



**Auditor of State
Betty Montgomery**

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY**

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**Auditor of State
Betty Montgomery**

Mifflin Township
Franklin County
155 Olde Ridenour Road
Gahanna, Ohio 43230

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statement due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare your financial statement pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statement in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statement presents are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statement you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery
Auditor of State**

July 15, 2005

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Mifflin Township
Franklin County
155 Olde Ridenour Road
Gahanna, Ohio 43230

To the Board of Trustees:

We have audited the accompanying financial statement of Mifflin Township, Franklin County, Ohio, (the Township) as of and for the year ended December 31, 2004. This financial statement is the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statement 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 Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared the financial statement 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 statement 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 year ended December 31, 2004. Instead of the combined funds the accompanying financial statement presents for 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires 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 governments 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 statement referred to above for the year ended December 31, 2004, does 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, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Mifflin Township, Franklin County, Ohio, as of December 31, 2004, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 July 15, 2005, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the financial statement. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statement. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the financial statement. In our opinion, this federal awards expenditure schedule is fairly stated in all material respects in the relation to the financial statement taken as a whole.



Betty Montgomery
Auditor of State

July 15, 2005

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

| | Governmental Fund Types | | | | Fiduciary Fund Type | Totals (Memorandum Only) |
|--|-------------------------|--------------------|-----------------|---------------------|-----------------------------|--------------------------------|
| | General | Special Revenue | Debt Service | Capital Projects | Non- Expendable Trust | |
| Cash Receipts: | | | | | | |
| Local Taxes | \$547,354 | \$6,417,281 | \$0 | \$0 | \$0 | \$6,964,635 |
| Intergovernmental | 211,793 | 1,498,614 | 0 | 0 | 0 | 1,710,407 |
| Charges for Services | 0 | 75,000 | 0 | 0 | 0 | 75,000 |
| Licenses, Permits, and Fees | 0 | 136,319 | 0 | 0 | 0 | 136,319 |
| Fines, Forfeitures, and Penalties | 25,218 | 995 | 0 | 0 | 0 | 26,213 |
| Earnings on Investments | 52,893 | 1,467 | 0 | 0 | 147 | 54,507 |
| Other Revenue | 59,663 | 33,388 | 0 | 0 | 0 | 93,051 |
| Total Cash Receipts | 896,921 | 8,163,064 | 0 | 0 | 147 | 9,060,132 |
| Cash Disbursements: | | | | | | |
| Current: | | | | | | |
| General Government | 451,140 | 0 | 0 | 0 | 0 | 451,140 |
| Public Safety | 55,569 | 8,081,839 | 0 | 0 | 0 | 8,137,408 |
| Public Works | 0 | 781,286 | 0 | 0 | 0 | 781,286 |
| Health | 152,172 | 160,443 | 0 | 0 | 4,432 | 317,047 |
| Human Services | 8,615 | 0 | 0 | 0 | 0 | 8,615 |
| Debt Service: | | | | | | |
| Redemption of Principal | 0 | 148,810 | 0 | 0 | 0 | 148,810 |
| Interest and Fiscal Charges | 4,307 | 16,153 | 0 | 0 | 0 | 20,460 |
| Capital Outlay | 41,385 | 1,121,726 | 0 | 18,083 | 0 | 1,181,194 |
| Total Cash Disbursements | 713,188 | 10,310,257 | 0 | 18,083 | 4,432 | 11,045,960 |
| Total Receipts Over/(Under) Disbursements | 183,733 | (2,147,193) | 0 | (18,083) | (4,285) | (1,985,828) |
| Other Financing Receipts and (Disbursements): | | | | | | |
| Proceeds from Sale of Public Debt: | | | | | | |
| Sale of Notes | 0 | 346,500 | 0 | 0 | 0 | 346,500 |
| Other Proceeds from Sale of Public Debt | 0 | 631,409 | 0 | 0 | 0 | 631,409 |
| Sale of Fixed Assets | 0 | 300,000 | 0 | 0 | 0 | 300,000 |
| Transfers-In | 0 | 77,629 | 0 | 0 | 0 | 77,629 |
| Transfers-Out | (77,629) | 0 | 0 | 0 | 0 | (77,629) |
| Loss on Sale of Investments | (8,881) | 0 | 0 | 0 | 0 | (8,881) |
| Total Other Financing Receipts/(Disbursements) | (86,510) | 1,355,538 | 0 | 0 | 0 | 1,269,028 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | 97,223 | (791,655) | 0 | (18,083) | (4,285) | (716,800) |
| Fund Cash Balances, January 1 | 847,405 | 1,759,084 | 12,825 | 277,167 | 12,637 | 2,909,118 |
| Fund Cash Balances, December 31 | \$944,628 | \$967,429 | \$12,825 | \$259,084 | \$8,352 | \$2,192,318 |
| Reserve for Encumbrances, December 31 | \$6,622 | \$122,174 | \$0 | \$0 | \$0 | \$128,796 |

