

**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2008 AND 2007**





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Miami Township  
112 South Miami Avenue  
Cleves, Ohio 45002

We have reviewed the *Independent Auditors' Report* of Miami Township, Hamilton County, prepared by Bastin & Company, LLC, for the audit period January 1, 2007 through December 31, 2008. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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.

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Mary Taylor, CPA  
Auditor of State

June 11, 2009

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**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO**

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# Bastin & Company, LLC

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
Miami Township  
112 South Miami Avenue  
Cleves, Ohio 45002

We have audited the accompanying financial statements of Miami Township, Hamilton County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2008 and 2007. Instead of the combined funds the accompanying financial statements present for 2008 and 2007, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2008 and 2007. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require, Townships to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2008 and 2007, or their changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2008 and 2007. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2009, 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.

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  
May 19, 2009

**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
<i>Cash Receipts:</i>			
Property and Local Taxes	\$ 1,068,169	\$ 1,437,424	\$ 2,505,593
Intergovernmental Revenues	431,772	633,326	1,065,098
Special Assessments	-	30,217	30,217
Payments in Lieu of Taxes	-	5,300,708	5,300,708
Charges for Services	23,102	336,516	359,618
Licenses, Permits and Fees	133,259	114,710	247,969
Fines and Forfeitures	1,282	-	1,282
Earnings on Investments	139,964	27,855	167,819
Miscellaneous	21,871	27,107	48,978
<b>Total Cash Receipts</b>	<b>1,819,419</b>	<b>7,907,863</b>	<b>9,727,282</b>
<i>Cash Disbursements:</i>			
Current:			
Public Safety	542,616	1,804,487	2,347,103
Public Works	590,706	1,064,693	1,655,399
Health and Human Services	32,911	90,542	123,453
Conservation and Recreation	127,876	-	127,876
Payments to Schools	-	2,747,712	2,747,712
General Government	765,904	94,628	860,532
Capital Outlay	-	425,521	425,521
<b>Total Cash Disbursements</b>	<b>2,060,013</b>	<b>6,227,583</b>	<b>8,287,596</b>
Receipts Over (Under) Disbursements	(240,594)	1,680,280	1,439,686
<i>Other Financing Receipts (Disbursements):</i>			
Transfers-In	-	50,000	50,000
Transfers-Out	(50,000)	-	(50,000)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>(50,000)</b>	<b>50,000</b>	<b>-</b>
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(290,594)	1,730,280	1,439,686
Fund Cash Balances, January 1, 2008	1,046,478	4,247,032	5,293,510
Fund Cash Balances, December 31, 2008	<u>\$ 755,884</u>	<u>\$ 5,977,312</u>	<u>\$ 6,733,196</u>
Reserve for Encumbrances, December 31, 2008	<u>\$ 1,127</u>	<u>\$ 5,035</u>	<u>\$ 6,162</u>

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



**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		Totals
	<u>General</u>	<u>Special Revenue</u>	(Memorandum Only)
<i>Cash Receipts:</i>			
Property and Local Taxes	\$ 1,234,984	\$ 1,751,793	\$ 2,986,777
Intergovernmental Revenues	340,497	533,508	874,005
Special Assessments	-	30,729	30,729
Payments in Lieu of Taxes	-	2,489,224	2,489,224
Charges for Services	24,642	341,818	366,460
Licenses, Permits and Fees	81,429	280,434	361,863
Fines and Forfeitures	3,774	-	3,774
Earnings on Investments	195,615	41,763	237,378
Miscellaneous	24,082	46,255	70,337
	<u>1,905,023</u>	<u>5,515,524</u>	<u>7,420,547</u>
<i>Cash Disbursements:</i>			
Current:			
Public Safety	271,065	1,773,918	2,044,983
Public Works	438,463	711,879	1,150,342
Health and Human Services	36,059	134,449	170,508
Conservation and Recreation	127,542	-	127,542
Payments to Schools	-	2,021,330	2,021,330
General Government	717,378	229,138	946,516
Capital Outlay	40,400	233,586	273,986
	<u>1,630,907</u>	<u>5,104,300</u>	<u>6,735,207</u>
Receipts Over (Under) Disbursements	<u>274,116</u>	<u>411,224</u>	<u>685,340</u>
<i>Other Financing Receipts (Disbursements):</i>			
Transfers-In	-	20,000	20,000
Transfers-Out	(20,000)	-	(20,000)
	<u>(20,000)</u>	<u>20,000</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	254,116	431,224	685,340
Fund Cash Balances, January 1, 2007	<u>792,362</u>	<u>3,815,808</u>	<u>4,608,170</u>
Fund Cash Balances, December 31, 2007	<u>\$ 1,046,478</u>	<u>\$ 4,247,032</u>	<u>\$ 5,293,510</u>
Reserve for Encumbrances, December 31, 2007	<u>\$ 1,699</u>	<u>\$ 5,638</u>	<u>\$ 7,337</u>

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

**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2008 and 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

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

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

*Tax Increment Financing Fund* – This fund receives payments in lieu of taxes which are used for public improvements or are remitted to the local school district.

**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2008 and 2007  
(continued)**

*Fire District Fund* – This fund receives property taxes monies which are used for the provision of fire protection

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over, and need not be reappropriated.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

The Township records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**H. 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. Interfund type eliminations have not been made in the aggregation of this data.

