



Dave Yost • Auditor of State

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

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Dave Yost • Auditor of State

Jefferson Township
Noble County
38295 Pumpkin Vine Ridge
Dexter City, Ohio 45727

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 14, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Jefferson Township
Noble County
38295 Pumpkin Vine Ridge
Dexter City, Ohio 45727

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Noble 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe 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 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 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, 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.

During a prior audit for the period from January 1, 2007 to December 31, 2008, the Township improperly paid salaries for Trustees from the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$250 that should have been paid from the General Fund. Also, the Fiscal Officer posted 2008 gasoline excise tax monies, in the amount of \$358 to the General Fund, instead of to the Gasoline Tax Fund, Special Revenue fund type. The Township declined to make these adjustments.

During 2009, the Township paid various invoices, in the amount of \$8,342 from the restricted road funds in the Special Revenue Fund type, instead of from the General Fund. See the Schedule of Findings Number 2010-01 for the funds affected.

In addition during 2009, the Trustees' timesheets reflected board meetings attended during the year as a part of their administrative duties, but the amount of administrative charges posted to the General Fund by the Fiscal Officer did not agree to the allocation posted to the timesheets. The additional amount that should have been paid out of the General Fund for these administrative duties was \$139. Also, during 2009, the Township did not reconcile the accounting system to the bank, resulting in posting errors by the Fiscal Officer that will require adjustment to the General Fund reducing cash fund balance by \$131, to the Gas Tax Fund, Special Revenue Fund reducing cash fund balance by \$20, to the Road & Bridge Fund, Special Revenue fund type reducing cash fund balance by \$3, and to the Cemetery Fund, Special Revenue reducing cash fund balance by \$100. Had the aforementioned prior year adjustments and the aforementioned prior audit adjustments been properly posted to the financial statements and the Township's accounting system, the General Fund's receipts would have increased by \$133, the expenditures increased by \$8,483 and the December 31, 2009 cash fund balance would have been decreased by a cumulative \$8,600. Also, the Special Revenue Fund's receipts would have decreased by \$120, expenditures decreased by \$8,484 and the December 31, 2009 cash fund balance would have been increased by a cumulative \$8,614. Due to the impact these adjustments would have on the December 31, 2009 General Fund cash fund balance, the Township has declined to make these adjustments.

During 2010, the Township paid various invoices, in the amount of \$8,705 from the restricted road funds in the Special Revenue Fund type, instead of from the General Fund. See the Schedule of Findings Number 2010-01 for the funds affected. In addition during 2010, the Fiscal Officer posted gasoline tax monies, in the amount of \$2,368 to the Motor Vehicle License Tax Fund, Special Revenue fund type instead of to the Gasoline Tax Fund, Special Revenue fund type, in the amount of \$2,368. The fiscal officer posted real estate property tax revenues, in the amount of \$3,112 to the General Fund instead of to the Road and Bridge Fund, Special Revenue fund type, in the amount of \$3,112.

Also, during 2010, the Township did not reconcile the accounting system to the bank, resulting in posting errors by the fiscal officer that will require adjustment to the General Fund reducing cash fund balance by \$146, and to the Road & Bridge Fund, Special Revenue fund type reducing cash fund balance by \$352. Had the aforementioned prior year adjustments, the 2009 and 2010 adjustments been properly posted to the financial statements and the Township's accounting system, the General Fund's 2010 receipts would have decreased by \$2,985, the 2010 increased by \$8,977 and the December 31, 2010 cash fund balance would have been decreased by a cumulative \$20,562. Also, the Special Revenue Fund's 2010 receipts would have increased by \$3,303, the 2010 disbursements decreased by \$8,161 and the December 31, 2010 cash fund balance would have been increased by a cumulative \$20,078. Due to the impact these adjustments would have on the December 31, 2010 General Fund cash fund balance, the Township has declined to make these adjustments. See Note 8, Notes to the Financial Statements for further information.

