

***MIFFLIN TOWNSHIP  
RICHLAND COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Mifflin Township  
2326 Park Avenue East  
Mansfield, Ohio 44903

We have reviewed the *Report of Independent Accountants* of Mifflin Township, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 10, 2007

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**MIFFLIN TOWNSHIP  
RICHLAND COUNTY  
For Years Ending December 31, 2006 and 2005**

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Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

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REPORT OF INDEPENDENT ACCOUNTANTS

Mifflin Township, Richland County  
2326 Park Avenue East  
Mansfield, Ohio 44903

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mifflin Township, Richland County (the Township), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Township as of December 31, 2006 and 2005, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund, Road District Fund, Road and Bridge Fund, Fire District Fund and Ambulance & Emergency Medical Fund thereof for the years then ended in conformity with accounting basis Note 2 describes.

The management's discussion and analysis on pages 3 to 10 is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2007 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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.

***Charles E. Harris & Associates, Inc.***

June 19, 2007

Mifflin Township  
Richland County, Ohio  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

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This discussion and analysis Mifflin Township, Richland County, Ohio's (Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2006 and 2005, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2006 are as follows:

Net assets increased \$1,255,396, or 97.5 percent, a significant change from the prior year. The General Fund experienced an increase in cash balances while the Fire District Fund had a significant increase in cash balance. The Ambulance & EMS Fund actually had a significant decrease in cash balances. The overall increase in cash is due to a higher increase in receipts than disbursements and the issuance of bonds to be used for the construction of a new fire station.

The Township's general receipts are primarily property taxes. These receipts represent respectively 42.4 percent of the total cash received during the year. Property tax receipts for 2006 increased by \$416,959 or 46% compared to 2005. Increased property tax receipts reflect increasing property values and an increased property tax rate.

Key highlights for 2005 are as follows:

Net assets increased \$ 474,349 or 58.4%, a significant change from the prior year. The General Fund experienced an increase in cash balances while the Road & Bridge Fund and the Fire District Fund had significant increases in cash balances. The overall increase in cash is due to a higher increase in receipts than disbursements and the issuance of Tax Anticipation Notes to be used for the construction of a new fire station.

The Township's general receipts are primarily property taxes. These receipts represent respectively 45.9 percent of the total cash received during the year. Property tax receipts for 2005 increased by \$65,929 or 7.8% compared to 2004. Increased property tax receipts reflect increasing property values and an increased property tax rate.

**Using the Basic Financial Statements**

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

Mifflin Township  
Richland County, Ohio  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

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## **Report Components**

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

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

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

## **Basis of Accounting**

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

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

## **Reporting the Township as a Whole**

A three-member board of trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

The statement of net assets and the statement of activities reflect how the Township did financially during 2006 and 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or activity draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the

Mifflin Township  
Richland County, Ohio  
Management's Discussion and Analysis  
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Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, we divide the Township into one type of activity:

Governmental activities. All of the Township's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are put into one category: governmental.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major funds are the general fund, road district, road and bridge, fire district and ambulance & emergency medical. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for December 31, 2006, 2005 and 2004 on a cash basis:

Mifflin Township  
 Richland County, Ohio  
 Management's Discussion and Analysis  
 For the Years Ended December 31, 2006 and 2005  
 Unaudited

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(Table 1)  
**Net Assets**

	Governmental Activities		
	2006	2005	2004
<b>Assets</b>			
Cash and Cash Equivalents	\$ 2,542,345	\$ 1,286,949	\$ 812,600
Total Assets	2,542,345	1,286,949	812,600
<b>Net Assets</b>			
Restricted for:			
Other Purposes	2,323,228	1,201,001	743,623
Unrestricted	219,117	85,948	68,977
Total Net Assets	\$ 2,542,345	\$ 1,286,949	\$ 812,600

As mentioned previously, net assets of governmental activities increased \$ 1,255,396 or 97.5 percent during 2006. The primary reasons contributing to the increases in cash balances are as follows:

- Increased property tax collections due to increased property values, new construction and increased tax rates; and
- Issuance of bonds for the construction and equipping of a new fire station.

Also, as mentioned previously, net assets of governmental activities increased \$ 474,349 or 58.4 percent during 2005. The primary reasons contributing to the increases in cash balances are as follows:

- Increased property tax collections due to increased property values, new construction and increased tax rates; and
- Issuance of Tax Anticipation Notes for the construction and equipping of a new fire station.

Table 2 reflects the changes in net assets in 2006, 2005 and 2004.

Mifflin Township  
 Richland County, Ohio  
 Management's Discussion and Analysis  
 For the Years Ended December 31, 2006 and 2005  
 Unaudited

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

	Governmental Activities 2006	Governmental Activities 2005	Governmental Activities 2004
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$216,175	\$ 228,666	197,467
Operating Grants and Contributions	106,009	178,550	122,864
Total Program Receipts	<u>322,184</u>	<u>407,216</u>	<u>320,331</u>
General Receipts:			
Property Taxes	1,323,729	906,770	840,841
Grants and Entitlements Not Restricted to Specific Programs	288,641	230,786	219,654
Proceeds of Bonds	995,000	320,000	-
Proceeds of Loans	106,707	74,404	-
Interest	62,920	20,882	4,366
Miscellaneous	33,301	32,330	38,345
Total General Receipts	<u>2,810,298</u>	<u>1,585,172</u>	<u>1,103,206</u>
Total Receipts	<u>3,132,482</u>	<u>1,992,388</u>	<u>1,423,537</u>
Disbursements:			
General Government	191,818	183,123	208,258
Public Safety	730,939	624,841	622,207
Public Works	505,933	510,616	444,381
Capital Outlay	271,828	78,404	7,635
Miscellaneous	15,564	16,984	-
Debt Service:			
Principal	113,974	90,371	100,971
Interest	47,030	13,700	14,230
Total Disbursements	<u>1,877,086</u>	<u>1,518,039</u>	<u>1,397,682</u>
Increase (Decrease) in Net Assets	<u>\$ 1,255,396</u>	<u>\$ 474,349</u>	<u>\$ 25,855</u>

Program receipts for 2006, 2005 and 2004 represent only 10.3 percent, 20.6 percent and 18.4 percent, respectively, of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money and charges for emergency medical runs.

