

Mifflin Township
Pike County, Ohio

Regular Audit

For the years ended December 31, 2008 and 2007
Fiscal Years Audited Under GAGAS: 2008 and 2007



Balestra, Harr & Scherer, CPAs, Inc.

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Mary Taylor, CPA

Auditor of State

Board of Trustees
Mifflin Township
2953 Dry Bone Road
Peebles, Ohio 45660

We have reviewed the *Independent Auditor's Report* of Mifflin Township, Pike County, prepared by Balestra, Harr & Scherer, CPAs, Inc., 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 Auditor's 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 Auditor's 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 14, 2009

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Mifflin Township
Pike County, Ohio
For the Years Ended December 31, 2008 and 2007
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Independent Auditor's Report

Board of Trustees
Mifflin Township
Pike County
1588 Pinhook Road
Hillsboro, Ohio 45133

We have audited the accompanying financial statements of Mifflin Township, Pike 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 our audit provides a reasonable basis for our opinion.

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

Instead of the combined funds the accompanying financial statements present, GAAP 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 requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Government's to reformat their statements. The Township has elected not to follow GAAP statement formatting requirement. 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.

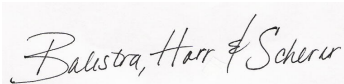
In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America,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

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Mifflin Township, Pike County, 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.

Mifflin Township
Pike County
Independent Auditors' Report

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 August 26, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Balestra, Harr & Scherer, CPAs, Inc.

August 26, 2009

Mifflin Township, Pike County
Combined Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances
Governmental Funds
For the Year Ended December 31, 2008

	General Fund	Special Revenue Fund	Total (Memorandum Only)
Receipts			
Property and Other Local Taxes	\$ 14,715	\$ 19,888	\$ 34,603
Intergovernmental	20,734	101,905	122,639
Licenses, Permits and Fees	-	1,200	1,200
Interest	310	621	931
Other	5,860	-	5,860
<i>Total Receipts</i>	<u>41,619</u>	<u>123,614</u>	<u>165,233</u>
Disbursements			
Current:			
General Government	23,146	-	23,146
Public Safety	-	9,258	9,258
Public Works	10,615	74,594	85,209
Health	164	3,897	4,061
Debt Service:			
Principal Retirement	-	11,303	11,303
Interest and Fiscal Charges	-	1,411	1,411
<i>Total Disbursements</i>	<u>33,925</u>	<u>100,463</u>	<u>134,388</u>
<i>Net Change in Fund Balances</i>	7,694	23,151	30,845
<i>Fund Balances - Beginning of Year</i>	<u>67,122</u>	<u>127,081</u>	<u>194,203</u>
<i>Fund Balances - End of Year</i>	<u>\$ 74,816</u>	<u>\$ 150,232</u>	<u>\$ 225,048</u>

See accompanying notes to the basic financial statements.

Mifflin Township, Pike County
Combined Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances
Governmental Funds
For the Year Ended December 31, 2007

	General Fund	Special Revenue Fund	Total (Memorandum Only)
Receipts			
Property and Other Local Taxes	\$ 13,177	\$ 20,892	\$ 34,069
Intergovernmental	20,704	97,303	118,007
Licenses, Permits and Fees	-	4,296	4,296
Interest	343	659	1,002
Other	150	-	150
<i>Total Receipts</i>	<u>34,374</u>	<u>123,150</u>	<u>157,524</u>
Disbursements			
Current:			
General Government	28,508	-	28,508
Public Safety	-	13,177	13,177
Public Works	14,807	103,426	118,233
Health	84	5,840	5,924
Capital Outlay	-	35,283	35,283
<i>Total Disbursements</i>	<u>43,399</u>	<u>157,726</u>	<u>201,125</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(9,025)</u>	<u>(34,576)</u>	<u>(43,601)</u>
Other Financing Sources			
Sale of Notes	-	35,283	35,283
<i>Total Other Financing Sources</i>	<u>-</u>	<u>35,283</u>	<u>35,283</u>
<i>Net Change in Fund Balances</i>	(9,025)	707	(8,318)
<i>Fund Balances - Beginning of Year</i>	<u>76,147</u>	<u>126,374</u>	<u>202,521</u>
<i>Fund Balances - End of Year</i>	<u>\$ 67,122</u>	<u>\$ 127,081</u>	<u>\$ 194,203</u>

See accompanying notes to the basic financial statements.

**MIFFLIN TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Mifflin Township, Pike County (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and cemetery maintenance. The township contracts with Benton Township to provide fire protection and emergency medical services.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. The basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash

The Township had one primary checking account during the audit period.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

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

**MIFFLIN TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control 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.

2. 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.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. The Township did not use the encumbrance method of accounting.

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

F. Property, Plant and Equipment

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

2. Equity in Pooled Cash Deposits

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

	<u>2008</u>	<u>2007</u>
Demand deposits	<u>\$225,048</u>	<u>\$194,203</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation (FDIC) or collateralized by securities specifically pledged by the financial institution of the Township.

