



**Auditor of State
Betty Montgomery**

JEFFERSON TOWNSHIP
JACKSON COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Jefferson Township
Jackson County
1264 Antioch Road
Oak Hill, Ohio 45656

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Jackson County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001. 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 Jefferson Township, Jackson County, as of December 31, 2002 and 2001, 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 July 21, 2003, 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.

Jefferson Township
Jackson County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of the management, the Board of Trustees, and other officials authorized to receive this report under Section 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". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 21, 2003

JEFFERSON TOWNSHIP
JACKSON 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>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$27,023	\$37,216	\$	\$64,239
Intergovernmental	55,429	65,680	95,397	216,506
Licenses, Permits, and Fees	19			19
Earnings on Investments	1,227	135		1,362
Other Revenue	<u>2,251</u>	<u>87</u>		<u>2,338</u>
Total Cash Receipts	<u>85,949</u>	<u>103,118</u>	<u>95,397</u>	<u>284,464</u>
Cash Disbursements:				
Current:				
General Government	63,562			63,562
Public Works		123,532		123,532
Debt Service:				
Redemption of Principal		8,507	61,449	69,956
Interest and Fiscal Charges		810	25,551	26,361
Capital Outlay			4,504	4,504
Total Cash Disbursements	<u>63,562</u>	<u>132,849</u>	<u>91,504</u>	<u>287,915</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>22,387</u>	<u>(29,731)</u>	<u>3,893</u>	<u>(3,451)</u>
Other Financing Receipts:				
Proceeds from Sale of Public Debt:				
Sale of Notes		35,102		35,102
Total Other Financing Receipts	<u>0</u>	<u>35,102</u>	<u>0</u>	<u>35,102</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	22,387	5,371	3,893	31,651
Fund Cash Balances, January 1	<u>39,211</u>	<u>39,080</u>	<u>31,176</u>	<u>109,467</u>
Fund Cash Balances, December 31	<u>\$61,598</u>	<u>\$44,451</u>	<u>\$35,069</u>	<u>\$141,118</u>

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

**JEFFERSON TOWNSHIP
JACKSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$12,010	\$18,046	\$	\$30,056
Intergovernmental	52,676	62,810	87,135	202,621
Licenses, Permits, and Fees	19			19
Earnings on Investments	1,120	181		1,301
Other Revenue	<u>2,352</u>			<u>2,352</u>
Total Cash Receipts	<u>68,177</u>	<u>81,037</u>	<u>87,135</u>	<u>236,349</u>
Cash Disbursements:				
Current:				
General Government	64,261			64,261
Public Works		70,707		70,707
Debt Service:				
Redemption of Principal		9,928	230,614	240,542
Interest and Fiscal Charges		660	20,136	20,796
Capital Outlay			<u>295,014</u>	<u>295,014</u>
Total Cash Disbursements	<u>64,261</u>	<u>81,295</u>	<u>545,764</u>	<u>691,320</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>3,916</u>	<u>(258)</u>	<u>(458,629)</u>	<u>(454,971)</u>
Other Financing Receipts:				
Proceeds from Sale of Public Debt:				
Sale of Notes			<u>466,356</u>	<u>466,356</u>
Total Other Financing Receipts	<u>0</u>	<u>0</u>	<u>466,356</u>	<u>466,356</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	3,916	(258)	7,727	11,385
Fund Cash Balances, January 1	<u>35,295</u>	<u>39,338</u>	<u>23,449</u>	<u>98,082</u>
Fund Cash Balances, December 31	<u>\$39,211</u>	<u>\$39,080</u>	<u>\$31,176</u>	<u>\$109,467</u>

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

**JEFFERSON TOWNSHIP
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Jefferson Township, Jackson 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 road and bridge maintenance, cemetery maintenance, and fire protection services.

The Township is associated with the Madison-Jefferson Joint Fire District which is defined as a jointly governed organization. This organization is presented in Note 8.

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. Fund Accounting

The Township uses fund accounting to segregate cash that is 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:

Road and Bridge Fund - This fund receives property tax money to pay 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.

