 2006, 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 divide the Township into two types of activities:

Governmental activities. Most of the Township's basic services are reported here, including police, fire, ambulance and other safety services. Intergovernmental receipts and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activities. Business-type activities are financed by a fee charged to the customers receiving the service. The Township has no business-type activities.

Miami Township Clermont County, Ohio  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2006  
 Unaudited

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**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. The funds of the Township are all governmental type funds.

Governmental Funds - Most 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 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 reports the General, Police Ambulance, Public Safety #1 and Public Safety #2 Funds as major governmental 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 2006 compared to 2005 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities	
	2006	2005
<b>Assets</b>		
Cash and Cash Equivalents	\$ 8,225,306	\$ 4,362,852
Total Assets	\$ 8,225,306	\$ 4,362,852
<b>Net Assets</b>		
Restricted for:		
Other Purposes	\$ 6,665,713	\$ 2,324,864
Unrestricted	1,559,593	2,037,988
Total Net Assets	\$ 8,225,306	\$ 4,362,852

As mentioned previously, net assets of governmental activities increased \$3,862,454 or 89 percent during 2006. The primary reasons contributing to the increase in cash balance is the increase in property taxes and intergovernmental revenues based on property taxes. These revenues increased by \$4,252,004 or 31 percent.

Miami Township Clermont County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

Cash disbursements increased by \$1,283,136 or 8 percent. This reasonable increase coupled with the very large increase in revenues allowed the Township to accumulate the increase in assets.

Table 2 summarizes the change in net assets on a cash basis in 2006. Since the Township did not prepare financial statements in this format for 2005, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

(Table 2)  
**Changes in Net Assets**

	Governmental Activities 2006
	2006
Receipts:	
Program Receipts:	
Charges for Services and Sales	\$ 1,290,572
Operating Grants and Contributions	3,104,902
Total Program Receipts	4,395,474
General Receipts:	
Property and Other Local Taxes	13,731,217
Cable Franchise Fees	252,675
Grants and Entitlements not Restricted to Specific Programs	1,281,130
Proceeds from Bonds	1,050,000
Interest	396,152
Miscellaneous	551,204
Total General Receipts	17,262,378
Total Receipts	21,657,852
Disbursements:	
General Government	2,293,421
Public Safety	10,175,627
Public Works	2,268,774
Health	57,748
Conservation & Recreation	1,113,556
Capital Outlay	1,600,177
Debt Service:	
Principal Retirement	100,000
Interest and Fiscal Charges	186,095
Total Disbursements	17,795,398
 Increase (Decrease) in Net Assets	 3,862,454
 Net Assets, January 1	 4,362,852
Net Assets, December 31	\$ 8,225,306

Miami Township Clermont County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

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Program receipts represent only 20 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, charges for services and special assessments.

General receipts represent 80 percent of the Township's total receipts, and of this amount, 80 percent are property taxes. State and federal grants and entitlements make up a large balance of the Township's general receipts (7 percent). Other receipts are largely insignificant and somewhat unpredictable revenue sources.

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 council, 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 Parks charges represent the cost of maintaining parks and administering the recreation programs; Health costs are the costs of cemetery maintenance.

**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 57 percent and 13 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 13 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 and received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which being paid from money provided by local taxpayers. These net costs are paid from the 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.

A comparison between the total cost of services and the net cost is presented in Table 3 for 2006.

(Table 3)

	Total Cost of Services 2006	Net Cost of Services 2006
General Government	\$ 2,293,421	\$ 1,279,481
Public Safety	10,175,627	7,927,415
Public Works	2,268,774	1,454,272
Health	57,748	37,252
Conservation-Recreation	1,113,556	815,232
Capital Outlay	1,600,177	1,600,177
Debt Service:		
Principal Retirement	100,000	100,000
Interest and Fiscal Charges	186,095	186,095
<b>Total Expenses</b>	<b><u>\$ 17,795,398</u></b>	<b><u>\$ 13,399,924</u></b>

Miami Township Clermont County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

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The dependence upon property tax is apparent as 75 percent of governmental activities are supported through these receipts. Since the Township is legally precluded from assessing income tax, property taxes are, by necessity, its main source of revenues in order to provide services.

