



**JEFFERSON TOWNSHIP
FAYETTE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**JEFFERSON TOWNSHIP
FAYETTE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Jefferson Township
Fayette County
42 Railroad Street, NW.
Jeffersonville, Ohio 43128

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Fayette County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000. 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 the Township as of December 31, 2001 and 2000, 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 February 7, 2002 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.

Jim Petro
Auditor of State

February 7, 2002

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**JEFFERSON TOWNSHIP
FAYETTE 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, 2001**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$24,835	\$150,361	\$133,050	\$0	\$308,246
Intergovernmental	77,935	88,884	0	0	166,819
Charges for Services	0	1,680	0	0	1,680
Licenses, Permits, and Fees	0	8,670	0	0	8,670
Earnings on Investments	4,344	533	0	55	4,932
Other Revenue	0	4,984	0	0	4,984
	<u>107,114</u>	<u>255,112</u>	<u>133,050</u>	<u>55</u>	<u>495,331</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	53,799	0	0	0	53,799
Public Safety	353	46,741	0	0	47,094
Public Works	730	122,837	0	0	123,567
Health	13,430	10,335	0	0	23,765
Conservation - Recreation	2,042	0	0	0	2,042
Debt Service:					
Redemption of Principal	0	0	49,662	0	49,662
Interest and Fiscal Charges	0	0	15,280	0	15,280
Capital Outlay	3,425	310,546	0	0	313,971
	<u>73,779</u>	<u>490,459</u>	<u>64,942</u>	<u>0</u>	<u>629,180</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>33,335</u>	<u>(235,347)</u>	<u>68,108</u>	<u>55</u>	<u>(133,849)</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Sale of Bonds	0	286,395	0	0	286,395
Sale of Fixed Assets	0	2,252	0	0	2,252
Other Sources	1,203	3,500	0	0	4,703
	<u>1,203</u>	<u>292,147</u>	<u>0</u>	<u>0</u>	<u>293,350</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	34,538	56,800	68,108	55	159,501
Fund Cash Balances, January 1	95,222	153,894	0	1,637	250,753
Fund Cash Balances, December 31	<u>\$129,760</u>	<u>\$210,694</u>	<u>\$68,108</u>	<u>\$1,692</u>	<u>\$410,254</u>

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

**JEFFERSON TOWNSHIP
FAYETTE 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, 2000**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Local Taxes	\$23,747	\$102,190	\$105,168	\$0	\$231,105
Intergovernmental	64,251	81,898	0	0	146,149
Charges for Services	0	1,730	0	0	1,730
Licenses, Permits, and Fees	0	9,848	0	0	9,848
Earnings on Investments	4,065	601	0	55	4,721
Other Revenue	534	2,961	0	0	3,495
	<u>92,597</u>	<u>199,228</u>	<u>105,168</u>	<u>55</u>	<u>397,048</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	49,309	0	0	0	49,309
Public Safety	353	46,041	0	0	46,394
Public Works	555	140,716	0	0	141,271
Health	12,345	9,687	0	0	22,032
Conservation - Recreation	3,521	0	0	0	3,521
Debt Service:					
Redemption of Principal	0	0	85,863	0	85,863
Interest and Fiscal Charges	0	0	19,305	0	19,305
Capital Outlay	2,783	32,273	0	0	35,056
	<u>68,866</u>	<u>228,717</u>	<u>105,168</u>	<u>0</u>	<u>402,751</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>23,731</u>	<u>(29,489)</u>	<u>0</u>	<u>55</u>	<u>(5,703)</u>
Other Financing Receipts/(Disbursements):					
Advances-In	0	10,158	10,158	0	20,316
Advances-Out	0	(10,158)	(10,158)	0	(20,316)
Other Sources	0	1,450	0	0	1,450
	<u>0</u>	<u>1,450</u>	<u>0</u>	<u>0</u>	<u>1,450</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	23,731	(28,039)	0	55	(4,253)
Fund Cash Balances, January 1	<u>71,491</u>	<u>181,933</u>	<u>0</u>	<u>1,582</u>	<u>255,006</u>
Fund Cash Balances, December 31	<u>\$95,222</u>	<u>\$153,894</u>	<u>\$0</u>	<u>\$1,637</u>	<u>\$250,753</u>

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

**JEFFERSON TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Jefferson Township, Fayette County, Ohio (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, and fire protection.

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

Township funds, except the Trust Fund, are deposited in a "Now" checking account with a local commercial bank. The Trust Fund is deposited in a savings account and invested in a U.S. savings bond. 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. Savings bonds 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.

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 Township had the following significant Special Revenue Funds:

Motor Vehicle License Tax Fund - This fund receives motor vehicle tax money for constructing, maintaining and repairing Township roads.

**JEFFERSON TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Cemetery Fund - This fund receives money and fees from the sale of lots, and grave openings and closings for purpose of maintaining, grooming and operating of Township cemeteries.

Fire Levy Fund - This fund receives property tax money for the provision of fire protection.

Permissive Motor Vehicle License Fund - This fund receives tax money for maintaining and repairing Township roads.

3. Debt Service Funds

The Debt Service Fund is used to accumulate resources for the payment of bonds and note indebtedness.

4. Fiduciary Funds (Nonexpendable Trust Fund)

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. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. The Township's nonexpendable trust fund is used to account for the funds held in trust for specific uses in the cemetery. Only the interest earnings can be expended.

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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

**JEFFERSON TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Township did not encumber all commitments required by Ohio law. There were no outstanding encumbrances as of December 31, 2001 and 2000.

