

MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005



Mary Taylor, CPA

Auditor of State

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

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

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.

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Mary Taylor, CPA
Auditor of State

February 26, 2008

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MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO

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E.S. Evans and Company

Certified Public Accountants

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January 2, 2008

INDEPENDENT AUDITOR'S REPORT

Mifflin Township
Wyandot County, Ohio

We have audited the accompanying financial statements of Mifflin Township, Wyandot County, (the Township) as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 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 to present its 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 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, 2006 and 2005 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, 2006 and 2005, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township as of December 31, 2006 and 2005, 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 January 2, 2008, 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.

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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, 2006

	<u>Governmental Fund Types</u>			<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
<u>Cash Receipts:</u>				
Local Taxes	\$ 4,000	\$ 13,356	\$ -	\$ 17,356
Intergovernmental Revenues	19,952	101,537	-	121,489
Interest Revenues	1,392	882	-	2,274
Miscellaneous	540	810	-	1,350
Total Cash Receipts	<u>25,884</u>	<u>116,585</u>	<u>-</u>	<u>142,469</u>
<u>Cash Disbursements:</u>				
Current -				
General Government	16,353	-	-	16,353
Public Safety	13,820	-	-	13,820
Public Works	-	101,899	-	101,899
Health	4,499	1,092	-	5,591
Debt Service:				
Redemption of Principal	-	7,100	-	7,100
General Interest and Fiscal Charges	-	1,965	-	1,965
Capital Outlay	-	21,650	-	21,650
Total Cash Disbursements	<u>34,672</u>	<u>133,706</u>	<u>-</u>	<u>168,378</u>
Total Cash Receipts Over/(Under)				
Cash Disbursements	<u>(8,788)</u>	<u>(17,121)</u>	<u>-</u>	<u>(25,909)</u>
<u>Other Financing Receipts/(Disbursements):</u>				
Other Financing Sources	<u>300</u>	<u>-</u>	<u>-</u>	<u>300</u>
Total Other Financing Receipts/(Disbursements)	<u>300</u>	<u>-</u>	<u>-</u>	<u>300</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under)				
Cash Disbursements	(8,488)	(17,121)	-	(25,609)
<u>Fund Cash Balance - January 1, 2006</u>	<u>44,588</u>	<u>49,164</u>	<u>-</u>	<u>93,752</u>
<u>Fund Cash Balance - December 31, 2006</u>	<u>\$ 36,100</u>	<u>\$ 32,043</u>	<u>\$ -</u>	<u>\$ 68,143</u>

The accompanying notes are an integral part
of these financial statements.

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, 2005

	<u>Governmental Fund Types</u>			<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
<u>Cash Receipts:</u>				
Local Taxes	\$ 4,199	\$ 8,490	\$ -	\$ 12,689
Intergovernmental Revenues	35,320	100,995	38,666	174,981
Interest Revenues	824	681	-	1,505
Miscellaneous	18	38	-	56
Total Cash Receipts	<u>40,361</u>	<u>110,204</u>	<u>38,666</u>	<u>189,231</u>
<u>Cash Disbursements:</u>				
Current -				
General Government	19,699	-	-	19,699
Public Safety	13,781	-	-	13,781
Public Works	-	111,170	-	111,170
Health	3,441	110	-	3,551
Debt Service:				
Redemption of Principal	5,000	1,800	-	6,800
General Interest and Fiscal Charges	-	2,305	-	2,305
Capital Outlay	3,360	6,438	38,666	48,464
Total Cash Disbursements	<u>45,281</u>	<u>121,823</u>	<u>38,666</u>	<u>205,770</u>
Total Cash Receipts Over/(Under)				
Cash Disbursements	<u>(4,920)</u>	<u>(11,619)</u>	<u>-</u>	<u>(16,539)</u>
<u>Other Financing Receipts/(Disbursements):</u>				
Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing				
Receipts/(Disbursements)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other				
Financing Sources Over/(Under)				
Cash Disbursements	(4,920)	(11,619)	-	(16,539)
<u>Fund Cash Balance - January 1, 2005</u>	<u>49,508</u>	<u>60,783</u>	<u>-</u>	<u>110,291</u>
<u>Fund Cash Balance - December 31, 2005</u>	<u>\$ 44,588</u>	<u>\$ 49,164</u>	<u>\$ -</u>	<u>\$ 93,752</u>

The accompanying notes are an integral part
of these financial statements.

MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Mifflin Township, Wyandot County, (the Township), as a political and corporate body. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general government services and road and bridge maintenance. The Township contracts with the City of Upper Sandusky, Jackson Township in Hardin County, and Pitt Township in Wyandot County to provide fire protection services to its residents.

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

Basis of Accounting

These financial statements follow the accounting basis prescribed or permitted by the Auditor of State. This basis is similar to the cash receipts and disbursements basis of accounting. Consequently, receipts are recognized when received 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.

Cash and Investments

The Township maintains a checking account, money market account, and certificate of deposit which 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 reports all financial resources except those required to be accounted for in another fund.

MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 1 - Summary of Significant Accounting Policies - (continued)

Fund Accounting - (continued)

Special Revenue Funds

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

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

Motor Vehicle License Fund – This fund receives motor vehicle license tax money to pay for constructing, maintaining, and repairing Township roads.

Road and Bridge Fund – This fund receives property tax money to pay for constructing, maintaining, and repairing Township roads and bridges.

Capital Project Funds

The Capital Project Funds are used to account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds:

Issue II Fund – The Township received a grant from the State of Ohio through the Wyandot County Auditor for repaving of roads.

Budgetary Process

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

Estimated Resources

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

MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 1 - Summary of Significant Accounting Policies - (continued)

Budgetary Process – (continued)

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.

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2006 and 2005 budgetary activity appears in Note 3.

Property, Plant and Equipment

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

Accumulated Leave

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

Note 2 – Equity in Pooled Cash

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

	<u>2006</u>		<u>2005</u>
Demand Deposits	\$ 18,143	\$	43,043
Certificates of Deposits	50,000		50,709
Total Deposits	\$ <u>68,143</u>	\$	<u>93,752</u>

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

MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 75,363	\$ 26,184	\$ (49,179)
Special Revenue	157,575	116,585	(40,990)
Capital Projects	17,014	-	(17,014)
	<u>\$ 249,952</u>	<u>\$ 142,769</u>	<u>\$ (107,183)</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 75,363	\$ 34,672	\$ 40,691
Special Revenue	174,589	133,706	40,883
Capital Projects	-	-	-
	<u>\$ 249,952</u>	<u>\$ 168,378</u>	<u>\$ 81,574</u>

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 76,656	\$ 40,361	\$ (36,295)
Special Revenue	169,419	110,204	(59,215)
Capital Projects	38,666	38,666	-
	<u>\$ 284,741</u>	<u>\$ 189,231</u>	<u>\$ (95,510)</u>

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 76,684	\$ 45,281	\$ 31,403
Special Revenue	169,467	121,823	47,644
Capital Projects	-	38,666	(38,666)
	<u>\$ 246,151</u>	<u>\$ 205,770</u>	<u>\$ 40,381</u>

MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 3 – Budgetary Activity – (continued)

Contrary to Ohio law, appropriations exceeded estimated resources by \$28 in the General Fund and by \$48 in the Road and Bridge (Special Revenue) Fund at December 31, 2006.

Contrary to Ohio law, appropriations exceeded actual available resources by \$4,591 in the General Fund and by \$10,531 in the Gasoline Tax (Special Revenue) Fund at December 31, 2006.

Contrary to Ohio law, expenditures exceeded appropriations by \$38,666 in the Issue II (Capital Projects) Fund at December 31, 2005.

Note 4 - Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Trustees adopts 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 State pays the Township amounts equaling these deductions. The Township includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment is due December 31. The second half payment is due the following June 20.

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

Property owners assess tangible personal property tax. They must file a list of tangible 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 the Township's behalf.

Note 5 – Retirement Systems

Ohio Public Employees Retirement System (OPERS)

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan's retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005, OPERS members contributed 8.5 percent of their gross salary. The Township contributed an amount equal to 13.55 percent of participants' gross salaries. For 2006, OPERS members contributed 9.0 percent of their gross salary. The Township contributed an amount equaling 13.70 percent of participants' gross salaries. The Township has paid all required contributions through December 31, 2006.

MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 6 - Risk Management

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 460 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, 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 Members deductible.

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

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

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 obligation to the Plan. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Assets	\$9,620,148	\$8,219,430
Liabilities	<u>(3,329,620)</u>	<u>(2,748,639)</u>
Members' Equity	<u>\$6,290,528</u>	<u>\$5,470,791</u>

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

MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 7 - Debt Obligations

Debt outstanding at December 31, 2006 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Capital Facilities Bonds	\$ 32,200	5.00%

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

The annual requirements to amortize all debt outstanding as of December 31, 2006, including interest payments are scheduled as follows:

<u>Year Ending December 31,</u>	<u>Capital Facilities Bonds</u>
2007	\$ 9,110
2008	9,035
2009	9,045
2010	<u>9,135</u>
	<u>\$ 36,325</u>

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E.S. Evans and Company

Certified Public Accountants

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E.S. Evans, CPA, PFS (1930-1999) • Robert E. Wendel, CPA • Dan F. Clifford, CPA, CVA
Steven D. Hooker, CPA • John E. Klay, CPA

January 2, 2008

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

Mifflin Township
Wyandot County, Ohio

We have audited the financial statements of Mifflin Township, Wyandot County, Ohio, (the Township) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated January 2, 2008, 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 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 Mifflin Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mifflin Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Mifflin Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Mifflin Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of Mifflin Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Mifflin Township'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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

However, we noted certain internal control matters that we reported to Mifflin Township's management in separate letter dated January 2, 2008.

Compliance and Other Matters

As part of reasonably assuring whether Mifflin Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or another matter that is required to be reported under Government Auditing Standards and is described in the accompanying schedule of findings as item 2006-001.

In a separate letter to Mifflin Township's management dated January 2, 2008, we reported matters related to noncompliance.

We intend this report solely for the information and use of management of Mifflin Township and the Auditor of State of Ohio. It is not intended for anyone other than these specified parties.

A handwritten signature in red ink, appearing to read "E. J. ... and ...", is located in the lower right quadrant of the page.

MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO

SCHEDULE OF AUDIT FINDINGS
December 31, 2006 and 2005

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2006-001 – Noncompliance

Chapter 5075 of the Revised Code sets forth a scheme that provides for a uniform budget and appropriation process in order to assure that a government entity expends no more that it expects to receive in revenue. In order to accomplish this end, all appropriations must be accounted to and from each appropriation fund. While federal and state loans and grants are deemed appropriated and in the process of collection so as to be available for expenditure, they must still be recorded. R.C. 5075.42. Thus, a mechanism is still required to account for receipt and expenditure. That mechanism is an amendment of, or a supplement to, the entity's estimated resources, or its appropriation measure, which shall comply with all provisions of law governing the taxing authority in making an original appropriation. R.C. 5705.40. An original appropriation measure must be passed by the taxing authority, and any amendment of, or supplement to, that measurer also requires legislative action. R.C. 5705.38.

In 2005, the Township was the beneficiary of \$38,666 of Issue II money through the Wyandot County Auditor. This activity was recorded on the ledgers of the Township in the Gasoline Tax Fund (Special Revenue Fund). However, Auditor of State Bulletins 2000-008 and 2002-004 prescribe recording these transactions as receipts and disbursements in a Capital Projects Fund. The accompanying financial statements were adjusted to reflect these amounts in a Capital Project Fund. These funds were not appropriated causing expenditures to exceed appropriations in the Capital Projects fund by \$38,666 in 2005, contrary to R. C. 5705.41(B) which requires all expenditures to be appropriated.

We recommend the Township management should review Auditor of State Bulletins 2000-008 and 2002-004 to familiarize themselves with the requirements of recording this type of grant in a Capital Projects Fund.

Township Response – The Township will take this into consideration in the future.

MIFFLIN TOWNSHIP
WYANDOT COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2006 and 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Issue II Funding, receipts and disbursements	No	Partially Corrected, repeated as Comment 2006-001 in current year



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
MARCH 11, 2008**