Also, in our opinion, because of the effects of the matter discussed in the preceding five paragraphs, the financial statements referred to above do not present fairly, in all material respects, the combined fund cash balances of Buffalo Township, Noble County, Ohio, 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.

As discussed in Note 7, the Township is experiencing financial difficulties. Management has declined to post the aforementioned adjustments due to the General Fund's cash balance not being sufficient to support these adjustments. Management's plan in regards to these financial difficulties is described in Note 7 to the financial statements. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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 December 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.



Dave Yost
Auditor of State

December 14, 2011

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**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Local Taxes	\$7,803	\$4,612	\$12,415
Intergovernmental	6,717	97,745	104,462
Miscellaneous		2,568	2,568
		<u>104,925</u>	<u>104,925</u>
Total Cash Receipts	<u>14,520</u>	<u>104,925</u>	<u>119,445</u>
Cash Disbursements:			
Current:			
General Government	12,970	265	13,235
Public Works		95,343	95,343
Health		110	110
Other		1,791	1,791
Debt Service:			
Redemption of Principal		6,245	6,245
Interest and Fiscal Charges		230	230
		<u>103,984</u>	<u>103,984</u>
Total Cash Disbursements	<u>12,970</u>	<u>103,984</u>	<u>116,954</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>1,550</u>	<u>941</u>	<u>2,491</u>
Other Financing Receipts and (Disbursements):			
Advances-In	2,500	2,500	5,000
Advances-Out	<u>(2,500)</u>	<u>(2,500)</u>	<u>(5,000)</u>
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,550	941	2,491
Fund Cash Balances, January 1	<u>647</u>	<u>16,468</u>	<u>17,115</u>
Fund Cash Balances, December 31	<u>\$2,197</u>	<u>\$17,409</u>	<u>\$19,606</u>

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

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Local Taxes	\$4,667	\$6,237	\$10,904
Intergovernmental	6,247	98,704	104,951
Miscellaneous	1,716	790	2,506
	<u>12,630</u>	<u>105,731</u>	<u>118,361</u>
Cash Disbursements:			
Current:			
General Government	13,970		13,970
Public Works		114,103	114,103
Other		194	194
Debt Service:			
Redemption of Principal		6,124	6,124
Interest and Fiscal Charges		438	438
	<u>13,970</u>	<u>120,859</u>	<u>134,829</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(1,340)	(15,128)	(16,468)
Fund Cash Balances, January 1	<u>1,987</u>	<u>31,596</u>	<u>33,583</u>
Fund Cash Balances, December 31	<u>\$647</u>	<u>\$16,468</u>	<u>\$17,115</u>

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

**JEFFERSON TOWNSHIP
NOBLE 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 Jefferson Township, Noble 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, cemetery maintenance, and fire protection services. The Township contracts with Caldwell Volunteer Fire Department to provide fire protection.

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. This 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. Fund Accounting

The Township uses fund accounting to segregate cash that is restricted as to 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 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 for constructing, maintaining, and repairing Township roads.

D. Budgetary Process

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

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Process (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

E. 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.

2. Equity in Pooled Deposits

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

	<u>2010</u>	<u>2009</u>
Demand deposits	<u>\$19,606</u>	<u>\$17,115</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. Budgetary Activity

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

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

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

3. Budgetary Activity (Continued)

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,055	\$14,520	\$5,465
Special Revenue	104,040	104,925	885
Total	\$113,095	\$119,445	\$6,350

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$9,702	\$12,970	(\$3,268)
Special Revenue	120,485	103,984	16,501
Total	\$130,187	\$116,954	\$13,233

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,430	\$12,630	\$3,200
Special Revenue	103,390	105,731	2,341
Total	\$112,820	\$118,361	\$5,541

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$16,071	\$13,970	\$2,101
Special Revenue	138,673	120,859	17,814
Total	\$154,744	\$134,829	\$19,915

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund by \$3,268 for the year ended December 31, 2010.

