

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY  
Regular Audit  
December 31, 2007 and 2006**





Mary Taylor, CPA  
Auditor of State

Village Council  
Village of Jacksonville  
38 South Sixth Street  
Jacksonville, Ohio 45740

We have reviewed the *Independent Accountants' Report* of the Village of Jacksonville, Athens County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2006 through December 31, 2007. 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 Accountants' 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 Accountants' 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. The Village of Jacksonville is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

March 16, 2009

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**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

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***Perry & Associates***  
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**INDEPENDENT ACCOUNTANTS' REPORT**

January 20, 2009

Village of Jacksonville  
Athens County  
38 South Sixth Street  
Jacksonville, OH 45740

To the Village Council:

We have audited the accompanying financial statements of the **Village of Jacksonville, Athens County, Ohio**, (the Village) as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Village 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 Village's larger (i.e. major) funds separately. While the Village 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. The Auditor of State permits, but does not require Villages to reformat their statements. The Village 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, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2007 and 2006 or their changes in financial position or cash flows 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 Village of Jacksonville, Athens County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. The Government 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 20, 2009 on our consideration of the Village'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.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.



**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$ 26,197	\$ 25,498	\$ -	\$ 51,695
Intergovernmental	16,775	36,713	-	53,488
Special Assessments	-	724	-	724
Charges for Services	11,100	10,205	-	21,305
Earnings on Investments	176	-	-	176
Miscellaneous	19,742	601	-	20,343
	<u>73,990</u>	<u>73,741</u>	<u>-</u>	<u>147,731</u>
<b>Total Cash Receipts</b>				
	<u>73,990</u>	<u>73,741</u>	<u>-</u>	<u>147,731</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	38,388	42,236	-	80,624
Leisure Time Activities	2,850	-	-	2,850
Transportation	-	12,003	-	12,003
General Government	23,899	2,258	-	26,157
Debt Service:				
Redemption of Principal	-	-	25,865	25,865
Interest and Fiscal Charges	-	-	29,706	29,706
	<u>65,137</u>	<u>56,497</u>	<u>55,571</u>	<u>177,205</u>
<b>Total Cash Disbursements</b>				
	<u>65,137</u>	<u>56,497</u>	<u>55,571</u>	<u>177,205</u>
<b>Total Cash Receipts Over/(Under) Disbursements</b>	<u>8,853</u>	<u>17,244</u>	<u>(55,571)</u>	<u>(29,474)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Advances-In	69,825	24,500	-	94,325
Advances-Out	(33,025)	(42,000)	-	(75,025)
Transfer-In	-	-	55,571	55,571
Transfer-Out	(49,831)	(4,053)	-	(53,884)
	<u>(13,031)</u>	<u>(21,553)</u>	<u>55,571</u>	<u>20,987</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
	<u>(13,031)</u>	<u>(21,553)</u>	<u>55,571</u>	<u>20,987</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(4,178)</u>	<u>(4,309)</u>	<u>-</u>	<u>(8,487)</u>
<b>Fund Cash Balances, January 1</b>	<u>4,796</u>	<u>21,433</u>	<u>-</u>	<u>26,229</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$ 618</u></u>	<u><u>\$ 17,124</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,742</u></u>

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

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Proprietary Fund Type</u>	<u>Fuduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency Fund</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 113,034	\$ -	\$ 113,034
Total Operating Revenues	<u>113,034</u>	<u>-</u>	<u>113,034</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	6,982	-	6,982
Fringe Benefits	820	-	820
Contractual Services	66,942	-	66,942
Supplies and Materials	<u>5,019</u>	<u>-</u>	<u>5,019</u>
Total Operating Cash Disbursements	<u>79,763</u>	<u>-</u>	<u>79,763</u>
Operating Income (Loss)	<u>33,271</u>	<u>-</u>	<u>33,271</u>
<b>Non-Operating Cash Receipts/Disbursements:</b>			
Other Non-Operating Cash Receipts	-	8,129	8,129
Other Non-Operating Cash Disbursements	-	(8,129)	(8,129)
Redemption of Principal	(4,500)	-	(4,500)
Interest and Other Fiscal Charges	<u>(12,900)</u>	<u>-</u>	<u>(12,900)</u>
Total Non-Operating Cash Receipts/Disbursements	<u>(17,400)</u>	<u>-</u>	<u>(17,400)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	<u>15,871</u>	<u>-</u>	<u>15,871</u>
Advance-In	72,025	-	72,025
Advances-Out	(91,325)	-	(91,325)
Transfer-Out	<u>(1,687)</u>	<u>-</u>	<u>(1,687)</u>
Net Receipts Over/(Under) Cash Disbursements	(5,116)	-	(5,116)
Fund Cash Balances, January 1	<u>2,376</u>	<u>-</u>	<u>2,376</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ (2,740)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (2,740)</u></b>

