

**JEFFERSON TOWNSHIP,  
GUERNSEY COUNTY**

**Audited Financial Statements  
For the years ended December 31, 2004 and 2003**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Jefferson Township, Guernsey County  
15538 Gunn Rd.  
Lore City, OH 43755

We have reviewed the *Independent Accountants' Report* of Jefferson Township, Guernsey County, prepared by Tucker and Tucker, CPAs, for the audit period January 1, 2003 through December 31, 2004. 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. Jefferson Township, Guernsey County is responsible for compliance with these laws and regulations.

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BETTY MONTGOMERY  
Auditor of State

December 22, 2005

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**JEFFERSON TOWNSHIP  
GUERNSEY COUNTY**

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## **Independent Accountants' Report**

Jefferson Township  
Guernsey County, Ohio  
15538 Gunn Road  
Lore City, Ohio 43755

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003. 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 *Governmental 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. 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.

Revisions to GAAP would require the Government to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 and 2003, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Government does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Government has elected not to reformat its statements. Since this Government does not use GAAP to measure financial statement amounts, 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 year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Jefferson Township, Guernsey County, Ohio as of December 31, 2004, or their changes in financial position for the year then ended.

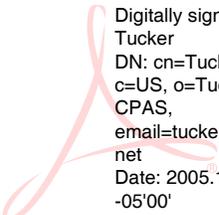
Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Jefferson Township, Guernsey County, Ohio, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Government to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 June 10, 2005, on our consideration of the Government'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.

This report is intended solely for the information and use of the audit committee, 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.

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and  
Tucker

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c=US, o=Tucker and Tucker  
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email=tucker43725@earthlink.  
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Cambridge, Ohio  
June 10, 2005

**JEFFERSON TOWNSHIP, GUERNSEY COUNTY**  
**Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances**  
**All Governmental and Fiduciary Fund Types**  
**For the Year Ended December 31, 2004**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Fund</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$ 95,429	\$0	\$0	\$0	\$ 95,429
Intergovernmental	1,977	140,630	0	0	142,607
Earnings on Investments	236	103	0	2	341
Special Assessments	0	0	791	0	791
Other Revenue	93	0	0	0	93
	<u>\$ 97,735</u>	<u>\$ 140,733</u>	<u>\$ 791</u>	<u>\$ 2</u>	<u>\$ 239,261</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	\$ 49,112	\$0	\$0	\$0	\$ 49,112
Public Safety	4,750	0	0	0	4,750
Public Works	41,859	164,191	0	0	206,050
Health	2,000	430	0	0	2,430
Capital Outlay	0	0	791	0	791
	<u>\$ 97,721</u>	<u>\$ 164,621</u>	<u>\$ 791</u>	<u>\$0</u>	<u>\$ 263,133</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>\$ 14</u>	<u>\$ (23,888)</u>	<u>\$0</u>	<u>\$ 2</u>	<u>\$ (23,872)</u>
<b>Other Financing Receipts/(Disbursements)</b>					
Sale of Fixed Assets	\$0	\$ 3,800	\$0	\$0	\$ 3,800
Transfers - In	0	5,350	0	0	5,350
Transfers - Out	(5,350)	0	0	0	(5,350)
Advances - In	765	1,529	0	0	2,294
Advances - Out	(875)	(1,419)	0	0	(2,294)
	<u>\$ (5,460)</u>	<u>\$ 9,260</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 3,800</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<u>\$ (5,446)</u>	<u>\$ (14,628)</u>	<u>\$0</u>	<u>\$ 2</u>	<u>\$ (20,072)</u>
<b>Fund Cash Balances, January 1, 2004</b>	<u>48,993</u>	<u>42,577</u>	<u>0</u>	<u>592</u>	<u>92,162</u>
<b>Fund Cash Balances, December 31, 2004</b>	<u>\$ 43,547</u>	<u>\$ 27,949</u>	<u>\$0</u>	<u>\$ 594</u>	<u>\$ 72,090</u>
<b>Reserve for Encumbrances, December 31, 2004</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The Notes to the Financial Statements are an integral part of this statement.