**JEFFERSON TOWNSHIP
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Capital Project 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:

Sales Tax-Permanent Improvement – This fund receives a portion of the monies collected for sales tax from the County Auditor for permanent improvement and repayment of debt relating to capital expenditures.

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

E. 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

The Township maintains a cash 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:

	<u>2002</u>	<u>2001</u>
Demand deposits	<u>\$141,118</u>	<u>\$109,467</u>

**JEFFERSON TOWNSHIP
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. EQUITY IN POOLED CASH (Continued)

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001, follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$65,000	\$85,949	\$20,949
Special Revenue	98,586	138,220	39,634
Capital Projects	82,000	95,397	13,397
Total	\$245,586	\$319,566	\$73,980

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$89,800	\$63,562	\$26,238
Special Revenue	114,400	132,849	(18,449)
Capital Projects	92,000	91,504	496
Total	\$296,200	\$287,915	\$8,285

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$63,000	\$68,177	\$5,177
Special Revenue	85,000	81,037	(3,963)
Capital Projects	82,000	553,491	471,491
Total	\$230,000	\$702,705	\$472,705

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$89,800	\$64,261	\$25,539
Special Revenue	114,400	81,295	33,105
Capital Projects	92,000	545,764	(453,764)
Total	\$296,200	\$691,320	(\$395,120)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Gasoline Tax Fund by \$10,834 and the Road and Bridge Fund by \$10,079, for the year ended December 31, 2002 and budgetary expenditures exceeded appropriation authority in the Community Improvement Fund by \$453,764, for the year ended December 31, 2001.

**JEFFERSON TOWNSHIP
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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.

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, 2002, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Backhoe Loader Loan	\$26,596	4.95%
Road Improvement Note	382,910	6.125%
Total	<u>\$409,506</u>	

The backhoe loader note was for the purchase of a backhoe in 2002. This note, which is secured by the asset, was for \$35,102 and is being repaid in semiannual installments of \$9,318, including interest, over two years.

The road improvement note was issued to pay for road paving done in 2001 and to retire the previous road improvement note issued in 1999. This loan, which is unsecured, was for \$466,356 and will be repaid in monthly installments of \$6,000, including interest, over five years, with a balloon payment of \$198,930 being due at maturity.

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

	<u>Backhoe Loader Loan</u>	<u>Road Improvement Note</u>
Year ending December 31:		
2003	\$18,635	\$72,000
2004	9,318	72,000
2005		72,000
2006		228,930
Total	<u>\$27,953</u>	<u>\$444,930</u>

**JEFFERSON TOWNSHIP
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

6. RETIREMENT SYSTEMS

The Township's elected officials and 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. For 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2002.

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 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. 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 Coverage

OTARMA retains property risks, including automobile physical damage, up to \$10,000 on any specific loss with an annual aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsures losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed 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 government.

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:

**JEFFERSON TOWNSHIP
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

7. RISK MANAGEMENT (Continued)

<u>Casualty Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$23,757,036	\$23,703,776
Liabilities	<u>(9,197,512)</u>	<u>(9,379,003)</u>
Retained earnings	<u>\$14,559,524</u>	<u>\$14,324,773</u>

<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$6,596,996	\$5,011,131
Liabilities	<u>(1,204,326)</u>	<u>(647,667)</u>
Retained earnings	<u>\$5,392,670</u>	<u>\$4,363,464</u>

8. JOINTLY GOVERNED ORGANIZATION

Madison-Jefferson Joint Fire District – The Madison-Jefferson Joint Fire District, Jackson County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Fire District is directed by an appointed five-member Board of Trustees. Three members are appointed by the Fire Fighter's Association and one is appointed by each of the Townships which are members in the Fire District. The Fire District provides the community with fire protection. To obtain financial information, write to the Madison-Jefferson Joint Fire District, Sue Lambert – Clerk/Treasurer, 311 Madison Street, Box 330, Oak Hill, Ohio 45656.



**Auditor of State
Betty Montgomery**

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

Jefferson Township
Jackson County
1264 Antioch Road
Oak Hill, Ohio 45656

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Jackson County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 21, 2003. 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 of Findings as items 2002-001 through 2002-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated July 21, 2003.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we 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 July 21, 2003.