Contrary to Ohio law, the Fiscal Officer did not obtain prior certification for 72% of expenditures tested in 2010 and 48% of expenditures tested in 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 the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

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

4. Property Tax (Continued)

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. Retirement System

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

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.

6. Risk Management

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 York 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.

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, 2010, 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, 2010 and 2009:

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

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

6. Risk Management (Continued)

	<u>2010</u>	<u>2009</u>
Assets	\$35,855,252	\$38,982,088
Liabilities	(10,664,724)	(12,880,766)
Net Assets	<u>\$25,190,528</u>	<u>\$26,101,322</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$9.9 and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$1,500.

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.

<u>Contributions to OTARMA</u>	
<u>2010</u>	<u>2009</u>
\$1,970	\$2,115

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.

7. Financial Difficulties

At December 31, 2009, the following funds had adjustments which the Township declined to make in the following amounts:

<u>Fund</u>	<u>December 31, 2009 Balance</u>	<u>Adjustments Not Made</u>	<u>Effect on December 31, 2009 Balance</u>
General	\$ 647	\$ (8,600)	\$ (7,953)
Special Revenue	16,468	8,614	25,082

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

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

7. Financial Difficulties (Continued)

At December 31, 2010, the following funds had adjustments which the Township declined to make in the following amounts:

Fund	December 31, 2010 Balance	Adjustments Not Made	Effect on December 31, 2010 Balance
General	\$ 2,197	\$ (20,562)	\$ (18,365)
Special Revenue	17,409	20,078	37,487

The Township's cash fund balance in the General Fund at the beginning of January 1, 2009 was \$1,987 and dropped to \$647 at the end of 2009. During 2010, the General Fund cash balance increased, but it was mainly from the Township paying almost all bills from the restricted road funds; some of these expenditures were improper payments made by the road funds. The Township has not implemented any type of plan for addressing funding problems within the General Fund.



Dave Yost • Auditor of State

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

Jefferson Township
Noble County
38295 Pumpkin Vine Ridge
Dexter City, Ohio 45727

To the Board of Trustees:

We have audited the financial statements of Jefferson Township, Noble County, Ohio (the Township), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated December 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 also issued an adverse opinion due to the Township declining to post certain audit adjustments and noted the Township is experiencing financial difficulties. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code §117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 the purpose of expressing our opinions 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 significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2010-01, 2010-002, 2010-007, 2010-010 and 2010-011 described in the accompanying Schedule of Findings to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2010-08 and 2010-009 described in the accompanying Schedule of Findings to be significant deficiencies.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*, described in the accompanying Schedule of Findings as items 2010-001 through 2010-008.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated December 14, 2011.

We intend 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.



Dave Yost
Auditor of State

December 14, 2011

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2010-001

Finding for Adjustment/Noncompliance Citation/Material Weakness

Ohio Rev. Code Section 5735.27(A)(5)(d) requires the funds received from the gasoline excise tax shall be expended by each township to plan, construct, maintain, widen, and reconstruct the public roads and highways within such township.

In addition, Ohio Constitution Article XII, Section 5a, states that no monies derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways, or to fuels used for propelling such vehicles, shall be expended for other than costs of administering such laws, statutory refund and adjustments provided therein, payment of highway obligations, costs for construction, reconstruction, maintenance and repair of public highways and bridges and other statutory highway purposes, expense of state enforcement of traffic laws, and expenditures authorized for hospitalization of indigent persons injured in motor vehicle accidents on public highways.

Ohio Rev. Code Section 5705.10(H) provides that money paid into a fund shall be used only for the purposes for which said fund has been established.

The expenditures below were paid out of restricted road funds. There was no documentation to demonstrate that the expenditures were within the restricted purposes of the road fund.

