



**Auditor of State  
Betty Montgomery**



JACKSON TOWNSHIP  
ALLEN COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Jackson Township  
Allen County  
11510 Ada Road  
Ada, Ohio 45810

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson Township, Allen County, (the Township), as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Jackson Township as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2004, 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 grants. 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.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

June 30, 2004

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**JACKSON TOWNSHIP  
ALLEN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$42,039	\$118,490	\$160,529
Intergovernmental	74,411	94,173	168,584
Charges for Services		6,964	6,964
Licenses, Permits, and Fees		2,830	2,830
Earnings on Investments	393	137	530
Other Revenue	1,400	9,815	11,215
	<u>118,243</u>	<u>232,409</u>	<u>350,652</u>
<b>Total Cash Receipts</b>			
	<u>118,243</u>	<u>232,409</u>	<u>350,652</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	59,668	4,869	64,537
Public Safety		72,446	72,446
Public Works		92,098	92,098
Health	8,751	18,454	27,205
Capital Outlay	146,760	163,818	310,578
	<u>215,179</u>	<u>351,685</u>	<u>566,864</u>
<b>Total Cash Disbursements</b>			
	<u>215,179</u>	<u>351,685</u>	<u>566,864</u>
<b>Total Receipts Over/(Under) Disbursements</b>	(96,936)	(119,276)	(216,212)
<b>Other Financing Receipts and (Disbursements):</b>			
Proceeds of Notes		150,000	150,000
Transfers-In		8,000	8,000
Transfers-Out	(8,000)		(8,000)
Other Sources		6,425	6,425
	<u>(8,000)</u>	<u>164,425</u>	<u>156,425</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
	<u>(8,000)</u>	<u>164,425</u>	<u>156,425</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	(104,936)	45,149	(59,787)
<b>Fund Cash Balances, January 1</b>	<u>201,691</u>	<u>133,746</u>	<u>335,437</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$96,755</u></u>	<u><u>\$178,895</u></u>	<u><u>\$275,650</u></u>

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

**JACKSON TOWNSHIP  
ALLEN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$40,844	\$116,667	\$157,511
Intergovernmental	95,152	80,296	175,448
Licenses, Permits, and Fees		2,820	2,820
Charges for Services		1,163	1,163
Earnings on Investments	1,912	824	2,736
Other Revenue	620	6,693	7,313
	<u>138,528</u>	<u>208,463</u>	<u>346,991</u>
<b>Total Cash Receipts</b>			
	<u>138,528</u>	<u>208,463</u>	<u>346,991</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	99,100	5,428	104,528
Public Safety		36,873	36,873
Public Works		127,105	127,105
Health	8,524	13,881	22,405
Capital Outlay		31,973	31,973
	<u>107,624</u>	<u>215,260</u>	<u>322,884</u>
<b>Total Cash Disbursements</b>			
	<u>107,624</u>	<u>215,260</u>	<u>322,884</u>
<b>Total Receipts Over/(Under) Disbursements</b>	30,904	(6,797)	24,107
<b>Other Financing Receipts and (Disbursements):</b>			
Transfers-In		8,000	8,000
Transfers-Out	(8,000)		(8,000)
Other Sources		2,400	2,400
	<u>(8,000)</u>	<u>10,400</u>	<u>2,400</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
	<u>(8,000)</u>	<u>10,400</u>	<u>2,400</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	22,904	3,603	26,507
<b>Fund Cash Balances, January 1</b>	<u>178,787</u>	<u>130,143</u>	<u>308,930</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$201,691</u></u>	<u><u>\$133,746</u></u>	<u><u>\$335,437</u></u>

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



**JACKSON TOWNSHIP  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Jackson Township, Allen County, (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 general governmental services, road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

In 1985, the Village of Lafayette and Jackson Township entered into an agreement for the construction of a community hall. The Village provided the land and Jackson Township was responsible for the cost of the construction of the building. The Township pays an annual fee of \$1 and provides an office for the Village for the lease of the ground. The Township also provides all the maintenance and utilities for the building, which includes a monthly sewer charge to the Village.

The Township's management believes these financial statements present all activities for which the Township 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 included in fund cash balances. 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.

