

Mifflin Township  
Pike County, Ohio

Regular Audit

For the Years Ended December 31, 2010 and 2009  
Fiscal Years Audited Under GAGAS: 2010 and 2009



**Balestra, Harr & Scherer, CPAs, Inc.**

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# Dave Yost • 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, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent 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.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

April 18, 2011

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**Mifflin Township**  
**Pike County, Ohio**  
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*For the Fiscal Years Ended December 31, 2010 and 2009*

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### Independent Auditor's Report

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

We have audited the accompanying financial statements of Mifflin Township, Pike County, Ohio (the Township), as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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.

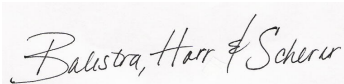
In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Mifflin Township, Pike County, as of December 31, 2010 and 2009, 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 March 14, 2011, 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.

March 14, 2011

**Mifflin Township, Pike County**  
*Combined Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2010*

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	General Fund	Special Revenue Fund	Total (Memorandum Only)
<b>Receipts</b>			
Property and Other Local Taxes	\$ 12,963	\$ 19,388	\$ 32,351
Intergovernmental	18,754	104,682	123,436
Interest	85	170	255
	<i>Total Receipts</i>	<i>124,240</i>	<i>156,042</i>
<b>Disbursements</b>			
Current:			
General Government	28,075	-	28,075
Public Safety	-	9,481	9,481
Public Works	3,183	50,109	53,292
Health	164	11,696	11,860
Capital Outlay	-	22,970	22,970
Debt Service:			
Principal Retirement	-	12,225	12,225
Interest and Fiscal Charges	-	766	766
	<i>Total Disbursements</i>	<i>107,247</i>	<i>138,669</i>
<i>Net Change in Fund Balances</i>	380	16,993	17,373
<i>Fund Balances - Beginning of Year</i>	62,808	160,098	222,906
<i>Fund Balances - End of Year</i>	\$ 63,188	\$ 177,091	\$ 240,279

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, 2009*

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	General Fund	Special Revenue Fund	Total (Memorandum Only)
<b>Receipts</b>			
Property and Other Local Taxes	\$ 12,514	\$ 19,615	\$ 32,129
Intergovernmental	18,402	97,759	116,161
Interest	118	236	354
Other	5,003	300	5,303
<i>Total Receipts</i>	36,037	117,910	153,947
<b>Disbursements</b>			
Current:			
General Government	28,444	-	28,444
Public Safety	-	9,182	9,182
Public Works	19,436	52,412	71,848
Health	165	12,446	12,611
Capital Outlay	-	21,013	21,013
Debt Service:			
Principal Retirement	-	11,755	11,755
Interest and Fiscal Charges	-	1,236	1,236
<i>Total Disbursements</i>	48,045	108,044	156,089
<i>Net Change in Fund Balances</i>	(12,008)	9,866	(2,142)
<i>Fund Balances - Beginning of Year</i>	74,816	150,232	225,048
<i>Fund Balances - End of Year</i>	\$ 62,808	\$ 160,098	\$ 222,906

See accompanying notes to the basic financial statements.

**MIFFLIN TOWNSHIP  
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**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  
D DECEMBER 31, 2010 AND 2009**

**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 2010 and 2009 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>2010</u>	<u>2009</u>
Demand deposits	<u>\$240,279</u>	<u>\$222,906</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, 2010 AND 2009**

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2010 and 2009 as follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 34,825	\$ 31,802	\$ (3,023)
Special Revenue	136,150	124,240	(11,910)
Total	\$ 170,975	\$ 156,042	\$ (14,933)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 114,000	\$ 31,422	\$ 82,578
Special Revenue	324,000	107,247	216,753
Total	\$ 438,000	\$ 138,669	\$ 299,331

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 73,675	\$ 36,037	\$ (37,638)
Special Revenue	134,850	117,910	(16,940)
Total	\$ 208,525	\$ 153,947	\$ (54,578)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 140,000	\$ 48,045	\$ 91,955
Special Revenue	272,300	108,044	164,256
Total	\$ 412,300	\$ 156,089	\$ 256,211

Contrary to Ohio law, the Township did not certify the availability of funds prior to making expenditures. Contrary to Ohio Revised Code section 5705.39, appropriations were in excess of total estimated resources in the General, Motor Vehicle, and Gasoline Tax funds in 2009. Contrary to Ohio Revised Code section 5705.36 (A)(2) appropriations were in excess of actual revenue in the General, Motor Vehicle, Gasoline Tax, and Cemetery funds in 2010 and the General, Motor Vehicle, and Gasoline Tax funds in 2009.