<u>Reason</u>	<u>MVL Fund</u>	<u>Gas Tax Fund</u>	<u>Road & Bridge Fund</u>
Fire contract	\$500		
Township Assoc dues	200		
EMA annual charges	137	\$206	
Penalty for late filing			
Mowing services non-road	234	6,859	\$569

<u>Reason</u>	<u>MVL Fund</u>	<u>Gas Tax Fund</u>	<u>Road & Bridge Fund</u>
Fire contract			\$200
Township Assoc dues		\$200	
EMA annual charges	\$20	254	
Penalty for late filing		500	
Mowing services non-road	2,370	4,798	

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2010-001 (Continued)

Finding for Adjustment/Noncompliance Citation/Material Weakness – ORC 5735.27 (Continued)

A finding for adjustment is hereby issued against the Jefferson Township General Fund, in the amount of \$17,047, and in favor of the Jefferson Township Motor Vehicle License Tax Fund, Special Revenue Fund type, in the amount of \$3,461, the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$12,817 and the Road & Bridge Fund, Special Revenue Fund type, in the amount of \$769.

The Fiscal Officer has not posted this adjustment to the Township records and, therefore, this adjustment is not reflected in the accompanying financial statements.

FINDING NUMBER 2010-002

Finding for Adjustment/Noncompliance Citation/Material Weakness

Ohio Rev. Code Section 5705.10(D) states, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

In prior audit, the Fiscal Officer posted 2008 Gasoline Excise Tax, in the amount of \$358 to the General Fund instead of posting the amount to the Gasoline Tax Fund, Special Revenue fund type.

The Fiscal Officer posted the August 2010 real estate settlement, in the amount of \$3,303, entirely to General Fund instead of posting the amount on the tax settlement that was due to the Road and Bridge Fund, Special Revenue Fund type.

The Fiscal Officer posted the August 2010 gasoline tax receipt, in the amount of \$2,368, to the Motor Vehicle License Tax Fund, Special Revenue Fund type instead of the Gasoline Tax Fund, Special Revenue Fund type.

A finding for adjustment is hereby issued against the Jefferson Township General Fund, in the amount of \$3,661, and the Motor Vehicle License Tax Fund, Special Revenue Fund type, in the amount of \$2,368 and in favor of the Jefferson Township Road and Bridge Fund, Special Revenue Fund type, in the amount of \$3,303 and the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$2,726.

The Fiscal Officer has not posted this adjustment to the Township records and therefore, this adjustment is not reflected in the accompanying financial statements.

FINDING NUMBER 2010-003

Noncompliance Citation

Ohio Rev. Code Section 5705.10(H) states money that is paid into a fund must be used only for the purposes for which such fund has been established.

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2010-003 (Continued)

Noncompliance Citation – Ohio Rev. Code Section 5705.10(H) (Continued)

Auditor of State Bulletin 97-003 provides that inter-fund cash advances are subject to the following requirements:

- Any advance must be clearly labeled as such, and must be distinguished from a transfer. Transfers are intended to reallocate money permanently from one fund to another and may be made only as authorized in Sections 5705.14 to 5705.16 of the Revised Code. Advances, on the other hand, *temporarily* reallocate cash from one fund to another and involve an expectation of repayment;
- In order to advance cash from one fund to another, there must be statutory authority to use the money in the fund advancing the cash (the "creditor" fund) for the same purpose for which the fund receiving the cash (the "debtor" fund) was established;
- The reimbursement from the debtor fund to the creditor fund must not violate any restrictions on use of the money to be used to make the reimbursement; and
- Advances must be approved by a formal resolution of the taxing authority of the subdivision which must include:
 - A specific statement that the transaction is an advance of cash, and
 - An indication of the money (fund) from which it is expected that repayment will be made.

The Board of Trustees on January 26, 2010, approved an advance, in the amount of \$2,500 from the Gasoline Tax Fund, Special Revenue Fund type to the General Fund. The Fiscal Officer advanced these monies back from General Fund to Gasoline Tax Fund, Special Revenue Fund type in the amount of \$2,500 on April 27, 2010. Per AOS Bulletin 97-003, there is no statutory authority for the Board to advance monies from the Gasoline Tax Fund to the General Fund.