Certificates of deposit are valued at cost.

**D. 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:

**1. 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  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**Road and Bridge Fund** - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

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

**Fire Fund** – This fund receives property tax money and is used for the maintenance and operations of the Volunteer Fire Department.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, 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. The Township did not use the encumbrance method of accounting.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**F. 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.

**JACKSON TOWNSHIP  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**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 at December 31 was as follows:

	<b>2003</b>	<b>2002</b>
Demand deposits	\$215,650	\$275,437
Certificates of deposit	60,000	60,000
Total deposits	\$275,650	\$335,437

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Township.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

**2003 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$118,687	\$118,243	(\$444)
Special Revenue	230,000	396,834	166,834
Total	\$348,687	\$515,077	\$166,390

**2003 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$229,876	\$223,179	\$6,697
Special Revenue	219,800	351,685	(131,885)
Total	\$449,676	\$574,864	(\$125,188)

**2002 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$121,470	\$138,528	\$17,058
Special Revenue	226,125	218,863	(7,262)
Total	\$347,595	\$357,391	\$9,796

**2002 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$216,867	\$115,624	\$101,243
Special Revenue	280,700	215,260	65,440
Total	\$497,567	\$330,884	\$166,683

During the years 2003 and 2002 expenditures exceeded appropriations in the Fire Fund and Cemetery Fund, and for the year 2003, \$161,725 was received and expended in excess of the final amended certificate in the Fire Fund. In addition, prior certification that funds were available for expenditure was not obtained prior to incurring obligations, nor was the "then and now" certification used.

**JACKSON TOWNSHIP  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**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, 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.

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

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

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

**5. DEBT**

Debt outstanding at December 31, 2003 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Bank Loan - Fire Truck	\$150,165	5%

The outstanding loan was obtained during 2003 to finance the purchase of a new fire truck. The loan is individually secured by the fire truck.

Amortization of the above debt, including interest, is as follows:

<b>Year Ending December 31</b>	<b>Fire Truck</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2004	\$30,000	\$7,120	\$37,120
2005	30,000	5,527	35,527
2006	30,000	3,952	33,952
2007	30,000	2,377	32,377
2008	30,165	809	30,974
Total	\$150,165	\$19,785	\$169,950

**6. RETIREMENT SYSTEMS**

Township employees 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.

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equal to 13.55 percent of participants' gross salaries for 2003 and 2002. The Township has paid all contributions required through December 31, 2003.

**JACKSON TOWNSHIP  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**7. RISK POOL MEMBERSHIP**

The Government belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). 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 Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation. If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss with an annual aggregate of \$1,250,000 for 2002. There is no aggregate for 2003 and future accident years. Beginning in 2003, OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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

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 2003 and 2002 (the latest information available):

<u>Casualty Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$27,792,223	\$23,757,036
Liabilities	(11,791,300)	(9,197,512)
Retained earnings	<u>\$16,000,923</u>	<u>\$14,559,524</u>

<u>Property Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$6,791,060	\$6,596,996
Liabilities	(750,956)	(1,204,326)
Retained earnings	<u>\$6,040,104</u>	<u>\$5,392,670</u>

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND  
ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Jackson Township  
Allen County  
11510 Ada Road  
Ada, Ohio 45810

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson Township, Allen County, (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 30, 2004. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule as items 2003-001 through 2003-003. We also noted certain immaterial instances of non-compliance that we have reported to management of the Township in a separate letter dated June 30, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. A reportable condition involves matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2003-004.

**Internal Control Over Financial Reporting  
(Continued)**

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly would not necessarily disclose all reportable conditions that might be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Township in a separate letter dated June 30, 2004.

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



**Betty Montgomery**  
Auditor of State

June 30, 2004



**JACKSON TOWNSHIP  
ALLEN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2003-001**

**Prior Certification**

**Ohio Rev. Code Section 5705.41 (D)**, states that no order or contract involving the expenditure of money is to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

An exception to this basic requirement provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that the certification is being completed, 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 the warrant ("Then and Now".) The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district. Amounts of less than \$1,000 (\$3,000 after April 7, 2003), may be paid by the fiscal officer without such affirmation of the taxing authority 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.