**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2008 and 2007  
(continued)**

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

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

	<u>2008</u>	<u>2007</u>
Demand deposits	\$4,771,668	\$3,340,303
Money market	461,528	453,207
Certificates of Deposit	1,500,000	1,500,000
Total Deposits	\$6,733,196	\$5,293,510

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$ 1,960,545	\$ 1,819,419	\$ (141,126)
Special Revenue	5,487,000	7,957,863	2,470,863
Total	\$ 7,447,545	\$ 9,777,282	\$ 2,329,737

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation	Budgetary	
Fund Type	Authority	Expenditures	Variance
General	\$ 2,204,079	\$ 2,111,140	\$ 92,939
Special Revenue	8,059,638	6,232,618	1,827,020
Total	\$ 10,263,717	\$ 8,343,758	\$ 1,919,959

2007 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$ 1,901,565	\$ 1,905,023	\$ 3,458
Special Revenue	5,165,500	5,535,524	370,024
Total	\$ 7,067,065	\$ 7,440,547	\$ 373,482

**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2008 and 2007  
(continued)**

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,601,056	\$ 1,652,606	\$ (51,550)
Special Revenue	7,885,187	5,109,938	2,775,249
Total	\$ 9,486,243	\$ 6,762,544	\$ 2,723,699

**4. COMPLIANCE**

Ohio Revised Code Section 5705.41(B) states that, “no subdivision or taxing unit is to expend money unless it has been appropriated”. For 2007, the following funds had expenditures that exceeded appropriations:

Fund	Appropriations	Expenditures	Variance
General	\$1,601,056	\$1,652,606	(\$51,550)
Cemetery	134,000	134,449	(449)

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Township Trustees adopts tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State pays the Township amounts equaling these deductions. The Township includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

**6. RETIREMENT SYSTEMS**

The Township’s certified firefighters belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost sharing, multiple-employer plans. The Ohio Revised Code prescribes the plans’ retirement benefits including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OP&F participants contributed 10 percent of their wages. The Township contributed an amount equal to 24 percent of fire participant wages. For 2008 and 2007, OPERS’ members contributed 10 and 9.5 percent, respectively, of their gross wages. The Township contributed an amount equal to 14.00 and 13.85 percent, respectively, of participants’ gross salaries. The Township has paid all contributions required through December 31, 2008.

**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2008 and 2007  
(continued)**

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

Casualty Coverage

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. 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. Governments 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 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006).

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 \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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

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

**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2008 and 2007  
(continued)**

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, 2007 and 2006 (the latest information available).

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	<u>(13,357,837)</u>	<u>(12,120,661)</u>
Retained earnings	<u>\$29,852,866</u>	<u>\$29,921,614</u>

At December 31, 2007, and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and December 31, 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$62,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA the expected rates charged by OTARMA 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. The Townships contributions to OTARMA for the past three years are as follows:

<u>Year</u>	<u>Contribution</u>
2006	\$34,364
2007	31,287
2008	31,049

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide 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 occurred 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 Board of Trustees  
Miami Township  
112 South Miami Avenue  
Clevel, Ohio 45002

We have audited the financial statements of the Miami Township, Hamilton County, Ohio (the Township) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 19, 2009, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes rather 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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 its applicable accounting basis, 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. We consider the deficiency described in the accompanying schedule of findings as 2008-01 to be a significant deficiency in internal control over financial reporting.

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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe the significant deficiency described above is a material weakness.



## 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*, which is described in the accompanying schedule of findings as items 2008-02.

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 white background.

Cincinnati, Ohio  
May 19, 2009

**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2008 AND 2007**

**Finding Number 2008-01 – Audit Adjustments**

During the course of our audit, we identified misstatements in the financial statements for the years under audit that were not initially identified by the Township’s internal control. Audit adjustments were necessary to correct errors in the Township’s financial statements. A description of the adjustments follows:

*Reclassification of Revenues* – Various adjustments totaling \$362,150 in 2007 and \$139,960 in 2008 were necessary to reclassify items recorded as miscellaneous revenues in several funds to the proper revenue types. In addition, adjustments totaling \$86,733 in 2007 and \$87,390 in 2008 were necessary to reclassify items recorded as intergovernmental revenues to property and local taxes in the Permissive Motor Vehicle License Tax Fund.

*Reclassification of Expenditures* – An adjustment totaling \$389,310 in 2008 was necessary to reclassify items recorded as general government expense to public safety expense in the Police District Fund.

The presentation of materially correct financial statements and the related footnotes is the responsibility of management. We recommend that the Township implement control procedures that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes.

**Township’s Response**

The Township concurs with the finding and will attempt to ensure that all receipts and expenditures are properly coded.

**Finding Number 2008-02 – Budgetary Compliance**

Ohio Revised Code Section 5705.41(B) states that, “no subdivision or taxing unit is to expend money unless it has been appropriated”. For 2007, the following funds had expenditures that exceeded appropriations:

Fund	Appropriations	Expenditures	Variance
General	\$1,601,056	\$1,652,606	(\$51,550)
Cemetery	134,000	134,449	(449)

**Township’s Response**

The Township will more accurately monitor its compliance with the ORC in the future to ensure that expenditures are within amounts appropriated.

**MIAMI TOWNSHIP  
HAMILTON COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Status Explanation:
2006-001	Adjustments and reclassifications to correct financial statements.	No	Condition existed during current audit period, reissued as finding 2008-01
2006-002	Expenditures exceeded appropriations noncompliance citation ORC section 5705.41	No	Condition existed during current audit period, reissued as finding 2008-02





**Mary Taylor, CPA**  
Auditor of State

**MIAMI TOWSHIP**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 25, 2009**