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

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**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>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$ 24,587	\$ 19,353	\$ -	\$ 43,940
Intergovernmental	16,900	72,708	-	89,608
Special Assessments	-	5,030	-	5,030
Charges for Services	9,652	8,200	-	17,852
Earnings on Investments	645	10	-	655
Miscellaneous	26,624	-	-	26,624
	<u>78,408</u>	<u>105,301</u>	<u>-</u>	<u>183,709</u>
<b>Total Cash Receipts</b>				
	<u>78,408</u>	<u>105,301</u>	<u>-</u>	<u>183,709</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	33,970	78,310	-	112,280
Public Health Services	293	-	-	293
Leisure Time Activities	2,900	-	-	2,900
Transportation	-	17,141	-	17,141
General Government	22,874	17,452	-	40,326
Redemption of Principal	-	-	19,630	19,630
Interest and Fiscal Charges	-	-	24,906	24,906
	<u>60,037</u>	<u>112,903</u>	<u>44,536</u>	<u>217,476</u>
<b>Total Cash Disbursements</b>				
	<u>60,037</u>	<u>112,903</u>	<u>44,536</u>	<u>217,476</u>
<b>Total Cash Receipts Over/(Under) Disbursements</b>	<u>18,371</u>	<u>(7,602)</u>	<u>(44,536)</u>	<u>(33,767)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Advances-In	13,575	12,000	17,481	43,056
Advances-Out	(7,075)	-	-	(7,075)
Transfer-In	-	-	27,055	27,055
Transfer-Out	(24,136)	(1,617)	-	(25,753)
	<u>(17,636)</u>	<u>10,383</u>	<u>44,536</u>	<u>37,283</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
	<u>(17,636)</u>	<u>10,383</u>	<u>44,536</u>	<u>37,283</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements</b>	735	2,781	-	3,516
<b>Fund Cash Balances, January 1</b>	<u>4,061</u>	<u>18,652</u>	<u>-</u>	<u>22,713</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 4,796</u>	<u>\$ 21,433</u>	<u>\$ -</u>	<u>\$ 26,229</u>

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

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Proprietary Fund Type</b>	<b>Fuduciary Fund Type</b>	<b>Totals (Memorandum Only)</b>
	<b>Enterprise</b>	<b>Agency Fund</b>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 106,128	\$ -	\$ 106,128
Total Operating Revenues	106,128	-	106,128
<b>Operating Cash Disbursements:</b>			
Security of Persons and Property			
Personal Services	6,152	-	6,152
Fringe Benefits	1,251	-	1,251
Contractual Services	70,871	-	70,871
Supplies and Materials	4,871	-	4,871
Total Operating Cash Disbursements	83,145	-	83,145
Operating Income (Loss)	22,983	-	22,983
<b>Non-Operating Cash Receipts/Disbursements:</b>			
Earnings on Investments	342	-	342
Other Non-Operating Cash Receipts	-	6,505	6,505
Other Non-Operating Cash Disbursements	-	(6,505)	(6,505)
Redemption of Principal	(4,300)	-	(4,300)
Interest and Other Fiscal Charges	(13,152)	-	(13,152)
Total Non-Operating Cash Receipts/Disbursements	(17,110)	-	(17,110)
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers	5,873	-	5,873
Advance-In	11,075	-	11,075
Advance-Out	(47,056)	-	(47,056)
Transfer-Out	(1,302)	-	(1,302)
Net Receipts Over/(Under) Cash Disbursements	(31,410)	-	(31,410)
Fund Cash Balances, January 1	33,786	-	33,786
<b>Fund Cash Balances, December 31</b>	<b>\$ 2,376</b>	<b>\$ -</b>	<b>\$ 2,376</b>

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

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**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 the Village of Jacksonville, Athens County (the Village), as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides general governmental services, street maintenance, water utility services, park operations (leisure time activities) and fire protection services. The Village contracts with the Village of Glouster for police protection services.