General receipts for 2006, 2005 and 2004 represent 89 percent, 79 percent and 78 percent, respectively, of the Township's total receipts, and of these amounts, over 42 percent, 45 percent and 59 percent, respectively are local taxes.

During 2006 proceeds of Bonds, Loans and Other Financing Uses, state and federal grants and entitlements make up the balance of the Township's general receipts (44%) along with other receipts (3%), which are usually insignificant and somewhat unpredictable revenue sources.

Mifflin Township  
 Richland County, Ohio  
 Management's Discussion and Analysis  
 For the Years Ended December 31, 2006 and 2005  
 Unaudited

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During 2005 proceeds of Bonds, Loans and Other Financing Uses, state and federal grants and entitlements make up the balance of the Township's general receipts (32%) along with other receipts (3%), which are usually insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of Trustees, and the Township Clerk, as well as internal services such as payroll and purchasing.

Security of Persons and Property (Public Safety) are the costs of fire protection and emergency medical service; and Transportation is the cost of maintaining the roads and bridges.

**Governmental Activities**

If you look at the Statement of Activities on pages 12 and 21, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for Governmental activities are for transportation and security of persons and property, which account for 45 and 34 percent of all Governmental disbursements, respectively. General Government also represents a significant cost, about 15 percent. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

	Total Cost Of Services 2006	Net Cost of Services 2006	Total Cost Of Services 2005	Net Cost of Services 2005	Total Cost Of Services 2004	Net Cost of Services 2004
General Government	\$191,818	\$186,164	\$183,123	\$180,396	\$208,258	\$207,093
Public Safety	730,939	525,070	624,841	406,974	622,207	422,877
Public Works	505,933	395,272	510,616	323,994	444,381	324,545
Capital Outlay	271,828	271,828	78,404	78,404	7,635	7,635
Debt Service	161,004	161,004	104,071	104,071	115,201	115,201
Miscellaneous	15,564	15,564	16,984	16,984	-	-
<b>Total Disbursements</b>	<b>\$1,877,086</b>	<b>\$1,554,902</b>	<b>\$1,518,039</b>	<b>\$1,110,823</b>	<b>\$1,397,682</b>	<b>\$1,077,351</b>

During 2006, 2005 and 2004 the dependence upon property tax receipts and other general receipts is apparent as over 82 percent, 72 percent and 77 percent, respectively, of Governmental activities are supported through these general receipts.

Mifflin Township  
Richland County, Ohio  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

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**The Township's Funds**

During 2006 total Governmental funds had receipts of \$3,132,482 and disbursements of \$ 1,877,086. The greatest change within Governmental funds occurred within the Fire District Fund, due to the issuance of Bonds for future construction. The fund balance of the General Fund increased \$85,948, mostly as the result of interest receipts.

During 2005 total Governmental funds had receipts of \$1,992,388 and disbursements of \$ 1,518,039. The greatest change within Governmental funds occurred within the Fire District Fund, due to the issuance of Tax Anticipation Notes for future construction. The fund balance of the General Fund increased \$19,971, mostly as the result of interest receipts.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During 2006, the Township did not amend its General Fund budget. Final budgeted receipts were significantly greater than original budgeted receipts due to increased property tax receipts and interest receipts. The difference between final budgeted receipts and actual receipts was \$106,591.

Final disbursements were budgeted at \$213,975 while actual disbursements were \$183,462.

During 2005, the Township did not amend its General Fund budget. Final budgeted receipts were greater than original budgeted receipts due to increased property tax receipts and interest receipts. Local Government assistance was actually less than budgeted. The difference between final budgeted receipts and actual receipts was \$10,094.

Final disbursements were budgeted at \$224,073 while actual disbursements were \$183,123.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently keep track of its capital assets and infrastructure. It is anticipated that the current accounting software will be enhanced to include capital assets and the Township will have the ability in the near future to keep track of its capital assets.

**Debt**

At December 31, 2006, the Township's outstanding debt totaled \$1,487,196. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

**Current Financial Related Activities**

Mifflin Township is strong financially. As the preceding information shows, the Township heavily depends on its taxpayers. However, financially the future is not without challenges.

Mifflin Township  
Richland County, Ohio  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

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**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Ms. Robyn Perry, Clerk, Mifflin Township, Richland County, 2326 Park Avenue East, Mansfield, Ohio 44903.