**The Township's Funds**

Total governmental funds had receipts of \$21,657,852 and disbursements of \$17,795,398. The greatest changes in fund balances occurred in the Police Fund and Safety Fund #2, \$1,247,007 and \$1,347,084 respectively. These funds have projects and equipment, which were planned and not yet begun by year-end 2006.

The General Fund receipts were less than disbursements by \$478,395. This is attributable to the remodeling and move to the Miami Township Civic Center. The Civic Center was developed as a central location for Miami Township offices for administration, zoning and recreation. It also includes several areas, which are available for citizen's use. It is the hope of the Township Trustees that all Miami Township residents will make use of this facility.

**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 2006, the Township amended its General Fund budget several times to reflect changing circumstances. Final receipts were greater than budget amounts.

Final budgetary expenditures were budgeted at \$5,142,226 while actual budgetary expenditures were below budget at \$3,911,994.

The fund balance decrease, despite an increase in receipts and a careful use of disbursements, was planned in order to use existing funds to finance the Miami Township Civic Center renovation.

**Debt**

At December 31, 2006, the Township's outstanding debt included \$5,555,000 in notes and bonds issued for improvements to buildings and structures, and \$271,004 in capital leases for facilities and equipment. For further information regarding the Township debt, refer to Notes 8 and 9.

**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, which make the best use of resources. Toward this end, Miami Township is dedicated to providing the best services at the most reasonable cost.

Miami Township Clermont County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

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**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**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2006*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	\$ 8,225,306
<i>Total Assets</i>	<u>\$ 8,225,306</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$ 6,665,713
Unrestricted	<u>1,559,593</u>
<i>Total Net Assets</i>	<u>\$ 8,225,306</u>

See accompanying notes to the basic financial statements



**Miami Township  
Clermont County**  
*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2006*

	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
<b>Governmental Activities</b>					
General Government	\$ 2,293,421	\$ 1,013,940	\$ -	\$ -	\$ (1,279,481)
Public Safety	10,175,627	132,022	2,116,190	-	(7,927,415)
Public Works	2,268,774	-	814,502	-	(1,454,272)
Health	57,748	20,496	-	-	(37,252)
Conservation-Recreation	1,113,556	124,114	174,210	-	(815,232)
Capital Outlay	1,600,177	-	-	-	(1,600,177)
Debt Service:					
Principal Retirement	100,000	-	-	-	(100,000)
Interest and Fiscal Charges	186,095	-	-	-	(186,095)
<b>Total Governmental Activities</b>	<b>\$ 17,795,398</b>	<b>\$ 1,290,572</b>	<b>\$ 3,104,902</b>	<b>\$ -</b>	<b>(13,399,924)</b>
		<b>General Receipts</b>			
		Property Taxes Levied for:			
		General Purposes			13,731,217
		Cable Franchis Fees			252,675
		Grants and Entitlements not Restricted to Specific Programs			1,281,130
		Bonds Issued			1,050,000
		Interest			396,152
		Miscellaneous			551,204
		<b>Total General Receipts</b>			<b>17,262,378</b>
		Change in Net Assets			3,862,454
		<i>Net Assets Beginning of Year</i>			<u>4,362,852</u>
		<i>Net Assets End of Year</i>			<u>\$ 8,225,306</u>

See accompanying notes to the basic financial statements

**Miami Township  
Clermont County**

*Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2006*

	General	Police	Ambulance	Public Safety Fund #1	Public Safety Fund #2	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 1,559,593	\$ 1,874,970	\$ 838,896	\$ 364,388	\$ 1,347,084	\$ 2,240,375	\$ 8,225,306
<i>Total Assets</i>	<u>\$ 1,559,593</u>	<u>\$ 1,874,970</u>	<u>\$ 838,896</u>	<u>\$ 364,388</u>	<u>\$ 1,347,084</u>	<u>\$ 2,240,375</u>	<u>\$ 8,225,306</u>
<b>Fund Balances</b>							
Reserved:	\$ 339,297	\$ 290,361	\$ 74,609	\$ -	\$ 679,024	\$ 184,656	\$ 1,567,947
Reserved for Encumbrances							
Unreserved:							
Undesignated, Reported in:							
General Fund	1,220,296	-	-	-	-	-	1,220,296
Special Revenue Funds	-	1,584,609	764,287	364,388	668,060	2,055,719	5,437,063
<i>Total Fund Balances</i>	<u>\$ 1,559,593</u>	<u>\$ 1,874,970</u>	<u>\$ 838,896</u>	<u>\$ 364,388</u>	<u>\$ 1,347,084</u>	<u>\$ 2,240,375</u>	<u>\$ 8,225,306</u>