The Village is associated with the Trimble Township Wastewater Treatment District, which is defined as a jointly governed organization. This organization is presented in Note 8.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, 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.

**C. 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.

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer and is classified as a cash equivalent. The investment in the money market is valued at cost.

**D. Fund Accounting**

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

**1. General Fund**

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

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. 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 Village had the following significant Special Revenue Funds:

*Street Construction, Maintenance and Repair Fund* – This fund received gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

*Fire Levy Fund* – This fund receives money from a tax levy approved by voters to provide fire protection for the Village.

*Street Light Fund* – This fund receives property tax money to illuminate the streets of the Village.

**3. Debt Service Fund**

*General Obligation Fund* – This fund receives transfers from the General and Street Construction and maintenance Funds for the payment of principal and interest on notes.

**4. Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

*Water Operating Fund* – This fund receives charges for services from residents to cover the cost of providing this utility.

*Water Improvement Fund* – This fund receives charges for services from residents for payment of principal and interest on bonds issued for past water utility improvements in the Village.

**5. Fiduciary Funds (Agency Funds)**

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Fiduciary Funds:

*Mayor's Court Fund* – This fund accounts for the financial activity of the Mayor's Court.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**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. Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered 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 Village to reserve (encumber) appropriations when commitments are made. The Village did not use the encumbrance method of accounting.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

**2. EQUITY IN POOLED CASH**

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

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**2. EQUITY IN POOLED CASH (Continued)**

	<b>2007</b>	<b>2006</b>
Demand deposits	\$ 12,961	\$ 21,695
Star Ohio	2,041	6,910
Total deposits and investments	\$ 15,002	\$ 28,605

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 151,000	\$ 143,815	\$ (7,185)
Special Revenue	105,600	98,241	(7,359)
Debt Service	45,400	55,571	10,171
Enterprise	111,660	185,059	73,399
Total	\$ 413,660	\$ 482,686	\$ 69,026

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 155,790	\$ 147,993	\$ 7,797
Special Revenue	127,020	102,550	24,470
Debt Service	45,400	55,571	(10,171)
Enterprise	143,470	190,175	(46,705)
Total	\$ 471,680	\$ 496,289	\$ (24,609)

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 109,970	\$ 91,983	\$ (17,987)
Special Revenue	100,805	117,301	16,496
Debt Service	49,455	44,536	(4,919)
Enterprise	123,060	117,545	(5,515)
Total	\$ 383,290	\$ 371,365	\$ (11,925)



**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 113,615	\$ 91,248	\$ 22,367
Special Revenue	118,800	114,520	4,280
Debt Service	82,455	44,536	37,919
Enterprise	103,725	148,995	(45,270)
Total	\$ 418,595	\$ 399,299	\$ 19,296

Contrary to Ohio Rev. Code Section 5705.36, in 2006 or 2007, the Village did not file with the county auditor the total amount from all sources, which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

Contrary to Ohio Rev. Code Section 5705.41 (B), expenditures exceeded appropriations in several funds in 2006 and 2007.

Contrary to Ohio Rev. Code Section 5705.41 (D), the certification of availability of unencumbered appropriations for expenditure was not obtained for 50% of expenditures tested during 2007 and 82% of expenditures testing during 2006.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Village Council. 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, 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 payments, the first half 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 Village.

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 Village.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest
Water Improvement Bonds	215,069	5.875%
General Obligation Notes	419,731	3.72-5.875%
	\$ 634,800	

The Water Improvement Bonds relate to the replacement and installation of waterlines in the Village. Revenue from the water system has been pledged to repay this debt. The prior audits outstanding debt balance for the water Improvement Bonds was inaccurate, and should have been \$223,869. The General obligation Notes relate to the pavement of Village Streets, the purchase of a backhoe for utility repairs, a police cruiser, and the construction of a new fire department building. The debt will be repaid with general operating revenues of the Village.