**JEFFERSON TOWNSHIP, GUERNSEY COUNTY**  
**Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances**  
**All Governmental and Fiduciary 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>	<u>Capital Projects</u>	<u>Fiduciary Fund</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$ 114,032	\$0	\$0	\$0	\$ 114,032
Intergovernmental	1,720	61,596	0	0	63,316
Special Assessments	0	0	737	0	737
Earnings on Investments	694	83	0	5	782
Other Revenue	957	70	0	0	1,027
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Total Cash Receipts	\$ 117,403	\$ 61,749	\$ 737	\$ 5	\$ 179,894
<b>Cash Disbursements:</b>					
Current:					
General Government	\$ 94,217	\$0	\$0	\$0	\$ 94,217
Public Safety	4,750	0	0	0	4,750
Public Works	66,631	50,369	0	0	117,000
Health	1,465	605	0	0	2,070
Capital Outlay	0	0	737	0	737
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Total Cash Disbursements	\$ 167,063	\$ 50,974	\$ 737	\$0	\$ 218,774
Total Cash Receipts Over/(Under)					
Cash Disbursements	\$ (49,660)	\$ 10,775	\$0	\$ 5	\$ (38,880)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, January 1, 2003</b>	98,653	31,802	0	587	131,042
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31, 2003</b>	\$ 48,993	\$ 42,577	\$0	\$ 592	\$ 92,162
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Reserve for Encumbrances, December 31, 2003</b>	\$ 42	\$ 4,602	\$0	\$0	\$ 4,644
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The Notes to the Financial Statements are an integral part of this statement.

**JEFFERSON TOWNSHIP, GUERNSEY COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2004 and 2003**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Description of the Entity**

Jefferson Township, Guernsey 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 also has an elected Township Clerk. The Township provides general government services, road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Antrim Volunteer Fire Department and the Old Washington Volunteer Fire Department to provide fire and ambulance services.

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, 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.

**Fund Accounting**

The Township uses fund accounting to maintain its financial records. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use, to aid financial management, and to demonstrate legal compliance. 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. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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:

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

*FEMA Funds* – This fund receives Federal Emergency Management Agency funds through the State of Ohio to pay for construction, maintaining and repairing Township roads.

### Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Projects Fund:

*Other Capital Projects Fund* – This fund was established to account for Issue II money which is used for repair and improvement of Township roads.

### Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

*Cemetery Bequest Fund* – This is a nonexpendable trust fund which receives interest earnings to be used for cemetery maintenance. The nonexpendable trust principal equals \$500 as of December 31, 2004.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

### **Budgetary Process**

The Ohio Revised Code requires that all funds be budgeted and appropriated 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. Unencumbered appropriations lapse at year end.

#### Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources. The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk.

#### 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 reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 2004 and 2003 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 in the accompanying financial statements.

### **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 Township's basis of accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

**Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**Interfund Receivable/Payables**

The Township reports advances-in and advances-out for Interfund loans. These items are not reflected as assets or liabilities in the accompanying financial statements.

**Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**Long-Term Obligations**

The Township's financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

**Estimates**

The preparation of financial statements in conformity with the basis of accounting prescribed or permitted by the Auditor of State requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – EQUITY IN POOLED CASH

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2004</u>	<u>2003</u>
Demand deposits	\$ 71,496	\$ 91,570
Total	<u>\$ 71,496</u>	<u>\$ 91,570</u>

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by the financial institution’s public entity deposit pool. Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions.

NOTE 3 - BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follow:

<u>2004 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 105,494	\$ 97,735	\$ (7,759)
Special Revenue	150,742	149,883	(859)
Capital Projects	791	791	0
Fiduciary	<u>5</u>	<u>2</u>	<u>(3)</u>
Total	<u>\$ 257,032</u>	<u>\$ 248,411</u>	<u>\$ (8,621)</u>

NOTE 3 - BUDGETARY ACTIVITY - continued

2004 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 154,530	\$ 103,071	\$ (51,459)
Special Revenue	183,284	164,621	(18,663)
Capital Projects	791	791	0
Fiduciary	97	0	(97)
Total	<u>\$ 338,702</u>	<u>\$ 268,483</u>	<u>\$ (70,219)</u>