MIFFLIN TOWNSHIP, RICHLAND COUNTY, OHIO  
 STATEMENT OF NET ASSETS - CASH BASIS  
 DECEMBER 31, 2006

		Governmental Activities
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$	2,542,345
Total Assets	\$	2,542,345
<b>Net Assets</b>		
Restricted for:		
Other Purposes	\$	2,314,454
Capital Projects		8,774
Unrestricted		219,117
Total Net Assets	\$	2,542,345

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF ACTIVITIES - CASH BASIS  
 For the Year Ended December 31, 2006

	<u>Cash</u> <u>Disbursements</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Net (Disbursements)</u> <u>Receipts and Changes in</u> <u>Net Assets</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities:				
General Government	\$ 191,818	\$ 5,654	\$ -	\$ (186,164)
Public Safety	730,939	201,819	4,050	(525,070)
Public Works	505,933	8,702	101,959	(395,272)
Capital Outlay	271,828	-	-	(271,828)
Miscellaneous	15,564	-	-	(15,564)
Debt Service:				
Principal	113,974	-	-	(113,974)
Interest	47,030	-	-	(47,030)
 Total Governmental Activities	 <u>\$ 1,877,086</u>	 <u>\$ 216,175</u>	 <u>\$ 106,009</u>	 <u>(1,554,902)</u>
 General Receipts				
Property Taxes levied for:				
General purposes				1,323,729
Grants and entitlements not Restricted to a specific program				288,641
Proceeds of Bonds				995,000
Proceeds of Loans				106,707
Interest				62,920
Other				33,301
 Total General Receipts				 <u>2,810,298</u>
 Change in Net Assets				 1,255,396
 Net Assets Beginning of Year				 1,286,949
 Net Assets End of Year				 <u>\$ 2,542,345</u>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 DECEMBER 31, 2006