See accompanying notes to the basic financial statements

**Miami Township  
Clermont County**

*Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
December 31, 2006*

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Total Governmental Fund Balances	<u>\$ 8,225,306</u>
Net Assets of Governmental Activities	<u><u>\$ 8,225,306</u></u>

See accompanying notes to the basic financial statements

**Miami Township  
Clermont County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2006*

	General	Police	Ambulance	Public Safety #1	Public Safety #2	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$ 699,196	\$ 2,336,212	\$ 1,786,568	\$ 2,305,813	\$ 3,114,364	\$ 3,489,067	\$ 13,731,220
Charges for Services	1,226	-	118,494	-	-	144,610	264,330
Licenses, Permits and Fees	252,675	13,528	-	-	-	129,081	395,284
Fines and Forfeitures	9,353	6,108	-	-	-	13,559	29,020
Intergovernmental	1,281,130	510,690	362,676	404,719	501,985	1,325,581	4,386,781
Special Assessments	-	-	-	-	-	883,734	883,734
Interest	304,067	-	-	-	-	92,085	396,152
Other	196,655	115,045	30,410	34,206	49,031	95,984	521,331
<i>Total Receipts</i>	<u>2,744,302</u>	<u>2,981,583</u>	<u>2,298,148</u>	<u>2,744,738</u>	<u>3,665,380</u>	<u>6,173,701</u>	<u>20,607,852</u>
<b>Disbursements</b>							
Current:							
General Government	1,996,699	-	-	-	-	296,722	2,293,421
Public Safety	-	1,725,480	1,889,605	2,300,026	3,018,296	1,242,220	10,175,627
Public Works	-	-	-	-	-	2,268,774	2,268,774
Health	-	-	-	-	-	57,748	57,748
Conservation-Recreation	-	-	-	-	-	1,113,556	1,113,556
Capital Outlay	1,423,627	9,096	-	-	-	167,454	1,600,177
Debt Service:							
Principal Retirement	-	-	-	-	-	100,000	100,000
Interest and Fiscal Charges	-	-	-	-	-	186,095	186,095
<i>Total Disbursements</i>	<u>3,420,326</u>	<u>1,734,576</u>	<u>1,889,605</u>	<u>2,300,026</u>	<u>3,018,296</u>	<u>5,432,569</u>	<u>17,795,398</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(676,024)</u>	<u>1,247,007</u>	<u>408,543</u>	<u>444,712</u>	<u>647,084</u>	<u>741,132</u>	<u>2,812,454</u>
<b>Other Financing Sources (Uses)</b>							
Bonds Issued	350,000	-	-	-	700,000	-	1,050,000
Transfers In	-	-	-	-	-	306,095	306,095
Transfers Out	(152,371)	-	-	(80,324)	-	(73,400)	(306,095)
<i>Total Other Financing Sources (Uses)</i>	<u>197,629</u>	<u>-</u>	<u>-</u>	<u>(80,324)</u>	<u>700,000</u>	<u>232,695</u>	<u>1,050,000</u>
<i>Net Change in Fund Balances</i>	<u>(478,395)</u>	<u>1,247,007</u>	<u>408,543</u>	<u>364,388</u>	<u>1,347,084</u>	<u>973,827</u>	<u>3,862,454</u>
<i>Fund Balances Beginning of Year</i>	<u>2,037,988</u>	<u>627,963</u>	<u>430,353</u>	<u>-</u>	<u>-</u>	<u>1,266,548</u>	<u>4,362,852</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,559,593</u>	<u>\$ 1,874,970</u>	<u>\$ 838,896</u>	<u>\$ 364,388</u>	<u>\$ 1,347,084</u>	<u>\$ 2,240,375</u>	<u>\$ 8,225,306</u>

See accompanying notes to the basic financial statements

**Miami Township**  
**Clermont County**

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended December 31, 2006*

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Net Change in Fund Balances - Total Governmental Funds	<u>\$ 3,862,454</u>
Change in Net Assets of Governmental Activities	<u>\$ 3,862,454</u>