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

Year ending December 31:	Water Improvement Bonds	General Obligation Notes	Total
2008	\$ 18,812	\$ 40,825	\$ 59,637
2009	18,830	40,825	\$ 59,655
2010	18,830	42,117	\$ 60,947
2011-2015	93,923	200,642	\$ 294,565
2016-2020	93,900	199,630	\$ 293,530
2021-2025	93,807	189,648	\$ 283,455
Thereafter	112,552	-	\$ 112,552
Total	\$ 450,654	\$ 713,687	\$ 1,164,341

**6. RETIREMENT SYSTEMS**

Officials and employees, other than law enforcement officers, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2007 members of PERS contributed 9.5% and for 2006 members of PERS contributed 9% of their gross salaries. The Village contributed an amount equal to 13.85% in 2007 and 13.7% in 2006 of participants' gross salaries. The Village has paid all contributions required through December 31, 2007.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**7. RISK MANAGEMENT**

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

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

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

**Casualty Coverage**

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

For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

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

**Property Coverage**

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**7. RISK MANAGEMENT**

**Property Coverage (continued)**

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

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

**Financial Position**

PEP'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, 2007 and 2006:

	<b>2007</b>	<b>2006</b>
Assets	\$ 37,560,071	\$ 36,123,194
Liabilities	(17,340,825)	(16,738,904)
Net Assets	\$ 20,219,246	\$ 19,384,290

At December 31, 2007 and 2006, respectively, the liabilities above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Village's share of these unpaid claims collectible in future years is approximately \$19,288. This payable includes the subsequent year's contribution due if the Village terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP 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 PEP for each year of membership.

Contributions to PEP	
2005	\$ 6,843
2006	\$ 10,346
2007	\$ 10,979

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**7. RISK MANAGEMENT**

**Property Coverage (continued)**

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

**8. JOINTLY GOVERNED ORGANIZATION**

*Trimble Township Wastewater Treatment District* – The Trimble Township Wastewater Treatment District is a regional sewer District organized under Chapter 6119 of the Ohio Revised Code. The Village operates under the direction of an eight member Board of Council Members whose membership is composed of two appointments from each of the participating subdivisions: Village of Trimble, Village of Jacksonville, Village of Glouster, and Trimble Village. The membership elects a President, Vice-President, and a Secretary-Treasurer, who are responsible for fiscal control of the financial resources of the Village. To obtain financial information, write to the Trimble Village Wastewater Treatment Village, Joy Hemsley, Secretary-Treasurer, at 18551 Jacksonville Road, P.O. Box 278, Jacksonville, Ohio 45740.

***Perry & Associates***  
Certified Public Accountants, A.C.

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

January 20, 2009

Village of Jacksonville  
Athens County  
38 South Sixth Street  
Jacksonville, OH 45740

To the Village Council:

We have audited the financial statements of the **Village of Jacksonville, Athens County, Ohio** (the Village) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated January 20, 2009 wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village'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 Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

### **Internal Control over Financial Reporting (Continued)**

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 thru 2007-0014.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe significant deficiencies 2007-012 thru 2007-013 described above are material weaknesses.

We also noted certain internal control matters that we reported to the Village's management in a separate letter dated January 20, 2009

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village'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 instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2007-001 thru 2007-011.

This report is intended solely for the information and use of management and Village Council and is not intended to be, and should not be used by anyone other than these specified parties.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

VILLAGE OF JACKSONVILLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 and 2006

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

FINDING NUMBER 2007-001

**Noncompliance Citation/Significant Deficiency**

**Ohio Admin. Code Section 117-2-02 (D)(4)(a)** requires all local public offices to maintain payroll records including: (1) W-2's, W-4's and other withholding records and authorizations; (2) a payroll journal that records, assembles and classifies by pay period the name of employee, social security number, hours worked wage rates, pay date, withholdings by type, net pay, and other compensation paid to an employee, and the fund and account charged for the payments; and (3) a check register that includes, in numerical sequence, the check number, payee, net amount, and the date.

The Village was unable to provide W-2's, or W-4's, for either 2006 or 2007.

The Fiscal Officer should maintain appropriate payroll records including W-2's, W-4's and all other withholding records and authorizations.

**Management's Response** – We did not receive a response from officials to this finding

FINDING NUMBER 2007-002

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev Code § 117.38** states, in part, cash basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. Also, the public office must publish notice in a local newspaper stating that the financial report is available for public inspection at the office of the chief fiscal officer.

The Village did not file the 2007 and 2006 annual financial reports with the Auditor of State within the 60 days of the fiscal year end. In addition, no evidence was presented for audit to indicate the Village published a notice in a local newspaper stating the financial report is available for public inspection.

We recommend the Village publish notice in a local newspaper that the annual financial report is available for inspection after it is filed with the Auditor of State.