Jefferson Township
Jackson County
Independent Accountants' Report on Compliance and on
Internal Control Required by Government Auditing Standards
Page 2

This report is intended 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 21, 2003

**JEFFERSON TOWNSHIP
JACKSON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Rev. Code § 5705.10 states that money paid into a fund may only be used for the purpose for which the fund is established. As the Township Clerk's duties are administrative in nature, and the Gasoline Tax Fund may not be used to pay for general administrative services, the Township Clerk's salary and benefits should therefore be paid from the Township's General Fund. During 2001, the Township paid \$920 of the Township Clerk's Public Employee Retirement System benefits from the Gasoline Tax Fund.

As a result of the foregoing facts, a finding for adjustment in the amount of \$920 is issued against the General Fund and in favor of the Gasoline Tax Fund.

This adjustment, with which management agrees, has been posted to the Township's books and is reflected in the accompanying financial statements. We recommend the Township Clerk pay all of his future salary and benefits from the Township's General Fund.

FINDING NUMBER 2002-002

Noncompliance Citation

Ohio Rev. Code § 5705.41(B) requires that no subdivision or taxing unit shall expend any money unless it has been properly appropriated.

For the year ended December 31, 2002, disbursements exceeded appropriations in the Gasoline Tax and Road and Bridge Funds' by \$10,834 and \$10,079, respectively.

For the year ended December 31, 2001, disbursements exceeded appropriations in the Community Improvement Fund by \$453,764.

The Township Clerk should deny payment requests exceeding appropriations. The Township Clerk may request the Board of Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**JEFFERSON TOWNSHIP
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2002-003

Noncompliance Citation

Ohio Rev. Code § 505.603 effective September 5, 2000, states that in addition to or in lieu of providing benefits to township officers and employees under section 505.60, 505.601, or 505.602 of the Revised Code, a board of township trustees may offer benefits to officers and employees through a cafeteria plan that meets the requirements of section 125 of the "Internal Revenue Code". In order to offer benefits through a cafeteria plan, the township must adopt a policy authorizing an officer or employee to receive a cash payment in lieu of a benefit otherwise offered to township officers or employee. This cash payment may not exceed twenty-five per cent of the cost of premiums or payments that otherwise would be paid by the board for benefits for the officer or employee.

Ohio Rev. Code § 505.603 further requires that no cash payment in lieu of a benefit be made unless the officer or employee provides a signed statement with the following information:

- an affirmation that the individual is covered under another health insurance plan for that type of coverage
- the name of the employer (if any) that sponsors the coverage
- the name of the carrier that provides the coverage
- the policy or plan number for the coverage

Two Board of Trustees received cafeteria plan benefits; however, there is no policy in place regarding these benefits. Even though the statements received from the insurance carriers provided some of the required information it should also include the identifying policy, plan, or contract number. In addition, the Board of Trustees did not provide the needed signed statement affirming they are covered under another health insurance policy as required by Ohio Rev. Code Section 505.603.

We recommend the Township pass corrective legislation to properly establish the cafeteria plan. In this legislation the Township should adopt a policy establishing the cafeteria plan in accordance with the requirements of Ohio Rev. Code Section 505.603.

**JEFFERSON TOWNSHIP
JACKSON 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;
1997-40740-001	Finding for Recovery in the amount of \$1,375 against John McNeal, Trustee, and Kemper Insurance Group, jointly and severally, in favor of the Jefferson Township General Fund for unauthorized/unallowed reimbursements of out-of-pocket insurance expenses.	No	Not corrected. The finding has not been addressed by the Township.
2000-40740-001	Ohio Rev. Code Section 5705.41(B), expenditures exceed appropriations.	No	Not corrected. Reissued as finding No. 2002-002.
2000-40740-002	Ohio Rev. Code Section 5705.41(D), not certifying availability of funds prior to incurring an obligation.	No	Partially corrected. We issued this finding in the management letter.



**Auditor of State
Betty Montgomery**

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JEFFERSON TOWNSHIP

JACKSON 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
SEPTEMBER 23, 2003**