

JACKSON TOWNSHIP
UNION COUNTY, OHIO

FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

WOLF, ROGERS, DICKEY & CO.
Certified Public Accountants



Mary Taylor, CPA

Auditor of State

Board of Trustees
Jackson Township
13500 Price Mathers Road
Richwood, Ohio 43344

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

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

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

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

Mary Taylor, CPA
Auditor of State

August 14, 2009

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Jackson Township
Union County, Ohio

For the Years Ended
December 31, 2008 and 2007

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Wolf, Rogers, Dickey & Co.

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Independent Auditors' Report

Jackson Township
Union County, Ohio

To the Board of Trustees:

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

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

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

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

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

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

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

May 22, 2009

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

	Governmental Funds			Totals (Memorandum Only)
	General	Special Revenue	Permanent	
Cash receipts:				
Local taxes	\$ 21,280	-	-	21,280
Intergovernmental	50,644	91,580	-	142,224
Licenses, permits and fees	-	10,091	-	10,091
Earnings on investments	3,545	1,602	20	5,167
Fines and forfeitures	1,503	-	-	1,503
Other revenue	<u>787</u>	<u>2,463</u>	<u>-</u>	<u>3,250</u>
Total cash receipts	77,759	105,736	20	183,515
Cash disbursements:				
Current:				
General government	30,217	-	-	30,217
Public safety	18,703	-	-	18,703
Public works	625	65,134	-	65,759
Health	<u>18,495</u>	<u>5,803</u>	<u>20</u>	<u>24,318</u>
Total cash disbursements	<u>68,040</u>	<u>70,937</u>	<u>20</u>	<u>138,997</u>
Total receipts over disbursements	9,719	34,799	-	44,518
Fund cash balances, January 1	<u>148,354</u>	<u>82,751</u>	<u>500</u>	<u>231,605</u>
Fund cash balances, December 31	\$ <u>158,073</u>	<u>117,550</u>	<u>500</u>	<u>276,123</u>

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

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

	Governmental Funds			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash receipts:				
Local taxes	\$ 19,574	-	-	19,574
Intergovernmental	22,571	90,335	-	112,906
License, permits and fees	-	7,847	-	7,847
Earnings on investments	3,296	1,413	20	4,729
Other revenue	<u>2,280</u>	<u>4,829</u>	<u>-</u>	<u>7,109</u>
Total cash receipts	47,721	104,424	20	152,165
Cash disbursements:				
Current:				
General government	27,244	-	-	27,244
Public safety	13,129	-	-	13,129
Public works	489	91,393	-	91,882
Health	13,044	12,775	20	25,839
Capital outlay	<u>66</u>	<u>-</u>	<u>-</u>	<u>66</u>
Total cash disbursements	<u>53,972</u>	<u>104,168</u>	<u>20</u>	<u>158,160</u>
Total receipts over (under) disbursements	(6,251)	256	-	(5,995)
Fund cash balances, January 1	<u>154,605</u>	<u>82,495</u>	<u>500</u>	<u>237,600</u>
Fund cash balances, December 31	\$ <u>148,354</u>	<u>82,751</u>	<u>500</u>	<u>231,605</u>

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

**Jackson Township
Union County, Ohio
Notes to the Financial Statements
December 31, 2008 and 2007**

(1) Summary of Significant Accounting Policies

Description of the Entity

Jackson Township, Union County, Ohio (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance and cemetery operations. In addition to routine police protection provided by the Union County Sheriff's Office, the Township also contracts, along with Dover and Claibourne Townships, for dedicated deputies that patrol exclusively in the Townships.

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

Basis of Accounting

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

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

Cash and Investments

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

Money market mutual funds (including State Treasury Asset Reserve (STAR) Ohio) are recorded at share values the mutual funds report.

Fund Accounting

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

General Fund

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

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

(1) Summary of Significant Accounting Policies, continued

Fund Accounting, continued

Special Revenue Funds

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

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

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

Permanent Funds

These funds are used to account for assets held under a trust agreement that are legally restricted to the extent that only earnings on principal are available to support the Township's programs. The Township had the following significant permanent fund:

Parish Trust Fund – This fund consists of a U.S. Treasury Bond given to the Township to pay for upkeep of the Township cemetery. In accordance with the Trust, the Township only uses the interest income from the bond.

Budgetary Process

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

Appropriations

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

Estimated Resources

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

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

(1) Summary of Significant Accounting Policies, continued

Budgetary Process, continued

Encumbrances

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

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

Property, Plant and Equipment

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

(2) Equity in Pooled Cash and Investments

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

	<u>2008</u>	<u>2007</u>
Demand deposits	\$ 255,623	211,105
Certificate of deposits	20,000	20,000
U.S. Treasury Bond	500	500
Total deposits and investments	\$ 276,123	231,605

Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool. The certificate of deposits bear interest of 3.85% and mature in January 2009.