**Management's Response** – We did not receive a response from officials to this finding.



**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-003**

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 121.22** states in part that all meetings of any public body are declared to be public meetings open to the public at all times. A member of the public body must be present in person at a meeting open to the public to be considered present or to vote and for determining whether a quorum is present. The minutes of a regular or special meeting of any such publicly public body shall be promptly recorded and open to public inspection. The minutes need only reflect the general subject matter of discussion in executive sessions.

Every public body shall, by rule, establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings. A public body shall not hold a meeting unless it gives at least twenty-four hours advance notice to the news media that have requested notification, except in event of an emergency requiring immediate official action. In the event of an emergency, the member or members calling the meeting shall notify the news media.

The Village supplied no evidence that they had notified the public, through the media or any other source, of their meeting times, dates or places. Meetings were cancelled with no reason specified.

We recommend the Village establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings. We also recommend the Village Fiscal Officer promptly record the minutes of all meetings of the Village Council.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2007-004**

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 145.47** states the head of each state department and the fiscal officer of each local authority subject to this chapter shall transmit promptly to the public employees retirement system a report of contributions at such intervals and in such form as the system shall require, showing thereon all deductions for the system made from the earnable salary of each contributor employed, together with warrants or checks covering the total of such deductions within thirty days after the last day of such reporting period.

The Village did not remit PERS contributions on a timely basis.

We recommend the Fiscal Officer take the care necessary to ensure PERS contributions are being remitted on a timely basis to avoid penalties.

**Management's Response** – We did not receive a response from officials to this finding.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-005**

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 733.40** states all fines, forfeitures, and costs in ordinance cases and all fees that are collected by the mayor that in any manner come into the mayor's hands, or that are due the mayor or marshal, chief of police, or other officer of the municipal corporation, any other fees and expenses that have been advanced out of the treasury of the municipal corporation, and all money received by the mayor for the use of the municipal corporation shall be paid by the mayor into the treasury of the municipal corporation on the first Monday of each month.

During 2006 and 2007, the moneys collected by the Mayor's Court were not always paid to the Village by the first Monday of the month.

Also during 2006 and 2007, a separate ledger accounts was not maintained in an agency fund which accounted for the activity of the court.

We recommend the Village establish a separate fund for the Mayor's Court and distribute fines collected by the Village's Mayor's Court to the Village's General Fund and other applicable agencies by the required dates.

**Management's Response** – We did not receive a response from officials to this finding

**FINDING NUMBER 2007-006**

**Noncompliance Citation/Significant Deficiency**

**Ohio Revised Code Section 742.35** states each employer shall pay its annual police officer employers' contribution and firefighter employers' contribution in four equal installments promptly as provided in sections 742.33 and 742.34 of the Revised Code. If an employer fails to make a payment on or before the date that is sixty days after the last day of the calendar quarter, a penalty determined under section 742.352 of the Revised Code shall be assessed against the employer. In addition, interest on past due accounts and penalties may be charged at a rate determined by the board from the date the installment is due to the date of payment.

The Village did not remit Ohio Police and Fire Pension Fund (OP & F) contributions on a timely basis.

We recommend the Fiscal Officer take the care necessary to ensure OP & F contributions are being remitted on a timely basis to avoid penalties.

**Management's Response** – We did not receive a response from officials to this finding.

VILLAGE OF JACKSONVILLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006

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

FINDING NUMBER 2007-007

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 5705.10** requires that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

The Village had negative fund balances at December 31, 2007 as follows:

<u>Fund</u>	<u>Deficit</u>
Enterprise	(\$2,740)

We recommend the Village monitor their fund balances and, when a deficit occurs and is expected to be temporary (i.e., pending the receipt of a grant, tax settlement, etc), we recommend the Village advance monies from the General Fund until the debtor fund can advance the monies back. In the case of a deficit fund balance for which no return of funds can reasonably be expected, we recommend the Village permanently transfer the monies to cover the deficit.

**Management's Response** – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-008

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 5705.36** states that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing unites are to certify to the county auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

In 2006 or 2007, the Village did not file with the county auditor the total amount from all sources, which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

We recommend the Village take the necessary steps to ensure they certify their budgetary documents with the County Auditor on or before the required date. We also recommend the Village perform a comparison of the estimated amounts per their budgetary documents periodically in order to determine whether an amended needs to be obtained.

**Management's Response** – We did not receive a response from officials to this finding.

VILLAGE OF JACKSONVILLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006

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

FINDING NUMBER 2007-009

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 5705.41 (B)** states that no subdivision or taxing unit shall make any expenditure of money unless the same has been properly appropriated.