See accompanying notes to the basic financial statements

**Miami Township  
Clermont County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 741,318	\$ 741,318	\$ 699,196	\$ (42,122)
Charges for Services	1,950	1,950	1,226	(724)
Licenses, Permits and Fees	193,500	193,500	252,675	59,175
Fines and Forfeitures	10,000	10,000	9,353	(647)
Intergovernmental	573,347	973,347	1,281,130	307,783
Interest	200,000	200,000	304,067	104,067
Other	215,300	215,300	196,655	(18,645)
<i>Total receipts</i>	<u>1,935,415</u>	<u>2,335,415</u>	<u>2,744,302</u>	<u>408,887</u>
<b>Disbursements</b>				
Current:				
General Government	1,749,940	2,934,133	2,262,434	671,699
Capital Outlay	2,055,722	2,055,722	1,497,189	558,533
<i>Total Disbursements</i>	<u>3,805,662</u>	<u>4,989,855</u>	<u>3,759,623</u>	<u>1,230,232</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,870,247)</u>	<u>(2,654,440)</u>	<u>(1,015,321)</u>	<u>1,639,119</u>
<b>Other Financing Sources (Uses)</b>				
Bonds Issued	-	350,000	350,000	-
Transfers Out	(152,371)	(152,371)	(152,371)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(152,371)</u>	<u>197,629</u>	<u>197,629</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(2,022,618)	(2,456,811)	(817,692)	1,639,119
<i>Fund Balance Beginning of Year</i>	2,027,117	2,027,117	2,027,117	-
Prior Year Encumbrances Appropriated	10,871	10,871	10,871	-
<i>Fund Balance End of Year</i>	<u>\$ 15,370</u>	<u>\$ (418,823)</u>	<u>\$ 1,220,296</u>	<u>\$ 1,639,119</u>

See accompanying notes to the basic financial statements

**Miami Township  
Clermont County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Police Fund  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 2,535,900	\$ 2,535,899	\$ 2,336,212	\$ (199,687)
Licenses, Permits and Fees	20,000	20,000	13,528	(6,472)
Fines and Forfeitures	12,000	12,000	6,108	(5,892)
Intergovernmental	134,180	134,180	510,690	376,510
Other	100,000	100,000	115,045	15,045
<i>Total receipts</i>	<u>2,802,080</u>	<u>2,802,079</u>	<u>2,981,583</u>	<u>179,504</u>
<b>Disbursements</b>				
Current:				
Public Safety	3,080,043	3,264,356	2,015,841	1,248,515
Capital Outlay	350,000	350,000	9,096	340,904
<i>Total Disbursements</i>	<u>3,430,043</u>	<u>3,614,356</u>	<u>2,024,937</u>	<u>1,589,419</u>
<i>Net Change in Fund Balance</i>	(627,963)	(812,277)	956,646	1,768,923
<i>Fund Balance Beginning of Year</i>	622,586	622,586	622,586	-
Prior Year Encumbrances Appropriated	<u>5,377</u>	<u>5,377</u>	<u>5,377</u>	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ (184,314)</u>	<u>\$ 1,584,609</u>	<u>\$ 1,768,923</u>

See accompanying notes to the basic financial statements

**Miami Township  
Clermont County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Ambulance Fund  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,959,591	\$ 1,959,591	\$ 1,786,568	\$ (173,023)
Charges for Services	150,000	150,000	118,494	(31,506)
Intergovernmental	132,287	132,287	362,676	230,389
Other	15,000	15,000	30,410	15,410
<i>Total receipts</i>	<u>2,256,878</u>	<u>2,256,878</u>	<u>2,298,148</u>	<u>41,270</u>
<b>Disbursements</b>				
Current:				
Public Safety	<u>2,687,092</u>	<u>2,766,747</u>	<u>1,964,214</u>	<u>802,533</u>
<i>Total Disbursements</i>	<u>2,687,092</u>	<u>2,766,747</u>	<u>1,964,214</u>	<u>802,533</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(430,214)	(509,869)	333,934	843,803
<i>Fund Balance Beginning of Year</i>	391,917	391,917	391,917	-
Prior Year Encumbrances Appropriated	<u>38,436</u>	<u>38,436</u>	<u>38,436</u>	-
<i>Fund Balance End of Year</i>	<u>\$ 139</u>	<u>\$ (79,516)</u>	<u>\$ 764,287</u>	<u>\$ 843,803</u>