**MIFFLIN TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007
(Continued)**

3. Budgetary Activity

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

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 56,799	\$ 41,619	\$ (15,180)
Special Revenue	144,010	123,614	(20,396)
Total	\$ 200,809	\$ 165,233	\$ (35,576)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 124,000	\$ 33,925	\$ 90,075
Special Revenue	261,100	100,463	160,637
Total	\$ 385,100	\$ 134,388	\$ 250,712

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 86,785	\$ 34,374	\$ (52,411)
Special Revenue	161,130	158,433	(2,697)
Total	\$ 247,915	\$ 192,807	\$ (55,108)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 179,500	\$ 43,399	\$ 136,101
Special Revenue	261,000	157,726	103,274
Total	\$ 440,500	\$ 201,125	\$ 239,375

Contrary to Ohio law, the Township did not certify the availability of funds prior to making expenditures.

**MIFFLIN TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007
(Continued)**

4. Property Tax

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

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

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

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

5. Debt

Debt outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2008 Ford F450 Dump Truck	\$ 23,980	4.00%

The 2008 F450 Dump Truck is a General Obligation note obtained in 2007 for three years. This debt is collateralized by the equipment.

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

	<u>Dump Truck G.O. Note</u>
Year Ending December 31:	
2009	\$ 12,714
2010	12,714
Total	\$ 25,428

6. Retirement Systems

Township officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, which include postretirement healthcare and survivor and disability benefits as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 and 9.5% respectively, of their gross salaries and the Township contributed an amount equaling 14 and 13.85%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

**MIFFLIN TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007
(Continued)**

7. Risk Management

Risk Pool Membership

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006 the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses.

Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined member's total insurable values. If the stop-loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses

Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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

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

**MIFFLIN TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007
(Continued)**

7. Risk Management (Continued)

Risk Pool Membership (Continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with the generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006:

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

At December 31, 2007 and 2006, respectively, casualty coverage liabilities noted above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$5,364. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Township's contributions to OTARMA for the past three years are as follows:

Contributions to OTARMA		
2006	\$	3,402
2007	\$	2,755
2008	\$	3,587

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

8. Compliance

Contrary to Ohio law the Townships 2007 report did not agree with their ledgers.



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*

Board of Trustees
Mifflin Township
Pike County
1588 Pinhook Road
Hillsboro, Ohio 45133

We have audited the financial statements of Mifflin Township, Pike County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 26, 2009, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 controls will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2008-001 and 2008-002

A material weakness is a significant deficiency, or combination of significant deficiencies, resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Mifflin Township

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*

Page 2

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 material weaknesses. However, of the significant deficiencies described above, we believe findings number 2008-001 and 2008-002 are also a material weakness.

We noted a certain internal control matter that we reported to the Township's management in a separate letter dated August 26, 2009.

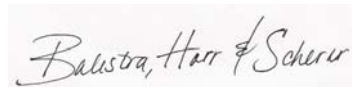
Compliance and Other Matters

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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-001 and 2003.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 26, 2009.

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

We intended this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

August 26, 2009

**MIFFLIN TOWNSHIP
PIKE COUNTY
DECEMBER 31, 2008 AND 2007
SCHEDULE OF FINDINGS**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-001

Material Noncompliance/ Material Weakness

Ohio Rev. Code, Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

This section also provides two “exceptions” to the above requirements:

- A. Then and Now Certificate – If the fiscal officer can certify that both at the time That the contract or order was made (“then”), and at the time that the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment or the amount due. The Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 maybe paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

- B. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any on particular line item appropriation.
- C. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonable predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Fiscal Officer’s certification was not utilized for any disbursement made by the Township. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Every effort should be made by the Township to properly utilize the encumbrance method of accounting by certifying funds prior to making a purchase obligation. Failure to properly certify funds could result in overspending and negative fund balances.

The Township should certify purchases to which 5705.41 (D) applies. The most convenient method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Client Response:

Trustees don’t want to use purchase orders. The Township should be on the UAN system soon which will help with this problem.

**MIFFLIN TOWNSHIP
PIKE COUNTY
DECEMBER 31, 2008 AND 2007
SCHEDULE OF FINDINGS**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-002

Material Weakness

The Township had adjustments and reclassifications that were required to be posted to properly reflect cash receipts and cash disbursements.

The Accompanying financial statements were adjusted to reflect adjustments to the following line items:

- Property and other local taxes
- Intergovernmental revenue
- Public Works
- General Government
- Fund Balance

Client Response:

Errors were from the previous clerk. The Township plans on going on the UAN system soon.

FINDING NUMBER 2008-003

Material Noncompliance

Ohio Revised Code section 5705.39 states that total appropriations from each fund shall not exceed the total estimated resources.

The Township had appropriations in excess of total estimated resource in the General Fund by \$16,568 at December 31, 2007.

The Township should monitor variances between appropriations and estimated resources and amend as needed.

Client Response:

The Clerk will keep a closer watch on appropriations versus estimated receipts.

**MIFFLIN TOWNSHIP
PIKE COUNTY
DECEMBER 31, 2008 AND 2007**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-001	ORC Section 5705.41(D) properly encumbering funds	No	Reissued as 2008-001
2006-002	ORC Section 5705.41 (B) expenditures in excess of appropriations	Yes	



Mary Taylor, CPA
Auditor of State

MIFFLIN TOWNSHIP

PIKE 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
NOVEMBER 5, 2009**