2003 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 117,272	\$ 117,403	\$ 131
Special Revenue	61,749	61,749	0
Capital Projects	737	737	0
Fiduciary	5	5	0
Total	<u>\$ 179,763</u>	<u>\$ 179,894</u>	<u>\$ 131</u>

NOTE 3 - BUDGETARY ACTIVITY - continued

2003 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 217,290	\$ 167,105	\$ (50,185)
Special Revenue	86,466	55,576	(30,890)
Capital Projects	737	737	0
Fiduciary	56	0	(56)
Total	<u>\$ 304,549</u>	<u>\$ 223,418</u>	<u>\$ (81,131)</u>

NOTE 4 - EXCISE TAX

The Township levies a three percent excise tax upon all transactions by which lodging by a hotel is or is to be furnished to transient guests throughout the Township. The Township receives the tax directly from the hotels and motels and is receipted into the General Fund and reflected in the accompanying financial statements as Local Taxes. The Township received 40% of its total receipts during 2004 and 63% of its total receipts during 2003 from this excise tax.

NOTE 5 – FUND TRANSFERS

During 2004, the following transfers were made:

Transfers from the General Fund to:

Gasoline Tax Fund	<u>\$ 5,350</u>
Total	<u>\$ 5,350</u>

Transfers represent the allocation of receipts collected to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

## NOTE 6 - RISK MANAGEMENT

### **Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions

The Township also provides medical insurance for its full-time employees and elected officials.

## NOTE 7 - RETIREMENT SYSTEM

The Township's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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. OPERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 9.55% of participants' gross salaries for pension benefits.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

The Township's share of the required contributions for pension obligations to OPERS for the years ended December 31, 2004, 2003, and 2002 were \$5,886, \$5,890, and \$6,776 respectively. The full amount has been contributed for 2004, 2003, and 2002.

## NOTE 8 – POSTEMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefits as described in *GASB Statement No. 12*. A portion of each employer's contribution of the plan is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55% of covered payroll; 4.00% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8%, an annual increase in active employee total payroll of 4% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase between 1% and 6% annually for the next eight years and 4% annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. The actual contribution and the actuarially required contribution amounts are the same. OPERS' net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2005. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**Report on Compliance and 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***

Jefferson Township  
Guernsey County, Ohio  
15538 Gunn Road  
Lore City, Ohio 43755

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated June 10, 2005. 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 in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve 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. Reportable conditions are described in the accompanying schedule of findings as items 2004-01 and 2004-02.

A material weaknesses is a reportable 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 caused by error or fraud 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 are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

### **Compliance and Other Matters**

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, and the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**Tucker and  
Tucker**

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c=US, o=Tucker and Tucker  
CPAS,  
email=tucker43725@earthlink.  
net  
Date: 2005.12.19 16:06:49  
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Cambridge, Ohio  
June 10, 2005

**JEFFERSON TOWNSHIP, GUERNSEY COUNTY**  
**Schedule of Findings**  
**December 31, 2004 and 2003**

Reportable Conditions

Finding Number 2004-01

**Written Policies and Procedures**

There are no written Township policies and procedures. Having those documents would provide employees with a clearer understanding of what the trustees expect of township personnel.

We recommend the Clerk of Trustees propose said policies and procedures in whatever detail she deems sufficient.

Finding Number 2004-02

**Meeting Minutes**

The minutes of Township meetings were silent concerning some matters of Township business. We saw no authorization concerning the establishment of a Capital Projects Fund in 2004 and action on some budgetary matters was not present.

Board minutes are a public record and should include all action taken by the Trustees concerning Township business. We recommend the Clerk and the Trustees take necessary care to ensure all Township activity is included in the minute record.

**JEFFERSON TOWNSHIP, GUERNSEY COUNTY**  
**Schedule of Prior Audit Finding**  
**December 31, 2004 and 2003**

Finding Number 2002-41030-001

Finding Summary – Ohio Revised Code Section 5705.41 (D) – not obtaining Township Clerk’s certification prior to the date of obligation.

Finding Status – Corrected.





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

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800-282-0370

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**JEFFERSON TOWNSHIP**

**GUERNSEY 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  
DECEMBER 30, 2005**