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

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**MIFFLIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Mifflin Township, Franklin County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general government services, including road and bridge maintenance, cemetery maintenance, fire and safety protection services.

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

B. Basis of Accounting

The financial statement follows the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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).

The statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or investment sales as receipts. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Treasury Notes at cost. Money market mutual funds are recorded at share values the mutual funds report.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds 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 Fund:

Fire District Fund - This fund receives property tax, homestead, and rollback monies for the operation of the Township fire department.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Debt Service Fund

This fund accounts for resources the Township accumulated to pay debt.

4. Capital Projects Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Projects fund:

Permanent Improvement Fund - This Fund is used to maintain the Township's facilities.

5. Fiduciary Fund (Nonexpendable Trust Fund)

This fund is used to account for resources restricted by a legally binding trust agreement. The agreement requires the Township to maintain the corpus of the trust, therefore the fund is classified as a nonexpendable trust fund.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2004 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 statement does not report these items as assets.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31, 2004 was as follows:

| | |
|--------------------------------|-------------|
| Demand deposits | \$450,160 |
| Investments: | |
| U.S. Treasury Obligation Bonds | 1,168,812 |
| Money Market Investments | 573,346 |
| Total investments | 1,742,158 |
| Total deposits and investments | \$2,192,318 |

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

Investments: U.S. Treasury Obligation Bonds are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2004 follows:

| Budgeted vs. Actual Receipts | | | |
|------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$851,263 | \$896,921 | \$45,658 |
| Special Revenue | 8,775,433 | 9,518,602 | 743,169 |
| Debt Service | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 |
| Fiduciary | 750 | 147 | (603) |
| Total | \$9,627,446 | \$10,415,670 | \$788,224 |

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

| Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|--|----------------------------|---------------------------|-------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$1,701,083 | \$806,320 | \$894,763 |
| Special Revenue | 10,650,714 | 10,432,431 | 218,283 |
| Debt Service | 0 | 0 | 0 |
| Capital Projects | 18,084 | 18,083 | 1 |
| Fiduciary | 9,010 | 4,432 | 4,578 |
| Total | \$12,378,891 | \$11,261,266 | \$1,117,625 |

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statement includes homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. DEBT

Debt outstanding at December 31, 2004 was as follows:

| | Principal | Interest Rate |
|---|-------------|---------------|
| Fire Engine Lease Purchase | \$125,092 | 2.72% |
| Fire Station Acquisition Bond Anticipation Note | 329,175 | 4.50% |
| Ladder Truck Lease Purchase | 621,703 | 3.36% |
| Total | \$1,075,970 | |

The Lease Purchase agreements are collateralized by the equipment purchased.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004
(Continued)**

5. DEBT (Continued)

Amortization of the above debt, including interest, is scheduled as follows:

| Year ending December 31: | Fire Engine Lease Purchase | Fire Station Acquisition BAN | Ladder Truck Lease Purchase |
|--------------------------|----------------------------------|------------------------------------|-----------------------------------|
| 2005 | \$128,495 | \$48,878 | \$137,363 |
| 2006 | 0 | 47,319 | 137,363 |
| 2007 | 0 | 45,760 | 137,363 |
| 2008 | 0 | 44,200 | 137,363 |
| 2009 | 0 | 42,641 | 114,469 |
| 2010 – 2014 | 0 | 172,590 | 0 |
| Total | \$128,495 | \$401,388 | \$663,921 |