See accompanying notes to the basic financial statements



**Miami Township  
Clermont County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Public Service Fund #1  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 2,385,321	\$ 2,385,321	\$ 2,305,813	\$ (79,508)
Intergovernmental	202,346	202,346	404,719	202,373
Other	50,000	50,000	34,206	(15,794)
<i>Total receipts</i>	<u>2,637,667</u>	<u>2,637,667</u>	<u>2,744,738</u>	<u>107,071</u>
<b>Disbursements</b>				
Current:				
Public Safety	2,637,667	2,664,414	2,300,026	364,388
<i>Total Disbursements</i>	<u>2,637,667</u>	<u>2,664,414</u>	<u>2,300,026</u>	<u>364,388</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>-</u>	<u>(26,747)</u>	<u>444,712</u>	<u>471,459</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	-	(80,324)	(80,324)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(80,324)</u>	<u>(80,324)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>-</u>	<u>(107,071)</u>	<u>364,388</u>	<u>471,459</u>
<i>Fund Balance Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ (107,071)</u>	<u>\$ 364,388</u>	<u>\$ 471,459</u>

See accompanying notes to the basic financial statements

**Miami Township  
Clermont County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Public Service Fund #2  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 3,334,170	\$ 3,334,170	\$ 3,114,364	\$ (219,806)
Intergovernmental	375,255	375,255	501,985	126,730
Other	107,000	107,000	49,031	(57,969)
<i>Total receipts</i>	<u>3,816,425</u>	<u>3,816,425</u>	<u>3,665,380</u>	<u>(151,045)</u>
<b>Disbursements</b>				
Current:				
Public Safety	4,516,425	4,365,380	3,697,320	668,060
<i>Total Disbursements</i>	<u>4,516,425</u>	<u>4,365,380</u>	<u>3,697,320</u>	<u>668,060</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(700,000)</u>	<u>(548,955)</u>	<u>(31,940)</u>	<u>517,015</u>
<b>Other Financing Sources (Uses)</b>				
Bonds Issued	700,000	700,000	700,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	-	151,045	668,060	517,015
<i>Fund Balance Beginning of Year</i>	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 151,045</u>	<u>\$ 668,060</u>	<u>\$ 517,015</u>

See accompanying notes to the basic financial statements

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006**

**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 Township Clerk.

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 14 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  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(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 nonexchange 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. 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  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the 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/ES and police departments. The monies are split with 53 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/ES and police departments. The monies are split evenly for fire/EMS operations 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  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(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 level for all departments.

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 and Cash Equivalents".

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 2006 was \$304,067.

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. There are no restricted assets.

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  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(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 12 and 13, 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 which 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  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

O. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

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 and after nonoperating receipts/disbursements in proprietary 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 type eliminations have not been made in the aggregation of this data.

**3. CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND EQUITY**

Last year the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type. There are no adjustments to beginning fund balances since the basis of accounting has not changed.

**4. 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 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 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 \$339,296 for the General Fund, \$339,297 for the Police Fund, \$290,361 for the Ambulance Fund and \$679,024 for the Public Safety #2 Fund.



**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

**5. COMPLIANCE**

The Township's appropriation ordinances establish the legal level of budgetary control at the fund level which is contrary to the minimum requirements set forth by Ohio Revised Code Section 5705.38(c).

The Township had 16 funds that had appropriations that exceeded total estimated resources available which is contrary to Ohio Rev. Code Section 5705.39.

**6. 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.

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;

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

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, \$8,316,117 of the Township's bank balance of \$8,416,117 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.

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

As of December 31, 2006, the Township had no investments:

**7. 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 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, 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 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31,

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

2005, were levied after October 1, 2005, 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 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. 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, 2006, was \$26.01 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Property	\$984,943,900
Public Utility Property	19,773,700
Tangible Personal Property	25,498,118
Total Assessed Value	<u>\$1,030,215,718</u>

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

**8. DEBT**

For the year ended December 31, 2006, changes in the Township's project related debt was as follows:

	<u>Interest Rate</u>	<u>Balance January 1, 2006</u>	<u>Additions</u>	<u>Payments and Deletions</u>	<u>Balance December 31, 2006</u>	<u>Amount Due Within One Year</u>
2001 General Obligation Fire Apparatus Notes	4.10%	\$ 390,000	\$ -	\$ 65,000	\$ 325,000	\$ 65,000
2003 Road Improvement Bonds	1.40-4.75%	965,000	-	35,000	930,000	40,000
2004 Various Purpose Limited Tax General Obligation Bonds	2.75-5.0%	3,250,000	-	-	3,250,000	85,000
2006 Various Purpose Limited Tax General Obligation Bonds	4.00%	-	<u>1,050,000</u>	-	<u>1,050,000</u>	-
		<u>\$4,605,000</u>	<u>\$1,050,000</u>	<u>\$100,000</u>	<u>\$5,555,000</u>	<u>\$190,000</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.

