

**MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO**

FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

WOLF, ROGERS, DICKEY & CO.
Certified Public Accountants



Mary Taylor, CPA

Auditor of State

Board of Trustees
Mifflin Township
14970 Township Hwy 96
Upper Sandusky, Ohio 43351

We have reviewed the *Independent Auditors' Report* of Mifflin Township, Wyandot County, prepared by Wolf, Rogers, Dickey & Co., for the audit period January 1, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 30, 2009

This Page is Intentionally Left Blank.

Mifflin Township
Wyandot County, Ohio

For the Years Ended
December 31, 2008 and 2007

Table of Contents

Independent Auditors' Report	1-2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2008	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2007	4
Notes to the Financial Statements	5-11
Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters, Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12-13
Schedule of Findings	14-15
Schedule of Prior Audit Findings	16

Wolf, Rogers, Dickey & Co.

Certified Public Accountants
38 South Franklin Street
P. O. Box 352
Union, Ohio 43015-0352

Telephone: 740-362-9031
Fax: 740-363-7799

Independent Auditors' Report

Mifflin Township
Wyandot County, Ohio

To the Board of Trustees:

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity-wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State of Ohio permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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

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

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 October 9, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provision 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 the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

October 9, 2009

Mifflin Township
Wyandot County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2008

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:			
Property and other local taxes	\$ 4,649	13,557	18,206
Intergovernmental	36,444	94,170	130,614
Earnings on investments	759	546	1,305
Miscellaneous	<u>-</u>	<u>14</u>	<u>14</u>
Total cash receipts	41,852	108,287	150,139
Cash disbursements:			
Current:			
General government	24,580	-	24,580
Public safety	12,808	-	12,808
Public works	-	127,770	127,770
Health	4,271	647	4,918
Capital outlay	6,000	5,000	11,000
Debt service:			
Redemption of principal	-	7,800	7,800
Interest	<u>-</u>	<u>1,235</u>	<u>1,235</u>
Total cash disbursements	<u>47,659</u>	<u>142,452</u>	<u>190,111</u>
Total receipts under disbursements	(5,807)	(34,165)	(39,972)
Fund cash balances, January 1	<u>55,014</u>	<u>77,656</u>	<u>132,670</u>
Fund cash balances, December 31	\$ <u>49,207</u>	<u>43,491</u>	<u>92,698</u>

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

Mifflin Township
Wyandot County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2007

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:			
Property and other local taxes	\$ 4,124	13,975	18,099
Intergovernmental	53,249	100,265	153,514
Earnings on investments	1,819	843	2,662
Miscellaneous	<u>70</u>	<u>6,000</u>	<u>6,070</u>
Total cash receipts	59,262	121,083	180,345
Cash disbursements:			
Current:			
General government	19,579	-	19,579
Public safety	16,379	-	16,379
Public works	-	65,556	65,556
Health	4,389	-	4,389
Debt service:			
Redemption of principal	-	8,305	8,305
Interest	<u>-</u>	<u>1,610</u>	<u>1,610</u>
Total cash disbursements	<u>40,347</u>	<u>75,471</u>	<u>115,818</u>
Total receipts over disbursements	18,915	45,612	64,527
Fund cash balances, January 1	<u>36,099</u>	<u>32,044</u>	<u>68,143</u>
Fund cash balances, December 31	\$ <u>55,014</u>	<u>77,656</u>	<u>132,670</u>

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

Mifflin Township
Wyandot County, Ohio
Notes to the Financial Statements
December 31, 2008 and 2007

(1) Summary of Significant Accounting Policies

Description of the Entity

Mifflin Township, Wyandot County, Ohio (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance. The Township contracts with the City of Upper Sandusky, Ohio; Pitt Township, Wyandot County, Ohio; and Jackson Township, Hardin County, Ohio to provide fire and emergency medical services.

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

Basis of Accounting

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

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

Cash and Investments

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

Certificates of deposit are valued at cost.

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:

General Fund

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

Mifflin Township
Wyandot County, Ohio
Notes to the Financial Statements, continued
December 31, 2008 and 2007

(1) Summary of Significant Accounting Policies, continued

Special Revenue Funds

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

Motor Vehicle License Tax Fund – This fund receives vehicle registration tax money.

Gasoline Tax Fund – This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Budgetary Process

The Ohio Revised Code (ORC) requires each fund to be budgeted annually.

