

**MIAMI TOWNSHIP
HAMILTON COUNTY, OHIO**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**



Dave Yost • Auditor of State

Board of Trustees
Miami Township
112 South Miami Avenue
Clevess, 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, 2009 through December 31, 2010. 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.

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

Dave Yost
Auditor of State

August 2, 2011

This Page is Intentionally Left Blank.

**MIAMI TOWNSHIP
HAMILTON COUNTY, OHIO**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditors' Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2010.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2009.....	4
Notes to the Financial Statements.....	5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11
Schedule of Findings	13
Schedule of Prior Year Findings.....	14

This Page is Intentionally Left Blank.

Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Members of the Board of Trustees
Miami Township, Ohio

We have audited the accompanying financial statements of Miami Township, Hamilton County, Ohio, (the Township) as of and for the years ended December 31, 2010 and 2009. 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.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. 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 GAAP presentation requirements. The Auditor of State permits, but does not require the Township to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. 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, 2010 and 2009 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, 2010 and 2009, or its 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, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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 March 4, 2011, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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
March 4, 2011

**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, 2010**

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
<i>Cash Receipts:</i>			
Property and Local Taxes	\$ 1,155,302	\$ 1,936,907	\$ 3,092,209
Intergovernmental Revenues	305,283	694,183	999,466
Special Assessments	-	34,039	34,039
Payments in Lieu of Taxes	-	4,700,626	4,700,626
Charges for Services	-	450,224	450,224
Licenses, Permits and Fees	202,412	145,715	348,127
Fines and Forfeitures	2,834	-	2,834
Earnings on Investments	25,679	10,800	36,479
Miscellaneous	31	17,825	17,856
Total Cash Receipts	1,691,541	7,990,319	9,681,860
<i>Cash Disbursements:</i>			
Current:			
General Government	752,434	84	752,518
Public Safety	497,072	2,009,971	2,507,043
Public Works	449,754	828,459	1,278,213
Health and Human Services	69,772	158,282	228,054
Conservation and Recreation	122,440	-	122,440
Payments to Schools	-	2,452,525	2,452,525
Capital Outlay	-	5,287,090	5,287,090
Total Cash Disbursements	1,891,472	10,736,411	12,627,883
Receipts Over (Under) Disbursements	(199,931)	(2,746,092)	(2,946,023)
<i>Other Financing Receipts (Disbursements):</i>			
Transfers-In	-	50,000	50,000
Transfers-Out	(50,000)	-	(50,000)
Total Other Financing Receipts (Disbursements)	(50,000)	50,000	-
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(249,931)	(2,696,092)	(2,946,023)
Fund Cash Balances, January 1, 2010	540,179	7,705,009	8,245,188
Fund Cash Balances, December 31, 2010	<u>\$ 290,248</u>	<u>\$ 5,008,917</u>	<u>\$ 5,299,165</u>
Reserve for Encumbrances, December 31, 2010	<u>\$ 904</u>	<u>\$ 3,034</u>	<u>\$ 3,938</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, 2009**

	<u>Governmental Fund Types</u>		Totals
	<u>General</u>	<u>Special Revenue</u>	(Memorandum Only)
<i>Cash Receipts:</i>			
Property and Local Taxes	\$ 1,167,012	\$ 1,624,938	\$ 2,791,950
Intergovernmental Revenues	333,802	614,601	948,403
Special Assessments	-	33,131	33,131
Payments in Lieu of Taxes	-	4,311,440	4,311,440
Charges for Services	-	392,965	392,965
Licenses, Permits and Fees	179,212	173,835	353,047
Fines and Forfeitures	728	-	728
Earnings on Investments	54,967	9,554	64,521
Miscellaneous	18,472	10,322	28,794
	<u>1,754,193</u>	<u>7,170,786</u>	<u>8,924,979</u>
<i>Cash Disbursements:</i>			
Current:			
General Government	818,516	585	819,101
Public Safety	526,420	1,815,721	2,342,141
Public Works	458,160	825,894	1,284,054
Health and Human Services	39,721	132,894	172,615
Conservation and Recreation	127,081	-	127,081
Payments to Schools	-	2,198,640	2,198,640
Capital Outlay	-	469,355	469,355
	<u>1,969,898</u>	<u>5,443,089</u>	<u>7,412,987</u>
Receipts Over (Under) Disbursements	<u>(215,705)</u>	<u>1,727,697</u>	<u>1,511,992</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(215,705)	1,727,697	1,511,992
Fund Cash Balances, January 1, 2009	<u>755,884</u>	<u>5,977,312</u>	<u>6,733,196</u>
Fund Cash Balances, December 31, 2009	<u>\$ 540,179</u>	<u>\$ 7,705,009</u>	<u>\$ 8,245,188</u>
Reserve for Encumbrances, December 31, 2009	<u>\$ 4,173</u>	<u>\$ 46,800</u>	<u>\$ 50,973</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, 2010 and 2009**

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 or public improvements or are remitted to the local school district.

**MIAMI TOWNSHIP
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009
(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 re-appropriated.