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 road Township 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.

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

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 effects of the debt limitations at December 31, 2006, were an overall debt margin of \$56,661,864 and an unvoted debt margin of \$108,172,650.

The amortization of the above remaining debt, including interest, is scheduled as follows:

Year ending December 31:	2001 General Obligation Fire Apparatus Notes		2003 Road Improvement Bonds	
	Principal	Interest	Principal	Interest
2007	\$ 65,000	\$ 12,659	\$ 40,000	\$ 37,770
2008	65,000	9,994	40,000	36,870
2009	65,000	6,729	50,000	35,790
2010	65,000	4,664	50,000	34,290
2011	65,000	1,999	50,000	32,640
2012-2016	-	-	255,000	134,925
2017-2021	-	-	305,000	77,233
2022-2026	-	-	140,000	9,975
Total	\$ 325,000	\$ 36,045	\$ 930,000	\$ 399,493

Year ending December 31:	2004 Various Purpose General Obligation Bonds		2006 Various Purpose General Obligation Bonds	
	Principal	Interest	Principal	Interest
2007	\$ 85,000	\$ 132,371	\$ -	\$ 44,567
2008	85,000	130,034	100,000	42,000
2009	95,000	127,696	100,000	38,000
2010	90,000	124,846	100,000	34,000
2011	100,000	122,034	100,000	30,000
2012-2016	550,000	557,251	540,000	87,600
2017-2021	695,000	422,735	110,000	4,400
2022-2026	890,000	260,302	-	-
2027-2029	660,000	58,798	-	-
Total	\$ 3,250,000	\$ 1,936,067	\$ 1,050,000	\$ 280,567

**9. CAPITAL LEASES**

During 2005 the Township entered into a long-term lease to finance the purchase of park equipment. The lease includes an interest factor of 3.99 percent. Semi-annual lease payments of \$13,816 are due on May 15 and November 15.

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

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 \$26,872 and is due on October 28 and April 28.

The Township's future minimum payments under the capital lease obligations as of December 31, 2005 are as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2007	\$ 81,377
2008	81,377
2009	81,377
2010	<u>26,873</u>
Total minimum lease payments	271,004
Less: amount representing interest	<u>(20,325)</u>
Present value of future minimum lease payments	<u>\$250,679</u>

**10. 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 that are established for the collection of revenues to funds established for the retirement of related debt.

During 2006 the following transfers were made:

Transfers from the General Fund to:	
Debt Service	\$132,371
Cemetery Fund	20,000
Transfer from Public Safety #1 to:	
Debt Service	80,324
Transfers from TIF #1 to:	
Debt Service	73,400

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

**11. INTERFUND BALANCES**

Interfund balances as of December 31, 2006, consisted of the following individual fund receivables and payables:

Due to General Fund from:	
Police Fund	\$300,000

The balances due to the General Fund represent loans made to provide working capital for operations. This advance was made in 2005 and is expected to be repaid in 2007.

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

**12. DEFINED BENEFIT PENSION PLANS**

Ohio Public Employees Retirement System

All full-time employees of the Township, excluding certified fire fighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 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 that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the Traditional Plan, were required to contribute 9 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The employer contribution rate for pension benefits for 2006 was 9.2 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for employee and employer contributions.

The Township's required contributions to OPERS for the years ended December 31, 2006, 2005 and 2004 were \$690,985, \$675,614, and \$645,808, respectively. All of the required contributions were paid within the respective years.

Ohio Police and Fire Pension Fund

The Township's firefighters contribute 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 the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. The Township's contributions to the OP&F for the years ended December 31, 2006, 2005, and 2004 were \$646,009, \$647,674, and \$633,670, respectively. All of the required contributions were paid within the respective years.