	<u>General</u>	<u>Road District</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Ambulance &amp; Emergency Med.</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 219,117	\$ 145,280	\$ 220,605	\$ 1,629,189	\$ 111,336	\$ 216,818	\$ 2,542,345
Total Assets	<u>\$ 219,117</u>	<u>\$ 145,280</u>	<u>\$ 220,605</u>	<u>\$ 1,629,189</u>	<u>\$ 111,336</u>	<u>\$ 216,818</u>	<u>\$ 2,542,345</u>
Fund Balances:							
Reserved:							
Reserved for Encumbrances	\$ -	\$ 94	\$ -	\$ 341	\$ 44	\$ 46	\$ 525
Unreserved:							
Undesignated, Reported in:							
General Fund	219,117	-	-	-	-	-	219,117
Special Revenue Funds	-	145,186	220,605	1,628,848	111,292	207,998	2,313,929
Capital Projects Funds	-	-	-	-	-	8,774	8,774
Total Fund Balances	<u>\$ 219,117</u>	<u>\$ 145,280</u>	<u>\$ 220,605</u>	<u>\$ 1,629,189</u>	<u>\$ 111,336</u>	<u>\$ 216,818</u>	<u>\$ 2,542,345</u>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General</u>	<u>Road District</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Ambulance &amp; Emergency Med.</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>							
Property and Other Local Taxes	\$ 95,656	\$ 137,214	\$ 208,248	\$ 882,611	-	-	\$ 1,323,729
Charges for Services	-	-	-	-	\$ 201,819	-	201,819
Fines and Forfeitures	1,935	-	-	-	-	-	1,935
Intergovernmental	155,061	-	-	-	-	\$ 235,789	390,850
Special Assessments	-	-	-	-	-	8,702	8,702
Interest	59,145	-	-	-	-	3,775	62,920
Other	4,834	15,315	5,652	14,909	-	110	40,820
Total Receipts	<u>316,631</u>	<u>152,529</u>	<u>213,900</u>	<u>897,520</u>	<u>201,819</u>	<u>248,376</u>	<u>2,030,775</u>
<b>Disbursements</b>							
Current:							
General Government	183,462	1,889	-	6,467	-	-	191,818
Public Safety	-	-	-	482,319	246,954	1,666	730,939
Public Works	-	124,686	167,840	-	-	213,407	505,933
Capital Outlay	-	-	-	157,350	106,707	7,771	271,828
Debt Service:							
Principal Retirement	-	23,660	26,988	63,326	-	-	113,974
Interest and Fiscal Charges	-	2,301	1,074	43,655	-	-	47,030
Total Disbursements	<u>183,462</u>	<u>152,536</u>	<u>195,902</u>	<u>753,117</u>	<u>353,661</u>	<u>222,844</u>	<u>1,861,522</u>
Receipts over (under) disbursements	133,169	(7)	17,998	144,403	(151,842)	25,532	169,253
Other Financing Sources (Uses)							
Proceeds of Bonds	-	-	-	995,000	-	-	995,000
Proceeds of Loan	-	-	-	-	106,707	-	106,707
Other Financing Uses	-	-	-	(15,564)	-	-	(15,564)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>979,436</u>	<u>106,707</u>	<u>-</u>	<u>1,086,143</u>
Net Change in Fund Balances	133,169	(7)	17,998	1,123,839	(45,135)	25,532	1,255,396
Fund Balances Beginning of Year	<u>85,948</u>	<u>145,287</u>	<u>202,607</u>	<u>505,350</u>	<u>156,471</u>	<u>191,286</u>	<u>1,286,949</u>
Fund Balances End of Year	<u>\$ 219,117</u>	<u>\$ 145,280</u>	<u>\$ 220,605</u>	<u>\$ 1,629,189</u>	<u>\$ 111,336</u>	<u>\$ 216,818</u>	<u>\$ 2,542,345</u>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 80,000	\$ 80,000	\$ 95,656	\$ 15,656
Fines and Forfeitures	-	-	1,935	1,935
Intergovernmental	130,040	130,040	155,061	25,021
Interest	-	-	59,145	59,145
Other	-	-	4,834	4,834
<b>Total Receipts</b>	<b>210,040</b>	<b>210,040</b>	<b>316,631</b>	<b>106,591</b>
Disbursements				
Current:				
General Government	213,975	213,975	183,462	30,513
<b>Total Disbursements</b>	<b>213,975</b>	<b>213,975</b>	<b>183,462</b>	<b>30,513</b>
Receipts Over (Under) Disbursements	(3,935)	(3,935)	133,169	137,104
Fund Balance Beginning of Year	85,948	85,948	85,948	-
<b>Fund Balance End of Year</b>	<b>\$ 82,013</b>	<b>\$ 82,013</b>	<b>\$ 219,117</b>	<b>\$ 137,104</b>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 ROAD DISTRICT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 132,000	\$ 132,000	\$ 137,214	\$ 5,214
Interest	-	-	15,315	15,315
Total Receipts	<u>132,000</u>	<u>132,000</u>	<u>152,529</u>	<u>20,529</u>
Disbursements				
Current:				
General Government	5,000	5,000	1,983	3,017
Public Works	142,054	142,054	124,686	17,368
Capital Outlay	3,000	3,000	-	3,000
Debt Service:				
Principal	67,472	67,472	23,660	43,812
Interest	6,913	6,913	2,301	4,612
Total Disbursements	<u>224,439</u>	<u>224,439</u>	<u>152,630</u>	<u>71,809</u>
Net Change in Fund Balance	(92,439)	(92,439)	(101)	92,338
Fund Balance Beginning of Year	145,287	145,287	145,287	-
Fund Balance End of Year	<u>\$ 52,848</u>	<u>\$ 52,848</u>	<u>\$ 145,186</u>	<u>\$ 92,338</u>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 ROAD AND BRIDGE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 200,000	\$ 200,000	\$ 208,248	\$ 8,248
Other	-	-	5,652	5,652
Total Receipts	<u>200,000</u>	<u>200,000</u>	<u>213,900</u>	<u>13,900</u>
Disbursements				
Current:				
Public Works	187,500	187,500	167,840	19,660
Debt Service:				
Principal	23,660	23,660	26,988	(3,328)
Interest	2,301	2,301	1,074	1,227
Total Disbursements	<u>213,461</u>	<u>213,461</u>	<u>195,902</u>	<u>17,559</u>
Net Change in Fund Balance	(13,461)	(13,461)	17,998	31,459
Fund Balance Beginning of Year	<u>202,607</u>	<u>202,607</u>	<u>202,607</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 189,146</u>	<u>\$ 189,146</u>	<u>\$ 220,605</u>	<u>\$ 31,459</u>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 FIRE DISTRICT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 851,000	\$ 851,000	\$ 882,611	\$ 31,611
Other	-	-	14,909	14,909
<b>Total Receipts</b>	<b><u>851,000</u></b>	<b><u>851,000</u></b>	<b><u>897,520</u></b>	<b><u>46,520</u></b>
Disbursements				
Current:				
General Government	10,000	10,000	6,808	3,192
Public Safety	736,800	735,600	482,319	253,281
Capital Outlay	125,000	1,093,506	157,350	936,156
Debt Service:				
Principal	42,489	42,489	63,326	(20,837)
Interest	7,815	7,815	43,655	(35,840)
<b>Total Disbursements</b>	<b><u>922,104</u></b>	<b><u>1,889,410</u></b>	<b><u>753,458</u></b>	<b><u>1,135,952</u></b>
Receipts Over/(Under) Disbursements	(71,104)	(1,038,410)	144,062	1,182,472
Other financing Sources (Uses)				
Proceeds of bonds	-	995,000	995,000	-
Other Financing Uses	-	(15,564)	(15,564)	-
<b>Total Other Financing Sources (Uses)</b>	<b><u>-</u></b>	<b><u>979,436</u></b>	<b><u>979,436</u></b>	<b><u>-</u></b>
<b>Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</b>	<b>(71,104)</b>	<b>(58,974)</b>	<b>1,123,498</b>	<b>1,182,472</b>
Fund Balance Beginning of Year	<u>505,350</u>	<u>505,350</u>	<u>505,350</u>	<u>-</u>
<b>Fund Balance End of Year</b>	<b><u>\$ 434,246</u></b>	<b><u>\$ 446,376</u></b>	<b><u>\$ 1,628,848</u></b>	<b><u>\$ 1,182,472</u></b>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 AMBULANCE AND EMERGENCY MEDICAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Receipts				
Charges for Services	\$ 200,000	\$ 200,000	\$ 201,819	\$ 1,819
Total Receipts	<u>200,000</u>	<u>200,000</u>	<u>201,819</u>	<u>1,819</u>
Disbursements				
Current:				
Public Safety	270,500	270,500	246,998	23,502
Capital Outlay	-	-	106,707	(106,707)
Debt Service:				
Principal	33,000	33,000	-	33,000
Interest	3,000	3,000	-	3,000
Total Disbursements	<u>306,500</u>	<u>306,500</u>	<u>353,705</u>	<u>(47,205)</u>
Receipts Over/(Under) Disbursements	(106,500)	(106,500)	(151,886)	(45,386)
Other financing Sources (Uses)				
Proceeds of Loan	-	-	106,707	106,707
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>106,707</u>	<u>106,707</u>
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(106,500)	(106,500)	(45,179)	61,321
Fund Balance Beginning of Year	<u>156,471</u>	<u>156,471</u>	<u>156,471</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 49,971</u>	<u>\$ 49,971</u>	<u>\$ 111,292</u>	<u>\$ 61,321</u>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP, RICHLAND COUNTY, OHIO  
 STATEMENT OF NET ASSETS - CASH BASIS  
 DECEMBER 31, 2005