During the years 2003 and 2002, prior certification was not obtained for 100 percent of the expenditures. In addition, there was no evidence of certification that funds were available at the time of making the obligation and at the time of payment ("then and now"). Also, there was no evidence that the Board of Trustees approved expenditures in excess of \$1,000, (\$3,000 after April 7, 2003) by formal resolution within thirty days, prior to payment.

The lack of proper certifications could result in the Township obligating funds in excess of fund balances resulting in a deficit spending situation. Certification that funds are available should be obtained prior to purchasing goods and services to prevent possible overspending of resources and/or the obligation of amounts in excess of specific line item appropriations.

The Township should establish procedures for obtaining certification prior to incurring an obligation, and/or for subsequent certification and approval as provided by the exception noted above.

**FINDING NUMBER 2003-002**

**Amended Certificate**

**Ohio Rev Code Section 5705.36** states that an increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the revenue that is in excess of the amount of the last amended certificate.

During 2003, the Township received and expended \$161,725 more than estimated in the final amended certificate for the Fire Fund.

The budgeted versus actual receipts should be monitored, and an amended certificate should be obtained if the Township plans to expend the additional revenue.

**FINDING NUMBER 2003-003**

**Expenditures Limited by Appropriations**

**Ohio Rev. Code Section 5705.41 (B)** states that no subdivision or taxing unit is to expend money unless it has been appropriated.

At December 31 of 2003 and 2002, the following funds had expenditures exceeding appropriations:

<u>Fund</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
<b>2003</b>			
Fire	\$53,200	\$236,264	\$(183,064)
Cemetery	15,000	18,454	(3,454)
<b>2002</b>			
Road and Bridge	81,500	87,951	(6,451)
Zoning	5,100	5,428	(328)

In addition, several line items during the years 2003 and 2002 had expenditures exceeding appropriations at the legal level of control. Amended or supplemental appropriations are not issued by the Township.

Failure to limit expenditures to the approved appropriations could result in deficit spending which could lead to deficit fund balances.

Expenditures should be limited to the approved appropriation amounts. The budgeted versus actual expenditures should be monitored and if it appears that expenditures will exceed the approved appropriation amounts, amended or supplemental appropriations should be issued and approved by the Board. This analysis should also encompass a review of available resources.

**FINDING NUMBER 2003-004**

**Effective Use of Township Resources**

The Township obtained access on March 22, 1999 to the Uniform Accounting Network system (UAN) provided by the Auditor of State's Office. The Clerk has attended training sessions offered by UAN, but has not utilized the system in his possession. In addition, UAN quarterly fees were paid in the amount of \$2,492 during 2003, which was for outstanding user fees for the fourth quarter of 2001 through the second quarter of 2003. Rather than utilize the UAN system, the Township maintained manual records during the audit period.

Failure to utilize the resources available to the Township in processing daily transactions and producing month and year-end reports leads to inefficient use of Township funds, lack of ready access to financial information, increased audit costs, and possible errors and irregularities occurring and not being detected in a timely manner.

The UAN system should be utilized in order to gain efficiency in processing transactions and generating reports which would provide access to information that would allow the Board to monitor the use of Township funds.

**JACKSON TOWNSHIP  
ALLEN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-001	Ohio Rev. Code Section 5705.41(D) Failure to utilize purchase orders	No	Repeated as finding 2003-001.
2001-002	Ohio Rev. Code Section 5705.38 Approval of Permanent Appropriations	Yes	Permanent appropriations were approved by the Trustees and submitted to the County Auditor
2001-003	Ohio Rev. Code Section 5705.39 Appropriations Limited by Estimated Revenue	Yes	Appropriations were less than estimated revenue.
2001-004	Ohio Rev. Code Section 5705.41(B) Expenditures Limited by Appropriations	No	Repeated as finding 2003-003.
2001-005	Maintenance of Township Records	Partially corrected	There were still some underlying documents unavailable to support revenue amounts. Comment moved to management letter
2001-006	Effective Use of Township Resources	No	Repeated as finding 2003-004.





**Auditor of State  
Betty Montgomery**

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**JACKSON TOWNSHIP**

**ALLEN 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 19, 2004**