**13. POSTEMPLOYMENT BENEFITS**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll (16.7 percent for law enforcement and public safety); 4.5 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.5 percent and an annual increase in active employee total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase .5 to 6.0 percent annually for the next nine years and 4.0 percent annually after nine years. All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund other post-employment benefits were \$212,192. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS's health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to 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. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the



**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis.

The total employer contribution rate for firefighters is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2006 and 2005. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The Township's actual contributions for 2006 that were used to fund postemployment benefits were \$208,607 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005 (the latest information available) was \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 10,537 for firefighters.

#### **14. RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductibles.

##### Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Townships can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to their \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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, 2006 and 2005:

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	<u>(11,443,952)</u>	<u>(12,344,576)</u>
Retained earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>
<u>Property Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	<u>(676,709)</u>	<u>(1,406,031)</u>
Retained earnings	<u>\$ 9,334,254</u>	<u>\$7,771,765</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member townships in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

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 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.

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
NOTES TO FINANCIAL SECTION  
DECEMBER 31, 2006  
(continued)**

The Township's contributions to OTARMA for the past three years are as follows:

<u>Year</u>	<u>Contribution</u>
2004	\$185,903
2005	189,716
2006	191,130

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary 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 incurred or was reported prior to the withdrawal.

# 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, 2006, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 29, 2007 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 and that for the year ended December 31, 2006, the Village revised its financial presentation to the requirements of Governmental Accounting Standard No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. 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 opinion 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

## 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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2006-01 and 2006-02.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, express no opinion on them.

This report is intended solely for the information and use of the management and Township 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 29, 2007

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2006**

**Finding Number 2006 - 01**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.39 requires that the total appropriation from each fund should not exceed the total estimated resources available. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official certificate. The following Township funds had appropriations that exceeded the total estimated resources available:

Fund Type/Fund	Estimated Resources	Appropriations	Excess
General	\$4,723,403	\$5,142,226	\$(418,823)
Motor Vehicle License	71,877	75,703	(3,826)
Gasoline	345,656	462,786	(117,130)
Road and Bridge	1,590,321	1,623,968	(33,647)
Police	3,430,042	3,614,356	(184,314)
Park Levy	1,477,760	1,636,527	(158,767)
Ambulance	2,687,231	2,766,747	(79,516)
Fire	1,566,873	1,672,287	(105,414)
Drug Law Enforcement	8,947	9,047	(100)
Permissive Tax	437,088	464,686	(27,598)
Highway Safety Grant	800	9,905	(9,105)
Dare Grant	10,000	20,032	(10,032)
TIF #2	320,705	338,820	(18,115)
TIF #3	40,486	41,550	(1,064)
Ohio Seat Belt Grant	1,000	2,500	(1,500)
Public Safety Fund #1	2,637,667	2,744,738	(107,071)

Procedures should be implemented to ensure that approved appropriations do not exceed estimated resources available.

**Township's Response**

The Township will more accurately monitor its compliance with the ORC in the future to ensure that appropriations are within estimated resources available.

**Finding Number 2006 - 02****Noncompliance Citation**

The Township's appropriation ordinances establish the legal level of budgetary control at the fund level. This does not comply with the minimum requirements set forth by the Ohio Revised Code. Ohio Revised Code Section 5705.38(c) provides that classification of appropriations shall separately set forth amounts for each office, department, division, and within each of these, the amounts appropriated for personal services.

We recommend that the Township prepare appropriation ordinances in sufficient detail to comply with the ORC.

**Township's Response**

The Township will modify appropriation ordinances in the future to comply with the ORC.

**MIAMI TOWNSHIP  
CLERMONT COUNTY  
SCHEDULE OF PRIOR AUDIT FINDINGS**

Finding Number	Finding Summary	Fully Corrected?	Status Explanation:
2005-01	Deficit cash balance existed in 2004 in violation of Ohio Rev. Code, Section 5705.10	Yes	Instances were not noted for the current years under audit.
2005-02	Expenditures exceeded appropriations in violation of Ohio Revised Code Section 5705.41 (B)	Yes	Instances were not noted for the current years under audit.
2005-03	Reportable condition - condition of accounting records	Yes	Improvements were made during the current audit period.





**Mary Taylor, CPA**  
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  
NOVEMBER 8, 2007**