Actual disbursements exceeded appropriations in Agency, Street Note, Backhoe Note, Building Note and Enterprise Funds, in 2007 and in the Fire Fund and Agency Funds in 2006.

We recommend the Village Fiscal Officer modify appropriations with the Village Council and County Budget Commission before incurring obligations that would cause expenditures to exceed appropriations. The village Fiscal Officer should deny any payments until the legislative authority has passed the necessary changes to the appropriation measure.

**Management's Response** – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-010

**Noncompliance Citation/Significant Deficiency**

**Ohio Revised Code § 5705.41(D)** requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting 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. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

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 taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 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 taxing authority.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-010(Continued)**

**Noncompliance Citation/Significant Deficiency (Continued)**

2. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
  
3. Super Blanket Certificate – The entity 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 extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 50% of the expenditures tested during 2007 and 82% in 2006 and there was no evidence that the Village followed the aforementioned exceptions.

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 Village’s funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, “then and now” certification should be used.

**Management’s Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2007-011**

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 5747.07(E)** in part states that every employer shall file, not later than the last day of the month following the end of each calendar quarter, a return covering, but not limited to, both the actual amount deducted and withheld and the amount required to be deducted and withheld for the tax imposed under this calendar during each partial weekly withholding period during the quarter.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-011 (Continued)**

**Noncompliance Citation/Significant Deficiency (Continued)**

The Village did not remit federal tax contributions on a timely basis, nor did the Village provide 941's.

We recommend the Village Fiscal Officer remit federal taxes on a timely basis to avoid late fees and penalties, and maintain the appropriate federal documentation.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2007-012**

**Significant Deficiency/Material Weakness**

**Posting Receipts and Expenditures**

Receipts should be posted to the fund and line item accounts as established by Ohio Administrative Code Section 117-7-01.

During 2006 and 2007, several receipts and expenditures were not posted into accurate revenue and/or disbursement classifications based on the source of the receipt or expenditure. For example:

- Water Improvement Fund (Enterprise) presented as Debt Service Fund, both in 2006 and 2007.
- Mayor's Court (Agency Fund) revenue and expenditures miscalculated and posted as General Fund, Fines, Licenses, and Permits, and General Government respectively, both in 2006 and 2007.
- Debt payment in 2006 to USDA went unrecorded, in the Villages Financial System and was paid directly from Star Ohio.

We recommend the Fiscal Officer refer to Ohio Administrative Code Section 117-7-01 and/or the Ohio Village Handbook for guidance to determine the proper establishment of receipt and expenditure accounts and posting of receipts and expenditures. We also recommend all receipts and disbursements be recorded in the Villages Financial System.

**Management's Response** – We did not receive a response from officials to this finding.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-013**

**Significant Deficiency /Material Weakness**

**Bank Reconciliations and Monthly Financial Reports**

The Fiscal Officer performs a reconciliation of the ledger balances and the bank balances monthly. However, the Fiscal Officer did not present the reconciliation, financial reports or financial statements to Council for review. The Fiscal Officer also failed to accurately reflect the investment balance used to reconcile, in that a debt payment made in October 2006 was never subtracted from the amount used in the reconciliation. This lead to errors and irregularities going undetected or not being detected in a timely manner.

Adjusting factors should be investigated and corrected in a timely manner. The monthly reconciliation along with a recap of the monthly financial activity should be presented to Council and approved by Council at the regular monthly Council meeting. This will help Council effectively monitor the Village's financial position and will aid in the timely detection of errors or irregularities.

**Management's Response** – We did not receive a response from officials to this finding.

**FINDING NUMBER 2007-014**

**Significant Deficiency**

**Posting Estimated Revenues and Appropriations**

The Village did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Board of Council Members and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in incorrect amounts posted to the accounting system and information available to Village officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate.

We recommend the Village implement procedures to ensure appropriations and estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

**Management's Response** – We did not receive a response from officials to this finding.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF PRIOR FINDINGS  
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	5705.36 Filing Amended Certificates	NO	Repeated as finding # 2007-008.
2005-002	5705.39, Appropriations exceeding estimated resources.	YES	Corrected.
2005-003	5705.41B, Expenditures exceeding appropriations.	NO	Repeated as finding # 2007-009.





**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF JACKSONVILLE**

**ATHENS 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  
APRIL 2, 2009**