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other 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 these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004, members of OP&F participants contributed 10 percent of their wages. The employee contribution was picked-up by the Township. The Township contributed an amount equal to 24 percent of their wages to OP&F. For 2004, police officers enrolled in OPERS contributed 10.1 percent of their gross salaries. The employee contribution was picked-up by the Township. The Township contributed an amount equal to 16.7 percent of participants' gross salaries. Other OPERS members contributed 8.5 percent of their gross salaries. The employee contribution was picked-up by the Township. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for errors and omissions risk.

Risk Pool Membership

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

OTARMA retains casualty risks up to \$250,000 per claim, including loss 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 \$5,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004
(Continued)**

7. RISK MANAGEMENT (Continued)

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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.

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:

| <u>Casualty Coverage</u> | <u>2004</u> |
|--------------------------|---------------------|
| Assets | \$30,687,203 |
| Liabilities | <u>(13,640,962)</u> |
| Retained earnings | <u>\$17,046,241</u> |

| <u>Property Coverage</u> | <u>2004</u> |
|--------------------------|--------------------|
| Assets | \$7,799,073 |
| Liabilities | <u>(753,906)</u> |
| Retained earnings | <u>\$7,045,167</u> |

Health Care Coverage

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

8. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004**

| FEDERAL GRANTOR Program Title | Federal CFDA Number | Disbursements |
|---|---------------------------|--------------------------------|
| U.S. DEPARTMENT OF HOMELAND SECURITY Federal Emergency Management Agency | | |
| Assistance to Firefighters Grant | 97.044 | <u>\$653,443</u> |
| Total U.S. Department of Homeland Security | | <u>653,443</u> |
| Total | | <u><u>\$653,443</u></u> |

The accompanying notes are an integral part of this schedule.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the Township's federal award program. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

The federal program requires that the Township contribute non-Federal funds (matching funds) to support the Federally-funded program. The Township has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Mifflin Township
Franklin County
155 Olde Ridenour Road
Gahanna, Ohio 43230

To the Board of Trustees:

We have audited the financial statement of Mifflin Township, Franklin County, Ohio (the Township) as of and for the year ended December 31, 2004, and have issued our report thereon dated July 15, 2005, wherein we noted the Township followed 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statement and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated July 15, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the Township's management dated July 15, 2005, we reported other matters related to noncompliance we deemed immaterial.

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Mifflin Township
Franklin County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, the Board of Trustees, and federal awarding agencies. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

July 15, 2005



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mifflin Township
Franklin County
155 Olde Ridenour Road
Gahanna, Ohio 43230

To the Board of Trustees:

Compliance

We have audited the compliance of Mifflin Township, Franklin County, Ohio (the Township) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended December 31, 2004. The summary of auditor's results section of the accompanying schedule of findings identifies the Township's major federal program. The Township's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to the major federal program. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township's compliance with those requirements.

In our opinion, the Township complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2004. In a separate letter to the Township's management dated July 15, 2005, we reported an other matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The Township's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Township's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We intend this report solely for the information and use of the audit committee, management, Board of Trustees, and federal awarding agencies. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

July 15, 2005

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2004**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|---|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unqualified |
| (d)(1)(ii) | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material non-compliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(iv) | Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unqualified |
| (d)(1)(vi) | Are there any reportable findings under § .510? | No |
| (d)(1)(vii) | Major Programs (list): | Assistance to Firefighters Grant - #97.044 |
| (d)(1)(viii) | Dollar Threshold: Type A\B Programs | Type A: > \$ 300,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee? | No |

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

MIFFLIN TOWNSHIP
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|-----------------------|------------------|--|
| 2003-001 | ORC 5705.14 Transfers | Yes | |



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Betty Montgomery**

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800-282-0370
Facsimile 614-466-4490

MIFFLIN TOWNSHIP

FRANKLIN 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 23, 2005**