**MIFFLIN TOWNSHIP  
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**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**

The 2008 F450 Dump Truck is a General Obligation note obtained in 2007 for three years. This debt is collateralized by the equipment. The debt was paid off during 2010.

**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 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

**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. American Risk Pooling Consultants, Inc. (ARPCO), a division of Your Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**MIFFLIN TOWNSHIP  
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**7. Risk Management (continued)**

Casualty and Property Coverage

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

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

Financial Position

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

	2009	2008
Assets	\$ 38,982,088	\$ 40,707,740
Liabilities	(12,880,766)	(12,981,818)
Retained Earnings	\$ 26,101,322	\$ 27,755,922

At December 31, 2009 and 2008, respectively, casualty coverage liabilities noted above include approximately \$12.0 million and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$6,000.

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 two years are as follows:

Contributions to OTARMA		
2009	\$	2,436
2010		3,183

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

**8. Compliance**

Contrary to Ohio Revised Code section 5705.41(D), the Township did not use purchase orders. Contrary to Ohio Revised Code section 5705.39, the Township had appropriations in excess of total estimated resources General, Motor Vehicle, and Gasoline Tax funds at December 31, 2009



**Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An Audit Of Financial Statements Required by *Government Auditing Standards***

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

We have audited the financial statements of Mifflin Township, Pike County, Ohio, (the Township) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated March 14, 2011, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 for the purpose of opining 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.

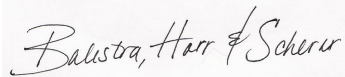
Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However,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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-001 and 2010-002 described in the accompanying schedule of findings to be material weaknesses.

### 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 items 2010-001 and 2010-2003 through 2010-004.

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



Balestra, Harr & Scherer, CPAs, Inc.  
March 14, 2011



**MIFFLIN TOWNSHIP  
PIKE COUNTY  
DECEMBER 31, 2010 AND 2009  
SCHEDULE OF FINDINGS**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2010-001**

**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, 2010 AND 2009  
SCHEDULE OF FINDINGS**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2010-002**

**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
- Principal Retirement
- Interest and Fiscal Charges
- Fund Balance

***Client Response:***

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

**FINDING NUMBER 2010-003**

**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, Motor Vehicle, and Gasoline Tax funds by \$12,662, \$32,241, and \$7,101, respectively at December 31, 2009.

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, 2010 AND 2009  
SCHEDULE OF FINDINGS**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2010-004**

**Material Noncompliance**

**Ohio Rev. Code Section 5705.36 (A)(2)** allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. Ohio Rev. Code section 5705.36(A)(3) requires that an increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. Ohio Rev. code section 5705.36(A)(4) requires that a reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriations.

During 2010 the Township's actual resources fell short of appropriations in the General, Motor Vehicle, Gasoline Tax, and Cemetery funds and no amendment was obtained as required. During 2009 the Township's actual resources fell short of appropriations in the General, Motor Vehicle, and Gasoline Tax funds, and no amendment was obtained as required.

The Township should obtain a reduced amended certificate of estimated resources when it becomes apparent it is going to receive less than what was estimated. The Township should also monitor the effect of the reduction in relation to their appropriations and make amendment as needed.

**Client Response:**

The Clerk will keep a closer watch on appropriations versus actual revenue.

**MIFFLIN TOWNSHIP  
PIKE COUNTY  
DECEMBER 31, 2010 AND 2009**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2008-001	ORC Section 5705.41(D) properly encumbering funds	No	Reissued as 2010-001
2008-002	Material weakness for adjustments and reclassifications	No	Reissued as 2010-002
2008-003	ORC Section 5705.39 appropriations in excess of estimated resources	No	Reissued as 2010-003



# Dave Yost • 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  
MAY 5, 2011**