		Governmental Activities
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$	1,286,949
Total Assets	\$	1,286,949
<b>Net Assets</b>		
Restricted for:		
Other Purposes	\$	1,190,955
Debt Service		2,202
Capital Projects		7,844
Unrestricted		85,948
Total Net Assets	\$	1,286,949

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF ACTIVITIES - CASH BASIS  
 For the Year Ended December 31, 2005

	<u>Cash</u> <u>Disbursements</u>	<u>Charges for</u> <u>Services</u>	<u>Program Cash Receipts</u> <u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Net (Disbursements)</u> <u>Receipts and Changes in</u> <u>Net Assets</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities:				
General Government	\$ 183,123	\$ 2,727	\$ -	\$ (180,396)
Public Safety	624,841	216,867	1,000	(406,974)
Public Works	510,616	9,072	177,550	(323,994)
Capital Outlay	78,404	-	-	(78,404)
Miscellaneous	16,984	-	-	(16,984)
Debt Service:				
Principal	90,371	-	-	(90,371)
Interest	13,700	-	-	(13,700)
 Total Governmental Activities	 <u>\$ 1,518,039</u>	 <u>\$ 228,666</u>	 <u>\$ 178,550</u>	 <u>(1,110,823)</u>
 General Receipts				
Property Taxes levied for:				
General purposes				906,770
Grants and entitlements not Restricted to a specific program				230,786
Proceeds of Notes				320,000
Proceeds of Loans				74,404
Interest				20,882
Other				32,330
 Total General Receipts				 <u>1,585,172</u>
 Change in Net Assets				 474,349
 Net Assets Beginning of Year				 812,600
 Net Assets End of Year				 <u>\$ 1,286,949</u>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 DECEMBER 31, 2005