(3) Budgetary Activity

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

<u>Fund Type</u>	<u>2008 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 45,000	77,759	32,759
Special Revenue	96,900	105,736	8,836
Permanent	20	20	-
Total	\$ 141,920	183,515	41,595

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

(3) Budgetary Activity, continued

<u>2008 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 193,350	68,040	125,310
Special Revenue	179,654	70,937	108,717
Permanent	<u>20</u>	<u>20</u>	<u>-</u>
Total	\$ <u>373,024</u>	<u>138,997</u>	<u>234,027</u>

<u>2007 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 50,000	47,721	(2,279)
Special Revenue	92,000	104,424	12,424
Permanent	<u>20</u>	<u>20</u>	<u>-</u>
Total	\$ <u>142,020</u>	<u>152,165</u>	<u>10,145</u>

<u>2007 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 204,601	53,972	150,629
Special Revenue	174,497	104,168	70,329
Permanent	<u>20</u>	<u>20</u>	<u>-</u>
Total	\$ <u>379,118</u>	<u>158,160</u>	<u>220,958</u>

(4) Property Tax

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

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

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

(4) Property Tax, continued

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

(5) Retirement Systems

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

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

(6) Risk Management

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

Pursuant to Section 2744.081 of the 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 Member's deductible.

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

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

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

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

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

(6) Risk Management, continued

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

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

(7) Commitments

Pursuant to a three year contract that commenced on January 1, 2007 between the Union County Sheriff and Jackson, Dover and Claibourne Townships, the sheriff provides one full-time deputy with a normal work week totaling 40 hours exclusively to the Townships to supplement existing law enforcement coverage. The sheriff assumes full responsibility for hiring, training, assignment, supervision, discipline and dismissal of all assigned personnel and the Townships pay the actual cost of compensating the officers' salary, overtime, OPERS benefits, workers compensation, Medicare and medical and life insurance. The Sheriff bills the Townships in quarterly installments with Jackson Township paying 27% of the cost and Dover and Claibourne Townships paying 40% and 33% of the cost, respectively. The Township paid \$18,703 and \$13,129 pursuant to this contract in 2008 and 2007, respectively. The amount that will be due for 2009 is undetermined at this time.

(8) Compliance

Contrary to Ohio law:

- Funds were not encumbered prior to expenditure for fourteen of the sixteen disbursements tested.
- Gasoline Tax funds totaling \$3,576 in 2008 were not spent in accordance with restrictions.
- The Township has not adopted a public records policy in accordance with Ohio Revised Code Section 149.43 as revised by House Bill 9, 127th General Assembly effective March 29, 2007.
- The Township did not seek an amended certificate of estimated resources in 2007 when actual receipts in the general fund were less than budgeted by \$2,279, however, we did not believe this amount to be material to the financial statements.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants
38 South Franklin Street
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**Independent Auditors' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters,
Based On An Audit Of Financial Statements
Performed In Accordance With *Government Auditing Standards***

Jackson Township
Union County, Ohio

To the Board of Trustees:

We have audited the financial statements of Jackson Township, Union County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 22, 2009, wherein we noted the Township followed accounting practices the Auditor of State of Ohio prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process or

report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We considered Finding 2008-01 to be a significant deficiency in internal control over financial reporting as described in the accompanying schedule of findings.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as Findings 2008-02 and 2008-03.

We noted certain noncompliance or other matters not requiring inclusion in this report that we reported to management of the Township in a separate letter dated May 22, 2009.

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

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

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

May 22, 2009

**Jackson Township
Union County, Ohio
Schedule of Findings
December 31, 2008 and 2007**

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

Finding Number 2008-01
Significant deficiency

Ohio Revised Code (ORC) 5735.27(A) describes permitted uses of Gasoline Tax revenues as follows: to plan, construct, widen, reconstruct and maintain “public” highways, roads and streets. The funds may also be used for the purchase of road machinery and equipment and for the planning, construction and maintenance of suitable buildings for housing road machinery and equipment. During our testing of the Gasoline Tax Fund for 2008, we noted the following expenditure that does not meet the permitted uses described in the ORC, \$3,576 to pay the Township’s annual insurance premium. The portion of this premium related to insuring the road equipment was not identified, but could be charged to the Gasoline Tax Fund. This disbursement has been reclassified to the appropriate fund.

Response by Township

We acknowledge the problems and will be taking proper steps to reclassify portion of Township’s annual premium to the proper fund.

Finding Number 2008-02

Recent changes to ORC 149.43 require that public offices update public records policies. Specifically, by September 29, 2007, all public offices were required to adopt a public records policy that described how the public office will be responding to public records requests. The section also details three specific items that may not be included in the public records policy. Once adopted, the public office is required to post the policy via a poster in certain locations and include it in the entity’s employee manual. To date, the Township has not adopted the required public records policy.

Response by Township

We acknowledge the problem, at the current time, June 12, 2009; our Public Records Policy is at the Union County Prosecutor’s Office for final approval. It will be adopted at our next meeting if released by the Prosecutor’s Office.

Finding Number 2008-03

Ohio Revised Code (ORC) Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury when such contract or order is made.

**Jackson Township
Union County, Ohio
Schedule of Findings
December 31, 2008 and 2007**

Finding Number 2008-03, continued

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

Response by Township

We acknowledge the problem. This year is our first year with a new UAN System (and Fiscal Officer) and has been a learning curve. We will implement correct certification of funds and purchases in the future.



Mary Taylor, CPA
Auditor of State

JACKSON TOWNSHIP

UNION 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
AUGUST 27, 2009**