Appropriations

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

Estimated Resources

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

Encumbrances

The ORC requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

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

Property, Plant and Equipment

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

Mifflin Township
Wyandot County, Ohio
Notes to the Financial Statements, continued
December 31, 2008 and 2007

(2) Equity in Pooled Cash and Investments

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

	<u>2008</u>	<u>2007</u>
Demand deposits	\$ 72,698	92,670
Certificates of Deposit	<u>20,000</u>	<u>40,000</u>
Total deposits and investments	\$ <u>92,698</u>	<u>132,670</u>

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

(3) Budgetary Activity

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

<u>Fund Type</u>	<u>2008 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 30,518	41,852	11,334
Special Revenue	<u>131,473</u>	<u>108,287</u>	<u>(23,186)</u>
Total	\$ <u>161,991</u>	<u>150,139</u>	<u>(11,852)</u>

<u>Fund Type</u>	<u>2008 Budgeted vs. Actual Budgetary Basis Expenditures</u>		
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 85,531	47,659	37,872
Special Revenue	<u>209,129</u>	<u>142,452</u>	<u>66,677</u>
Total	\$ <u>294,660</u>	<u>190,111</u>	<u>104,549</u>

Mifflin Township
Wyandot County, Ohio
Notes to the Financial Statements, continued
December 31, 2008 and 2007

(3) Budgetary Activity, continued

<u>Fund Type</u>	<u>2007 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General	\$ 30,393	59,262	28,869
Special Revenue	<u>128,613</u>	<u>121,083</u>	<u>(7,530)</u>
Total	\$ <u>159,006</u>	<u>180,345</u>	<u>21,339</u>

<u>Fund Type</u>	<u>2007 Budgeted vs. Actual Budgetary Basis Expenditures</u>		
	<u>Appropriation</u> <u>Authority</u>	<u>Budgetary</u> <u>Expenditures</u>	<u>Variance</u>
General	\$ 66,343	40,347	25,996
Special Revenue	<u>160,622</u>	<u>75,471</u>	<u>85,151</u>
Total	\$ <u>226,965</u>	<u>115,818</u>	<u>111,147</u>

(4) Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State of Ohio, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property 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.

**Mifflin Township
Wyandot County, Ohio
Notes to the Financial Statements, continued
December 31, 2008 and 2007**

(5) Debt

Debt outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Capital Facilities Bonds	\$ <u>16,095</u>	5.00%

Capital Facilities Bonds were issued in 2001 to finance construction of a new storage building. The bonds are collateralized solely by the Township's taxing authority.

Future debt repayments, including interest total \$9,045 in 2009 and \$9,135 in 2010.

(6) Retirement Systems

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the ORC.

Contribution rates are also prescribed by the ORC. For 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively of their gross salaries. The Township contributed an amount equal to 14% and 13.85%, respectively of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

(7) Risk Management

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the ORC, the Plan is 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 issues its own policies and reinsures the Plan with A-VII or better rated carriers, except that the Plan retains the lesser of 15 percent or \$37,500 of casualty losses and the lesser of 10 percent or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Mifflin Township
Wyandot County, Ohio
Notes to the Financial Statements, continued
December 31, 2008 and 2007

(7) Risk Management, continued

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (the latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$ 11,136,455	9,620,148
Liabilities	<u>(4,273,553)</u>	<u>(3,329,620)</u>
Net Assets	\$ <u>6,862,902</u>	<u>6,290,528</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

Contributions to the Plan

2006	\$ 5,385
2007	5,252
2008	5,682

(8) Commitments

The Township is committed to a contract through July 15, 2010 with Jackson Township, Hardin County, Ohio for fire protection at a cost of \$3,850 per year. In addition, the Township is committed to a contract through July 1, 2010 with the City of Upper Sandusky, Ohio for fire protection at a cost of \$4,997.30 per year.

On December 15, 2008 the Township entered into a one year contract with Pitt Township, Wyandot County, Ohio for fire protection at a cost of \$4,200 per year.

Mifflin Township
Wyandot County, Ohio
Notes to the Financial Statements, continued
December 31, 2008 and 2007

(9) Related Party Transactions

A Township Trustee owns and operates an excavating company that provides services to the Township. Before engaging this company to perform services, the Township obtains competitive bids from other companies offering the same services. During 2008 and 2007, the Township paid \$575 and \$1,585, respectively for services performed.

(10) Compliance

Contrary to Ohio law:

- Funds were not encumbered for all expenditures.
- Material reclassifications to the financial statements were necessary in order for them to be fairly stated.
- As required by ORC Section 5705.36 a reduced amended certificate was not obtained from the budget commission when actual receipts to be collected fell short of estimates for 2008 and 2007. Available resources were below the current level of appropriation.
- Bond coverage for the Fiscal Officer in 2008 was less than the minimum requirement.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants
38 South Franklin Street
P. O. Box 352
Union, Ohio 43015-0352

Telephone: 740-362-9031
Fax: 740-363-7799

**Independent Auditors' 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
Wyandot County, Ohio

To the Board of Trustees:

We have audited the financial statements of Mifflin Township, Wyandot County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated October 9, 2009, wherein we noted the Township followed accounting practices the Auditor of State of Ohio prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

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

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 the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We considered Findings 2008-02 and 2008-04 to be significant deficiencies in internal control over financial reporting as described in the accompanying schedule of findings.