We recommend the Board of Trustees contact their legal counsel before approving an advance of money from a restricted fund.

FINDING NUMBER 2010-004

Noncompliance Citation

Ohio Rev. Code Section 117.13(C)(3) states the fiscal officer may distribute such total cost of the audit to each fund audited in accordance with its percentage of the total cost. Auditor of State Bulletin 2009-011 states in determining a percentage of total cost that may be charged to a fund, any reasonable and rational method such as a percentage of the fund's revenue or expenditures compared to the total revenue or expenditures for all funds, would be acceptable.

During 2009, the Fiscal Officer charged the 2007-2008 audit costs as follows:

- General Fund - \$0;
- Gasoline Tax fund - \$5,710; and
- Road and Bridge Fund - \$886

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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**FINDING NUMBER 2010-004
(Continued)**

Noncompliance Citation – Ohio Rev. Code Section 117.13(C)(3) (Continued)

The Fiscal Officer did not provide any rational method to support the allocation of audit costs. The Township did not charge any audit costs to the Township's General Fund, which did not appear reasonable.

We recommend the Township follow the guidance provided in Auditor of State Bulletin 2009-011 and determine a rational method for allocating audit costs to the accounting system.

FINDING NUMBER 2010-005

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated.

At December 31, 2010, expenditures exceeded appropriations at the legal level of control:

Fund/Line Item	Appropriation Authority	Actual Expenditures	Variance
1000-110-121-0000	\$ 8,000	\$ 9,903	\$ (1,903)
1000-220-111-0000	\$ 0	\$ 1,365	\$ (1,365)

The practice of allowing expenditures to exceed appropriations could result in negative fund balances for the Township.

We recommend the Board of Trustees and Fiscal Officer compare expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, the Board should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations or reduce spending. The Fiscal Officer should deny requests for payment when appropriations are not available.

FINDING NUMBER 2010-006

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2010-006 (Continued)

Noncompliance Citation - Ohio Rev. Code Section 5705.41(D)(1) (Continued)

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "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 of the amount due. The Township has thirty days from receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be 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.

1. 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 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 one particular line item appropriation.
2. 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 reasonably predictable operating expense. This certification is not to exceed beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Township did not certify the availability of funds prior to purchase commitment for 72% of the expenditures tested in 2009 and 48% of the expenditures tested in 2010, and there was no evidence the Township followed the aforementioned exceptions. In addition, the Township utilized blanket purchase orders for almost all certifications, even though the Board of Trustees had not established an amount by resolution.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Township. When prior certification is not possible, "then and now" certification should be used.

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2010-006 (Continued)

Noncompliance Citation - Ohio Rev. Code Section 5705.41(D)(1) (Continued)

We recommend the Township certify purchases to which Section 5705.41(D) applies. The Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of Ohio Rev. Code Section 5705.41(D) are satisfied. Also, the Board of Trustees should pass a resolution adopting an amount for blanket purchase orders.

FINDING NUMBER 2010-007

Finding for Adjustment/Noncompliance Citation/Material Weakness

Ohio Rev. Code Section 505.24(C) sets forth the method by which township trustees' compensation should be allocated. This Section is amplified by Ohio Attorney General (OAG) Opinion No. 2004-036. This Section requires that compensation of a township trustee must be paid from the Township General Fund or from such other township funds, in such proportions based on the amount of time spent on matters related to the services rendered. In addition, OAG Opinion No. 2004-036 indicates trustees should establish administrative procedures to document the proportionate amount of trustees' salaries chargeable to other township funds based on the portion of time spent on matters related to the services rendered. The "administrative procedures" can be timesheets or a similar method of record keeping, as long as the trustees document all time spent on township business and the type of service(s) performed, in a manner similar to trustees paid per diem compensation. If trustees do not document their time, then no part of salaries may be paid from these other funds.