A summary of 2010 and 2009 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. Inter-fund type eliminations have not been made in the aggregation of this data.

**MIAMI TOWNSHIP
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009
(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>2010</u>	<u>2009</u>
Demand deposits	\$ 219,722	\$ 898,466
Money market	5,079,443	7,346,722
Total Deposits	\$5,299,165	\$8,245,188

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, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$ 1,713,494	\$ 1,691,541	\$ (21,953)
Special Revenue	7,628,987	8,040,319	411,332
Total	\$ 9,342,481	\$ 9,731,860	\$ 389,379

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation	Budgetary	
Fund Type	Authority	Expenditures	Variance
General	\$ 2,034,053	\$ 1,942,376	\$ 91,677
Special Revenue	13,714,284	10,739,445	2,974,839
Total	\$ 15,748,337	\$ 12,681,821	\$ 3,066,516

2009 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$ 1,821,998	\$ 1,754,193	\$ (67,805)
Special Revenue	6,713,728	7,170,786	457,058
Total	\$ 8,535,726	\$ 8,924,979	\$ 389,253

**MIAMI TOWNSHIP
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009
(continued)**

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,998,507	\$ 1,974,071	\$ 24,436
Special Revenue	6,939,627	5,489,889	1,449,738
Total	\$ 8,938,134	\$ 7,463,960	\$ 1,474,174

4. COMPLIANCE

Ohio Revised Code Section 5705.39 prohibits appropriations from being in excess of estimated resources. The following funds had appropriations, which exceeded estimated resources for 2009:

Fund	Appropriations	Estimated Resources	Variance
Gasoline Tax	\$145,000	\$137,841	(\$7,159)
Fire District	1,388,042	1,338,175	(49,867)

In addition, Ohio Revised Code Section 5705.36 prohibits appropriations from being in excess of actual resources. For 2009, appropriations exceeded actual resources in the Gasoline Tax Fund by \$27,811.

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. TRANSFERS

During 2010 a transfers was made from the General Fund to the Cemetery Fund to provide funding for its operations.

**MIAMI TOWNSHIP
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009
(continued)**

7. 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 2010 and 2009, OP&F participants contributed 10 percent of their wages. The Township contributed an amount equal to 24 percent of fire participant wages. For 2010 and 2009, OPERS' members contributed 10 percent of their gross wages. The Township contributed an amount equal to 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

8. RISK MANAGEMENT

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

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

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

Financial Position

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

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

**MIAMI TOWNSHIP
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010 and 2009
(continued)**

At December 31, 2009, and 2008, respectively, the liabilities above include approximately \$12.0 and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 946 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$32,000.

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>
2008	31,049
2009	32,401
2010	29,842

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

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*

To the Board of Trustees
Miami Township, Ohio

We have audited the financial statements of the Miami Township, Hamilton County, Ohio (the Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated March 4, 2011, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we consider the deficiency labeled as 2010-01 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2010-02.

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

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

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

Cincinnati, Ohio
March 4, 2011

**MIAMI TOWNSHIP
HAMILTON COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number 2010-01 – Audit Reclassification 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 – For 2010 and 2009, reclassification adjustments totaling \$40,932 and \$86,879, respectively, were necessary to properly reflect miscellaneous revenues to proper revenue types. Additional reclassification adjustments for 2010 and 2009, totaling \$5,012,375 and \$4,601,785 respectively, were necessary to properly reflect items recorded as property and local tax revenues to payments in lieu of taxes and intergovernmental revenues in the TIF Fund.

Reclassification of Expenditures – For 2009, reclassification adjustments totaling \$2,667,995 were necessary to properly reflect public works expenses as capital outlay or payments to schools in the TIF Fund and \$358,065 were necessary to properly reflect general government expense as public safety expense in the Police Fund. For 2010, reclassification adjustments totaling \$5,287,090 were necessary to properly reflect general government and public works expense as capital outlay expense and \$5,287,090 to properly reflect public works expense as payments to schools in the TIF 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 2010-02 – Budgetary Compliance

Ohio Revised Code Section 5705.39 prohibits appropriations from being in excess of estimated resources. The following funds had appropriations, which exceeded estimated resources for 2009:

Fund	Appropriations	Estimated Resources	Variance
Gasoline Tax	\$145,000	\$137,841	(\$7,159)
Fire District	1,388,042	1,338,175	(49,867)

In addition, Ohio Revised Code Section 5705.36 prohibits appropriations from being in excess of actual resources. For 2009, appropriations exceeded actual resources in the Gasoline Tax Fund by \$27,811.

Township’s Response

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

**MIAMI TOWNSHIP
HAMILTON COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Status Explanation:
2008-01	Adjustments and reclassifications to correct financial statements.	No	Condition existed during current audit period, reissued as finding 2010-01
2008-02	Expenditures exceeded appropriations noncompliance citation ORC section 5705.41	Yes	Condition corrected during current audit period.



Dave Yost • Auditor of State

MIAMI TOWNSHIP

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 16, 2011**