	<u>General</u>	<u>Road District</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Ambulance &amp; Emergency Med.</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 85,948	\$ 145,287	\$ 202,607	\$ 505,350	\$ 156,471	\$ 191,286	\$ 1,286,949
Total Assets	<u>\$ 85,948</u>	<u>\$ 145,287</u>	<u>\$ 202,607</u>	<u>\$ 505,350</u>	<u>\$ 156,471</u>	<u>\$ 191,286</u>	<u>\$ 1,286,949</u>
<b>Fund Balances:</b>							
Unreserved:							
Undesignated, Reported in:							
General Fund	\$ 85,948	-	-	-	-	-	\$ 85,948
Special Revenue Funds	-	\$ 145,287	\$ 202,607	\$ 505,350	\$ 156,471	\$ 181,240	1,190,955
Debt Service Funds	-	-	-	-	-	2,202	2,202
Capital Projects Funds	-	-	-	-	-	7,844	7,844
Total Fund Balances	<u>\$ 85,948</u>	<u>\$ 145,287</u>	<u>\$ 202,607</u>	<u>\$ 505,350</u>	<u>\$ 156,471</u>	<u>\$ 191,286</u>	<u>\$ 1,286,949</u>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>General</u>	<u>Road District</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Ambulance &amp; Emergency Med.</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>							
Property and Other Local Taxes	\$ 86,380	\$ 137,798	\$ 187,059	\$ 495,533	-	-	\$ 906,770
Charges for Services	-	-	-	-	\$ 216,867	-	216,867
Fines and Forfeitures	1,665	-	-	-	-	-	1,665
Intergovernmental	90,958	-	-	-	-	\$ 317,377	408,335
Special Assessments	-	-	-	-	-	9,072	9,072
Interest	19,629	-	-	-	-	1,253	20,882
Other	1,462	8,557	12,373	10,392	-	1,609	34,393
Total Receipts	<u>200,094</u>	<u>146,355</u>	<u>199,432</u>	<u>505,925</u>	<u>216,867</u>	<u>329,311</u>	<u>1,597,984</u>
<b>Disbursements</b>							
Current:							
General Government	183,123	-	-	-	-	-	183,123
Public Safety	-	-	-	402,839	222,002	-	624,841
Public Works	-	101,779	89,740	-	-	319,097	510,616
Capital Outlay	-	78,404	-	-	-	-	78,404
Debt Service:							
Principal Retirement	-	51,911	-	38,460	-	-	90,371
Interest and Fiscal Charges	-	2,112	-	11,588	-	-	13,700
Total Disbursements	<u>183,123</u>	<u>234,206</u>	<u>89,740</u>	<u>452,887</u>	<u>222,002</u>	<u>319,097</u>	<u>1,501,055</u>
Receipts over (under) disbursements	16,971	(87,851)	109,692	53,038	(5,135)	10,214	96,929
Other Financing Sources (Uses)							
Proceeds of Notes	-	-	-	320,000	-	-	320,000
Proceeds of Loan	-	74,404	-	-	-	-	74,404
Other Financing Uses	-	-	-	(16,984)	-	-	(16,984)
Total Other Financing Sources (Uses)	<u>-</u>	<u>74,404</u>	<u>-</u>	<u>303,016</u>	<u>-</u>	<u>-</u>	<u>377,420</u>
Net Change in Fund Balances	16,971	(13,447)	109,692	356,054	(5,135)	10,214	474,349
Fund Balances Beginning of Year	<u>68,977</u>	<u>158,734</u>	<u>92,915</u>	<u>149,296</u>	<u>161,606</u>	<u>181,072</u>	<u>812,600</u>
Fund Balances End of Year	<u>\$ 85,948</u>	<u>\$ 145,287</u>	<u>\$ 202,607</u>	<u>\$ 505,350</u>	<u>\$ 156,471</u>	<u>\$ 191,286</u>	<u>\$ 1,286,949</u>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 70,000	\$ 70,000	\$ 86,380	\$ 16,380
Fines and Forfeitures	-	-	1,665	1,665
Intergovernmental	120,000	120,000	90,958	(29,042)
Interest	-	-	19,629	19,629
Other	-	-	1,462	1,462
<b>Total Receipts</b>	<b><u>190,000</u></b>	<b><u>190,000</u></b>	<b><u>200,094</u></b>	<b><u>10,094</u></b>
Disbursements				
Current:				
General Government	224,073	224,073	183,123	40,950
<b>Total Disbursements</b>	<b><u>224,073</u></b>	<b><u>224,073</u></b>	<b><u>183,123</u></b>	<b><u>40,950</u></b>
Receipts Over (Under) Disbursements	(34,073)	(34,073)	16,971	51,044
Fund Balance Beginning of Year	67,977	67,977	67,977	-
Prior Year Encumbrances Appropriated	1,000	1,000	1,000	-
<b>Fund Balance End of Year</b>	<b><u>\$ 34,904</u></b>	<b><u>\$ 34,904</u></b>	<b><u>\$ 85,948</u></b>	<b><u>\$ 51,044</u></b>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 ROAD DISTRICT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 135,000	\$ 135,000	\$ 137,798	\$ 2,798
Interest	-	-	8,557	8,557
Total Receipts	<u>135,000</u>	<u>135,000</u>	<u>146,355</u>	<u>11,355</u>
Disbursements				
Current:				
Public Works	183,430	183,430	127,739	55,691
Capital Outlay	-	-	78,404	(78,404)
Debt Service:				
Principal	28,063	28,063	25,951	2,112
Interest	2,112	2,112	2,112	-
Total Disbursements	<u>213,605</u>	<u>213,605</u>	<u>234,206</u>	<u>(20,601)</u>
Receipts Over/(Under) Disbursements	(78,605)	(78,605)	(87,851)	(9,246)
Other financing Sources (Uses)				
Proceeds of Loan	-	-	74,404	74,404
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>74,404</u>	<u>74,404</u>
Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(78,605)	(78,605)	(13,447)	65,158
Fund Balance Beginning of Year	156,734	156,734	156,734	-
Prior Year Encumbrances Appropriated	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 80,129</u>	<u>\$ 80,129</u>	<u>\$ 145,287</u>	<u>\$ 65,158</u>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 ROAD AND BRIDGE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 169,000	\$ 169,000	\$ 187,059	\$ 18,059
Other	-	-	12,373	12,373
Total Receipts	<u>169,000</u>	<u>169,000</u>	<u>199,432</u>	<u>30,432</u>
Disbursements				
Current:				
Public Works	154,694	154,694	89,740	64,954
Debt Service:				
Principal	23,659	23,659	-	23,659
Interest	2,301	2,301	-	2,301
Total Disbursements	<u>180,654</u>	<u>180,654</u>	<u>89,740</u>	<u>90,914</u>
Net Change in Fund Balance	(11,654)	(11,654)	109,692	121,346
Fund Balance Beginning of Year	90,415	90,415	90,415	-
Prior Year Encumbrances Appropriated	2,500	2,500	2,500	-
Fund Balance End of Year	<u>\$ 81,261</u>	<u>\$ 81,261</u>	<u>\$ 202,607</u>	<u>\$ 121,346</u>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 FIRE DISTRICT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive/ (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 470,000	\$ 470,000	\$ 495,533	\$ 25,533
Other	-	-	10,392	10,392
<b>Total Receipts</b>	<b><u>470,000</u></b>	<b><u>470,000</u></b>	<b><u>505,925</u></b>	<b><u>35,925</u></b>
Disbursements				
Current:				
Public Safety	405,696	405,696	402,839	2,857
Debt Service:				
Principal	42,489	42,489	38,460	4,029
Interest	7,815	7,815	11,588	(3,773)
<b>Total Disbursements</b>	<b><u>456,000</u></b>	<b><u>456,000</u></b>	<b><u>452,887</u></b>	<b><u>3,113</u></b>
Receipts Over/(Under) Disbursements	14,000	14,000	53,038	39,038
Other financing Sources (Uses)				
Proceeds of Notes	-	320,000	320,000	-
Other Financing Uses	-	(16,984)	(16,984)	-
<b>Total Other Financing Sources (Uses)</b>	<b><u>-</u></b>	<b><u>303,016</u></b>	<b><u>303,016</u></b>	<b><u>-</u></b>
<b>Total Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</b>	<b>14,000</b>	<b>317,016</b>	<b>356,054</b>	<b>39,038</b>
Fund Balance Beginning of Year	148,636	148,636	148,636	-
Prior Year Encumbrances Appropriated	660	660	660	-
<b>Fund Balance End of Year</b>	<b><u>\$ 163,296</u></b>	<b><u>\$ 466,312</u></b>	<b><u>\$ 505,350</u></b>	<b><u>\$ 39,038</u></b>