During 2010 and 2009, the Trustees maintained daily timesheets to document work performed township services and administrative purposes. During 2009, the Trustees timesheets documented time spent on township service which was posted to the Gasoline Tax Fund. The allocation, however, did not agree to the percentage of time documented for on the Trustee's timesheets. For 2009, \$139 should have been paid out of the General Fund instead of the Gasoline Tax Fund according to the Trustees' documentation presented for audit.

A finding for adjustment is hereby issued against the Jefferson Township General Fund, in the amount of \$139, and in favor of the Jefferson Township Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$139.

The Fiscal Officer has not posted this adjustment to the Township records and therefore, this adjustment is not reflected in the accompanying financial statements.

FINDING NUMBER 2010-008

Noncompliance Citation/Significant Deficiency

Ohio Rev. Code Section 9.38 states public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. Public money collected for other public offices must be deposited by the first business day following the date of receipt.

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2010-008 (Continued)

Noncompliance Citation/Significant Deficiency - Ohio Rev. Code Section 9.38 (Continued)

If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it. If the public office is governed by a legislative authority (counties, municipalities, townships, and school districts), only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the first business day following the date of receipt.

One hundred percent of receipts tested were not deposited timely. The receipts tested were deposited between 24 and 79 days and no evidence they were safeguarded before deposit. This could cause the monies to be susceptible to theft if not deposited in a timely manner.

We recommend the Fiscal Officer deposit monies of the Township in a timely manner

FINDING NUMBER 2010-009

Finding for Adjustment and Significant Deficiency

The Fiscal Officer did not prepare accurate monthly reconciliations of bank balances to book balances. Monthly bank reconciliations contained adjusting factors throughout the entire audit period which were carried forward instead of being investigated and corrected. The lack of proper reconciliations among the bank statements, cashbook and ledgers resulted in numerous errors which remained undetected and/or uncorrected until the audit. The extensive problems with these reconciliations resulted in the need for the Township to contract with the Auditor of State to perform a proof-of-cash analysis for each month of the audit period.

During the proof-of-cash analysis for 2010 and 2009, we were able to identify posting errors, such as receipts and expenditures posted at incorrect amounts, posted at amounts that differed from cleared check or deposit ticket, deposited/cleared bank but not posted to accounting system, and seventeen outstanding checks listed on the UAN outstanding checklist at December 31, 2010 that were not valid. The effect on each fund is scheduled below:

2010	
<u>Fund</u>	<u>Amount</u>
General	(\$146.46)
Road & Bridge	(\$351.60)

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2010-009 (Continued)

Finding for Adjustment and Significant Deficiency (Continued)

2009

<u>Fund</u>	<u>Amount</u>
General	\$130.54
Gas Tax	(\$20.13)
Road & Bridge	(\$351.60)
Cemetery	(\$100.00)
Perm MVL	(\$0.10)

A finding for adjustment is hereby issued against the Jefferson Township General Fund to decrease cash, in the amount of \$15.92, against the Gasoline Tax Fund, Special Revenue Fund to decrease cash, in the amount of \$20.13, against the Road & Bridge Fund, Special Revenue Fund to decrease cash, in the amount of \$354.57, against the Cemetery Fund, Special Revenue Fund, to decrease cash, in the amount of \$100.00 and against the Permissive Motor Vehicle License Tax Fund, Special Revenue Fund, to decrease, in the amount of \$.10. The Fiscal Officer has not posted this adjustment to the Township records and therefore, this adjustment is not reflected in the accompanying financial statements.

We recommend the Fiscal Officer investigate and correct any adjusting factors and maintain supporting documentation for any corrections.

FINDING NUMBER 2010-010

Material Weakness

When designing the public office's system of internal control and the specific control activities, management should ensure that all transactions are properly authorized in accordance with management's policies as well as ensure the collection and compilation of the data needed for the timely preparation of financial statements. The Ohio Township Handbook (revised March 2011) provides suggested account classifications.