A summary of 2001 and 2000 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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2001</u>	<u>2000</u>
Demand deposits	\$408,754	\$249,253
Savings account	1,000	1,000
Total deposits	409,754	250,253
U.S. Savings bond	500	500
Total deposits and investments	\$410,254	\$250,753

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

Investments: The Township invest the principle of a cemetery trust in a U.S. Savings Bond as requested by the donor. The U.S. Savings Bond is insured by the U.S. Government and is registered in the Township's name. The carrying amount and market value of investments at December 31, 2001 and 2000 was \$500.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$42,540	\$108,317	\$65,777
Special Revenue	513,860	547,259	33,399
Debt Service	132,992	133,050	58
Fiduciary	30	55	25
Total	\$689,422	\$788,681	\$99,259

**JEFFERSON TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$137,763	\$73,779	\$63,984
Special Revenue	667,753	490,459	177,294
Debt Service	132,992	64,942	68,050
Fiduciary	1,667	0	1,667
Total	\$940,175	\$629,180	\$310,995

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,290	\$92,597	\$54,307
Special Revenue	176,824	200,678	23,854
Debt Service	105,168	105,168	0
Fiduciary	30	55	25
Total	\$320,312	\$398,498	\$78,186

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$109,780	\$68,866	\$40,914
Special Revenue	358,758	228,717	130,041
Debt Service	105,168	105,168	0
Fiduciary	1,612	0	1,612
Total	\$575,318	\$402,751	\$172,567

The Township did not obtain prior certification of the fiscal officer for all purchases nor were commitments properly encumbered as required by Ohio law.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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.

**JEFFERSON TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. PROPERTY TAX (Continued)

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

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Fire Truck General Obligation Bonds	286,395	5.50%
Fire House General Obligation Notes	276,238	4.60%
Total	\$562,633	

The township fire truck general obligation bonds were issued in February 2001 for a period of five years to finance the purchase of a new fire truck to be used for the provision of Township fire protection. The bonds are collateralized solely by the Township's taxing authority. The township firehouse general obligation note was issued in June 1999 for a period of nine years to finance the construction of a new firehouse to be used for the house of fire equipment used in the provision of Township fire protection. The notes are collateralized solely by the Township's taxing authority.

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

Year ending December 31:	Fire Truck General Obligation Bonds	Fire House General Obligation Notes	Totals
2002	\$67,067	\$52,170	\$119,237
2003	67,067	50,354	117,421
2004	67,067	48,539	115,606
2005	67,067	46,723	113,790
2006	67,067	44,909	111,976
2007-2008	0	84,371	84,371
Total	\$335,335	\$327,066	\$662,401

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000, and for all of 2001. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 and running through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

**JEFFERSON TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

7. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty insurance 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 Insurance

OTARMA retains casualty risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured with APEEP 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 Insurance

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

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 government.

Financial Position

According to the latest financial information available, 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:

<u>Casualty Coverage</u>	<u>2000</u>	<u>1999</u>
Assets	\$22,684,383	\$18,172,222
Liabilities	<u>8,924,977</u>	<u>5,947,013</u>
Retained earnings	<u>\$13,759,406</u>	<u>\$12,225,209</u>
 <u>Property Coverage</u>	 <u>2000</u>	 <u>1999</u>
Assets	\$4,156,784	\$3,544,437
Liabilities	<u>497,831</u>	<u>674,752</u>
Retained earnings	<u>\$3,658,953</u>	<u>\$2,869,685</u>

**JEFFERSON TOWNSHIP
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

7. RISK MANAGEMENT (Continued)

The Township also provides health, disability, life, and cancer insurance coverage for the eligible elected officials and employees through a private carrier.

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STATE OF OHIO
OFFICE OF THE AUDITOR

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

Jefferson Township
Fayette County
42 Railroad Street, NW.
Jeffersonville, Ohio 43128

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Fayette County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated February 7, 2002. 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2001-40624-001.

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. 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. The reportable condition is described in the accompanying schedule of findings as item 2001-40624-001.

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 are also considered to be material weaknesses. However, we consider the reportable condition described as item 2001-40624-001 above to be 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 management of the Township in a separate letter dated February 7, 2002.

Jefferson Township
Fayette County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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.

Jim Petro
Auditor of State

February 7, 2002

JEFFERSON TOWNSHIP
FAYETTE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000

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

FINDING NUMBER 2001-40624-001

Noncompliance Citation/Material Weakness

Ohio Rev. Code, Section 5705.41 (D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two exceptions to the above requirements:

- A. Then and Now Certificates- If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board of Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
- B. If the amount involved is less than \$1,000 dollars, the Clerk may authorize payment through a Then and Now Certificate without affirmation of the Board of Trustees, if such expenditure is otherwise valid.

Of the expenditures tested, 100% did not contain prior certification or a then and now certification of the fiscal officer, contrary to this requirement.

This procedure is not only required by Ohio law, but it is also a key control in the disbursement process. Without proper certification of funds, disbursements could be made without adequate current resources being available or disbursements could be made in excess of authorized appropriations. We recommend that prior certifications be done for all disbursements. In instances when prior certifications are not practical, "then and now" certifications should be made.

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**JEFFERSON TOWNSHIP
FAYETTE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
1999-40624-001	ORC, Section 5705.41(D) - No certificate of the fiscal officer of the subdivision were attached to any expenditures.	No	Not Corrected - Reissued as 2001-40624-001.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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JEFFERSON TOWNSHIP

FAYETTE 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
MARCH 19, 2002**