See accompanying notes to the financial statements

MIFFLIN TOWNSHIP  
 RICHLAND COUNTY, OHIO  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL - (BUDGET BASIS)  
 AMBULANCE AND EMERGENCY MEDICAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Charges for Services	\$ 140,000	\$ 140,000	\$ 216,867	\$ 76,867
Total Receipts	<u>140,000</u>	<u>140,000</u>	<u>216,867</u>	<u>76,867</u>
Disbursements				
Current:				
Public Safety	246,200	246,200	222,002	24,198
Total Disbursements	<u>246,200</u>	<u>246,200</u>	<u>222,002</u>	<u>24,198</u>
Net Change in Fund Balance	(106,200)	(106,200)	(5,135)	101,065
Fund Balance Beginning of Year	158,506	158,506	158,506	-
Prior Year Encumbrances Appropriated	3,100	3,100	3,100	-
Fund Balance End of Year	<u>\$ 55,406</u>	<u>\$ 55,406</u>	<u>\$ 156,471</u>	<u>\$ 101,065</u>

See accompanying notes to the financial statements

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2006 and 2005**

Note 1 – Reporting Entity

Mifflin Township, (the Township) is a body corporate and politic established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by three publicly-elected Trustees. The Township also has an elected Clerk.

The Township's management believes the financial statements included in this report represent all of the funds of the Township over which the Township has the ability to exercise direct operating control.

A. Primary Government

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

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. There are no component units within the Township.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township chooses not to apply FASB statements after November 30, 1989 for its governmental activities. Following are the more significant of the Township's accounting policies.

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2006 and 2005**

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government.

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

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township programs or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at a more detail level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. Funds are classified as governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Road District Fund, Road and Bridge Fund, Fire District Fund and Ambulance & Emergency Medical Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The Road District Fund and Road and Bridge Fund receive property tax money for constructing, maintaining and repairing Township roads. The Fire District Fund receives special levy tax money for providing fire services to Township residents. The Ambulance & Emergency Medical Fund receives charges for services to provide emergency medical services to the citizens of the Township. The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2006 and 2005**

C. Basis of Accounting

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

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

D. Budgetary Process

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

The appropriation resolution is the Township's Board of Trustees' authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Township Board of Trustees. The legal level of control has been established at the fund level for all funds.

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

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

E. Cash and Investments

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2006 and 2005**

as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2006 and 2005, the Township invested in repurchase agreements. The securities are not in the Township's name. The Township's financial institution transfers securities to the Township's agent to collateralize the repurchase agreements.

Interested earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2006 and 2005 were \$59,145 and \$19,629, respectively.

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. There were no restricted assets at year-end.

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. Interfund Receivables/Payables**

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

**J. Accumulated Leave**

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

**K. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. Long-Term Obligations**

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2006 and 2005**

of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are recorded when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for special purposes.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which are not available for appropriation or which is legally segregated for a specific future use. There were no designations at year-end. Unreserved fund balance indicates that portion of fund balance, which is available for appropriation in future periods. Reserves have been established for encumbrances.

O. Interfund Transactions

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

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. There were no such activities for the year.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and all major Special Revenue funds is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year-end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end 2006 (budgetary basis) amounted to \$94 for the Road District Fund, \$341 for the Fire District Fund, \$44 for the Ambulance & Emergency Medical Fund, and \$46 for Other Governmental Funds. There were no encumbrances outstanding at year end 2005.

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2006 and 2005**

Note 4 – Deposits and Investments

State statutes classify deposits held by the Township into three categories.

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

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

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

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

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2006 and 2005**

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon the delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. The securities must be obligations of or guaranteed by the United States and must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities, subject to a repurchase agreement, must exceed the value of the principal by 2% and be marked to market daily.

At December 31, 2006 and 2005, the carrying amount of the Township's deposits was \$57,433 and \$83,336, respectively, as compared to bank balances of \$119,112 and \$116,772, respectively. Of the bank balances at December 31, 2006 and 2005, \$100,000 and \$100,000 respectively was on deposit and covered by federal depository insurance and in 2006 and 2005, respectively \$19,112 and \$16,772 were collateralized by a pool of securities maintained by the Township's financial institution but not in the Township's name.

As of December 31, 2006 and 2005, the Township had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value 12/31/2006</u>	<u>Fair Value 12/31/2005</u>	<u>Maturity</u>	<u>Rating (1)</u>
Repurchase Agreement	\$ 2,484,912	\$ 1,203,613	Daily	Aaa
Total Investments	<u>\$ 2,484,912</u>	<u>\$ 1,203,613</u>		

(1) Moody's

*Interest Rate Risk* – the Ohio Revised Code generally limits security purchases to those that mature within five years of settlement.

*Credit Risk* – The Township's investment policy addresses credit risk by limiting investments to the safest types of securities, pre-qualifying financial institutions, brokers, intermediaries and financial advisors and by diversifying the investment portfolio so that potential losses on the individual securities do not exceed income generated from the remaining portfolio.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township has no investment policy dealing with custodial credit risk beyond the requirements of the State which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee.