The Township misclassified receipts/expenditures in the amount of \$2,999 in the General Fund, \$15,798 in the Gasoline Tax Fund, \$408 in the Permissive Motor Vehicle License Tax Fund in 2009 and \$1,537 in the General Fund, \$266 in the Road and Bridge Fund, \$14,560 in the Gasoline Tax Fund, and \$450 in the Permissive Motor Vehicle License Tax Fund in 2010 in the Township accounting system. These misstatements were caused by a lack of oversight by management. As a result, significant reclassifications, with which the Township's management agrees, were made to the financial statements and are reflected in the accompanying financial statements.

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2010-010 (Continued)

Material Weakness (Continued)

We recommend the Fiscal Officer refer to the Ohio Township Handbook (revised March 2011) and UAN Accounting Manual (revised April 2011), Appendix A (revised November 2010) for proper classification of receipts and expenditures. The Fiscal Officer should take additional care in posting transactions to the Township's ledgers and annual financial report in order to ensure the Township's year-end financial statements reflect the appropriate sources of the Township's receipts.

FINDING NUMBER 2010-011

Material Weakness

During our review of the Township's disbursement system, we noted the following conditions:

- Several voucher packages did not include invoices as supporting documentation to support the payment being made.
- Some checks cleared the bank which had different check numbers on the checks than what was recorded in the UAN accounting system.
- Some check numbers that were voided in the UAN system, cleared the bank.
- Some checks were written for amounts different than the amount on the invoice.
- Some checks were written and issued after the due date on invoice, resulting in the Township paying late fees and penalties.
- Some checks cleared the bank months after the date on the check, indicating the checks were held before being mailed.

These conditions did not allow for proper documentation of certain disbursements and resulted in the Township not being able to properly reconcile their accounting system to the bank.

We recommend the Township consider implementing the following procedures to strengthen the internal controls over the proper disbursement of public funds:

- All voucher packages should contain evidence to support the expenditure, such as an invoice.
- The check numbers in the UAN accounting system should match the physical check.
- The Fiscal Officer should mutilate the signature block on voided checks.
- Procedure should be implemented to verify amount posted to system to invoice amount.
- Checks be prepared and issued in a timely manner.

Official's response: The Township official's did not respond to the above findings.

**JEFFERSON TOWNSHIP
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2008-001	Ohio Rev. Code Section 5705.10 – gasoline tax in the amount of \$2,499, was improperly recorded to the General Fund instead of the required Gasoline Tax Fund.	No	Partially Corrected; the Finding for Adjustment amount was posted to the accounting system, but the 2010/2009 audit had uposted amounts. Reissued in the Schedule of Findings as item 2010-02.
2008-002	Ohio Rev. Code Section 5705.41(B) – expenditures exceeded appropriations at December 31, 2007 in one fund and several line items and at December 31, 2008 in several line items.	No	Not Corrected. Reissued in the Schedule of Findings as item 2010-05.
2008-003	Ohio Rev. Code Section 5705.41(D) – expenditures tested in 2007 and 2008 were not properly encumbered.	No	Not Corrected. Reissued in the Schedule of Findings as items 2010-06.
2008-004	Mispostings of revenue and expenditures. Not reconciling the bank statement to a zero balance monthly.	No	Not Corrected. Reissued in the Schedule of Findings as item 2010-08.
2008-005	Misposting of appropriations and estimated resources in the UAN system.	No	Partially Corrected; Reissued in the Management Letter.
2008-006	Lack of segregation of duties with Board of Trustees not reviewing financial reports and bank reconciliations.	No	Partially Corrected; Reissued in the Management Letter.
Management Letter	Ohio Rev. Code Section 505.24(C), Trustee compensation, in the amount \$250 was paid from Gasoline Tax Fund instead of the General Fund.	No	Not Corrected. As a result, we issued an Adverse opinion on the financial statements.



Dave Yost • Auditor of State

JEFFERSON TOWNSHIP

NOBLE 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
JANUARY 3, 2012**