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 organization's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

In a separate letter to Township's management dated October 9, 2009, we reported other matters involving internal controls over financial reporting we did not deem significant deficiencies.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are 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 such an opinion. The results of our tests disclosed certain instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as Findings 2008-01 through 2008-04.

We noted certain noncompliance or other matters not requiring inclusion in this report that we reported to management of the Township in a separate letter dated October 9, 2009.

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

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

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

October 9, 2009

**Mifflin Township
Wyandot County, Ohio
Schedule of Findings
December 31, 2008 and 2007**

**Findings Related to the Financial Statements
Required to be Reported in Accordance with GAGAS**

Finding Number 2008-01
Noncompliance

Ohio Revised Code (ORC) Section 507.03 prescribes minimum bond requirements for the Fiscal Officer for terms beginning after November 5, 2005 based on the annual budget of the Township. The Township's budget according to the official Certificate of Estimated Resources for 2008 is \$294,660, which would require a minimum bond of \$85,000 for the Fiscal Officer. The Fiscal Officer's bond coverage in effect was \$60,000.

Response by Township

The Township will contact the insurance company and raise the bond to the appropriate level.

Finding Number 2008-02
Significant deficiency/noncompliance

The Township reimburses health insurance premiums for its elected officials rather than provide a health insurance policy. This reimbursement is done pursuant to a resolution adopted at the beginning of each year.

ORC Section 505.601 and Auditor of State Bulletin 96-002 state that when a Township does not provide a health insurance plan, a resolution to reimburse health insurance premiums must:

1. Specifically state that the Township has chosen not to procure a group plan and is opting to reimburse health insurance obtained elsewhere,
2. Specifically provide for a maximum reimbursement per person per month or year.

Although the Township's resolution does include these requirements, we noted that the Township was generally paying the amount due directly to the insurance companies rather than reimbursing the officials and employee. Only two of the three expenditures were substantiated with the invoices from the insurance company. Ohio Attorney General Opinion 2005-038 states that the word reimburse "suggests that the reimbursing party makes payment for something only after the party to be reimbursed has paid out the sum", and thus it appears that an arrangement whereby the Township directly pays these bills on behalf of the elected officials is not in accordance with the ORC 505.601 and Ohio Attorney General Opinion 2005-038.

Response by Township

The Township will reimburse health insurance premiums directly to the elected officials and employees.

**Mifflin Township
Wyandot County, Ohio
Schedule of Findings, continued
December 31, 2008 and 2007**

**Findings Related to the Financial Statements
Required to be Reported in Accordance with GAGAS**

Finding Number 2008-03
Noncompliance

ORC Section 7505.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury when such contract or order is made.

ORC Section 5705.41 also provides that if no certificate was furnished at the time that the contract was entered into, the fiscal officer may prepare a Then and Now Certificate stating (1) that there was at the time of the making of the contract and (2) at the time of the execution of this certificate a sufficient sum appropriated for the purpose of the contract in question in the treasury or in process of collection to the credit of the appropriate fund, free from previous encumbrances. During our testing of disbursements, we noted that funds were not encumbered prior to expenditure for seven of the thirty-four disbursements tested.

Response by Township

The Township will make sure that all funds are encumbered prior to expenditure.

Finding Number 2008-04
Significant deficiency/noncompliance

The Ohio Township Handbook Chart of Accounts appendix details the revenue and expenditure codes, name of source information, and a brief description of the type of revenue or expenditure that relates to the code.

In the General and Special Revenue Funds, rollback/homestead exemption receipts from the State of Ohio were reclassified from Local Taxes to Intergovernmental Revenue. The amounts totaled \$1,180 and \$1,524 for 2008 and 2007, respectively.

These adjustments are reflected in the audited financial statements. Although the misclassifications have been corrected under audit, annual financial statements available to the public until such time as the audit is completed are inaccurate.

Response by Township

The Township is aware of this and in the future will record receipts for rollback/homestead exemption in Intergovernmental Revenue.

**Mifflin Township
Wyandot County, Ohio
Schedule of Prior Audit Findings
December 31, 2008 and 2007**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: Explain:</u>
2006-001	Issue II Funding, receipts, and disbursements	N/A	No Issue II funded projects during current year under audit.



Mary Taylor, CPA
Auditor of State

MIFFLIN TOWNSHIP

WYANDOT 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
DECEMBER 10, 2009**