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2006 and 2005**

*Concentration of Credit Risk* – The Township places no limit on the amount the Township may invest in one issuer.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2006 and 2005 represent the collection of 2005 and 2004 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2004 became a lien on December 31, 2004, were levied after October 1, 2004, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts in 2006 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property tax receipts in 2005 (other than public utility property) represent the collection of 2004 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2006 and 2005, was \$13.90 and \$11.40, respectively per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which property tax receipts were based are as follows:

		Year Ended December 31, 2006	Year Ended December 31, 2005
Real Property:			
	Residential and Agricultural	\$ 90,817,700	\$ 79,862,750
	Commercial	7,384,490	7,135,620
Public Utility:			
	Real Property	3,420	3,400
	Personal Property	3,918,580	4,093,290
Tangible:			
	Personal Property	<u>1,057,206</u>	<u>1,078,632</u>
Total Assessed Value		<u>\$103,181,396</u>	<u>\$ 92,173,692</u>

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
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**For the Years Ended December 31, 2006 and 2005**

Note 6 – Risk Management

Risk Pool Membership

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services. Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible. The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The Pool'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, 2005 and 2004:

	2005	2004	
Assets	\$9,620,148	\$6,685,522	
Liabilities	<u>3,329,620</u>	<u>2,227,808</u>	
Member's Equity	<u>\$6,290,528</u>	<u>\$4,457,714</u>	

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Note 7 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2006 and 2005, members were required to contribute 9 percent and 8.5 percent, respectively of their annual covered salaries and the Township's contribution rate for 2006 and

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2006 and 2005**

2005 was 13.70 percent and 13.55 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional plan for the years ended December 31, 2006, 2005, and 2004 were \$26,754, \$26,841, and \$17,778 respectively. The full amount has been contributed for all years.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary, while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to the Fund for firefighters were \$75,425 for the year ended December 31, 2006, \$69,782 for the year ended December 31, 2005 and \$44,122 for the year ended December 31, 2004. The full amount has been contributed for all years. The Township has no police officers.

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with the traditional plan. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional plan is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll; 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$8,788. The

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2006 and 2005**

actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

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

**B. Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis.

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

**Note 9 – Debt**

Debt outstanding at December 31, 2006 was as follows:

	<b>Balance 1/1/05</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12/31/2006</b>	<b>Due in One Year</b>
<b>Fire Truck Note</b>	<b>\$ 127,076</b>		<b>\$ (56,376)</b>	<b>\$ 70,700</b>	<b>\$ 28,188</b>
<b>Rescue Squad Note</b>	<b>15,410</b>		<b>(15,410)</b>		
<b>Dump Truck Note</b>	<b>52,943</b>		<b>(52,943)</b>		
<b>Bonds 2006</b>		<b>\$ 995,000</b>	<b>(5,000)</b>	<b>990,000</b>	<b>5,000</b>
<b>Bonds 2005</b>		<b>320,000</b>	<b>(25,000)</b>	<b>295,000</b>	<b>30,000</b>
<b>Tractor Note</b>		<b>74,405</b>	<b>(49,616)</b>	<b>24,789</b>	<b>24,789</b>
<b>Ambulance Note</b>		<b>106,707</b>		<b>106,707</b>	<b>35,569</b>
<b>Total</b>	<b>\$ 195,429</b>	<b>\$ 1,496,112</b>	<b>\$ (204,345)</b>	<b>\$ 1,487,196</b>	<b>\$ 123,546</b>

**MIFFLIN TOWNSHIP, RICHLAND COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2006 and 2005**

The fire truck note is collateralized by the truck. The tractor note is collateralized by the tractor and is used for Township road maintenance. The ambulance note is collateralized by the ambulance and is used to provide emergency medical services. On December 1, 2005 the Township issued Tax Anticipation Notes in the amount of \$320,000. The Tax Anticipation Notes are backed by the full faith and credit of the Township. During 2006, the Township issued Bonds for the purpose of constructing a new fire station, renovating the current fire station and equipping those facilities.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2006 are as follows:

Year Ending 12/31	2002 Fire Truck Note	2005 Tractor Note	2006 Ambulance Note	Bonds	Notes
2007	\$ 35,704	\$ 25,960	\$ 41,544	\$ 56,480	\$ 43,775
2008	35,704	-	41,544	56,268	42,500
2009	-	-	41,544	56,055	41,225
2010	-	-	-	55,843	39,950
2011	-	-	-	55,630	38,600
2012-2016	-	-	-	314,625	163,500
2017-2021	-	-	-	468,828	-
2022-2026	-	-	-	461,406	-
2027-2031	-	-	-	377,813	-
<b>Total</b>	<b>\$ 71,408</b>	<b>\$ 25,960</b>	<b>\$ 124,632</b>	<b>\$ 1,902,948</b>	<b>\$ 369,550</b>

Note 10 – Contingent Liabilities

The Township may be a defendant in various lawsuits. Although management cannot presently determine the outcome of these suits, it is the opinion of the Township legal counsel that the resolution of these matters will not materially adversely affect the Township's financial condition.

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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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

Mifflin Township, Richland County  
2326 Park Avenue East  
Mansfield, Ohio 44903

To the Board of Trustees:

We have audited the financial statements of Mifflin Township, Richland County (the Township) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated June 19, 2007, wherein we noted the Township followed the cash basis of accounting, a comprehensive accounting basis other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls 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 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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Township in a separate letter dated June 19, 2007.

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

***Charles E. Harris & Associates, Inc.***

June 19, 2007

## **STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS**

The prior audit report, for the year ending December 31, 2004, reported no material citations or recommendations.



**Mary Taylor, CPA**  
Auditor of State

**MIFFLIN TOWNSHIP**

**RICHLAND 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, 2007**