



**Auditor of State
Betty Montgomery**

JEFFERSON TOWNSHIP
CLINTON COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Jefferson Township
Clinton County
101 Jonesboro Road
P.O. Box 78
Midland, Ohio 45148

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Clinton County, Ohio (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 the 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 21, 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". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 21, 2004

**JEFFERSON TOWNSHIP
CLINTON 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$8,522	\$34,364	\$0	\$42,886
Intergovernmental	47,066	65,856	0	112,922
Earnings on Investments	1,288	618	485	2,391
Other Revenue	1,127	8,777	0	9,904
	<u>58,003</u>	<u>109,615</u>	<u>485</u>	<u>168,103</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	26,657	0	0	26,657
Public Works	0	65,205	0	65,205
Health	2,451	9,086	0	11,537
Conservation - Recreation	2,250	0	0	2,250
	<u>31,358</u>	<u>74,291</u>	<u>0</u>	<u>105,649</u>
Total Cash Disbursements				
	<u>31,358</u>	<u>74,291</u>	<u>0</u>	<u>105,649</u>
Total Receipts Over Disbursements	26,645	35,324	485	62,454
Fund Cash Balances, January 1	<u>24,666</u>	<u>176,339</u>	<u>11,079</u>	<u>212,084</u>
Fund Cash Balances, December 31	<u>\$51,311</u>	<u>\$211,663</u>	<u>\$11,564</u>	<u>\$274,538</u>

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

**JEFFERSON TOWNSHIP
CLINTON 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, 2002**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Fund</u>	
Cash Receipts:				
Local Taxes	\$8,223	\$34,192	\$0	\$42,415
Intergovernmental	13,878	68,346	0	82,224
Earnings on Investments	1,775	720	572	3,067
Other Revenue	0	3,818	0	3,818
	<u>23,876</u>	<u>107,076</u>	<u>572</u>	<u>131,524</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	37,127	0	0	37,127
Public Safety	0	16,403	0	16,403
Public Works	0	56,748	0	56,748
Health	9,171	1,552	0	10,723
Conservation - Recreation	22,096	0	0	22,096
	<u>68,394</u>	<u>74,703</u>	<u>0</u>	<u>143,097</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	(44,518)	32,373	572	(11,573)
Fund Cash Balances, January 1	69,184	143,966	10,507	223,657
Fund Cash Balances, December 31	<u>\$24,666</u>	<u>\$176,339</u>	<u>\$11,079</u>	<u>\$212,084</u>

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

**JEFFERSON TOWNSHIP
CLINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Jefferson Township, Clinton 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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Clark Township Life Squad to provide ambulance services.

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 Deposits

The Township Clerk deposits available funds in a "NOW" checking account and a certificate of deposit account with a local commercial bank. Interest is distributed to Township funds based upon Ohio statutes. The certificate of deposit is 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:

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

**JEFFERSON TOWNSHIP
CLINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Emergency Levy Fund – This fund receives tax money to provide contracted ambulance services.

3. Fiduciary Fund (Nonexpendable Trust Fund)

This fund is 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 nonexpendable trust fund:

Cemetery Bequest Fund – This fund requires the principal to remain intact and interest earned on the principal to be used to maintain a particular cemetery plot.

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. The Township did not encumber all commitments required by Ohio law. However, there were no material encumbrances outstanding at December 31, 2003 and 2002.

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.

2. EQUITY IN POOLED CASH AND DEPOSITS

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

**JEFFERSON TOWNSHIP
CLINTON COUNTY**

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

2. EQUITY IN POOLED CASH AND DEPOSITS (Continued)

	2003	2002
Demand deposits	\$264,338	\$201,884
Certificates of deposit	10,200	10,200
Total deposits	\$274,538	\$212,084

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$20,000	\$58,003	\$38,003
Special Revenue	101,058	109,615	8,557
Fiduciary	400	485	85
Total	\$121,458	\$168,103	\$46,645

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$47,375	\$31,358	\$16,017
Special Revenue	151,000	74,291	76,709
Fiduciary	500	0	500
Total	\$198,875	\$105,649	\$93,226

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$23,876	\$23,876
Special Revenue	0	107,076	107,076
Fiduciary	0	572	572
Total	\$0	\$131,524	\$131,524

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$68,394	(\$68,394)
Special Revenue	0	74,703	(74,703)
Fiduciary	0	0	0
Total	\$0	\$143,097	(\$143,097)

**JEFFERSON TOWNSHIP
CLINTON COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

During 2002 the appropriation resolution was not approved by the Board of Trustees nor was one submitted to the County Auditor. As a result, expenditures exceeded appropriations in all funds contrary to Ohio law. The Township also did not obtain prior certification of the fiscal officer for all purchases nor were all commitments 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 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. RETIREMENT SYSTEMS

The Township's officials 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% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2003 and for 2002. The Township has paid all contributions required through December 31, 2003.

6. 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.

**JEFFERSON TOWNSHIP
CLINTON COUNTY**

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

6. RISK POOL MEMBERSHIP (Continued)

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 2002 and 2001 (the latest information available):

<u>Casualty Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$23,757,036	\$23,703,776
Liabilities	(9,197,512)	(9,379,003)
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	(1,204,326)	(647,667)
Retained earnings	<u>\$5,392,670</u>	<u>\$4,363,464</u>

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Auditor of State Betty Montgomery

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

Jefferson Township
Clinton County
101 Jonesboro Rd.
P.O. Box 78
Midland, Ohio 45148

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Clinton County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 21, 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 of findings as items 2003-001 through 2003-005. We also noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 21, 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 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 2003-004 through 2003-007.

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. Of the reportable conditions described above, we consider items 2003-005 and 2003-006 to be material weaknesses. 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 June 21, 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 21, 2004

**JEFFERSON TOWNSHIP
CLINTON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2003-001

Finding for Recovery- Repaid Under Audit

Ohio Revised Code, Section 505.24, provides that each township trustee is entitled to compensation based on the township's annual budget. In townships having a budget of more than two hundred fifty thousand but not more than five hundred thousand dollars, the township trustee's compensation has been established at \$7,524 in annual compensation. During 2003, an error was made in the calculation of the officials' salaries. The Township's Trustee, Howard Osborn, was entitled to \$7,524 in annual compensation, however he was compensated \$7,651. This resulted in an overpayment of \$127.

In accordance with the foregoing fact, and pursuant to Ohio Rev. Code, Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Township Trustee, Howard Osborn, and The Western Surety Insurance Company, his bonding company, jointly and severally, in the amount of one hundred twenty seven dollars (\$127) and in favor of the Township's General Fund. When notified of the overpayment, Mr. Osborn reimbursed the Township in the amount of the finding.

FINDING NUMBER 2003-002

Finding for Recovery- Repaid Under Audit

Ohio Revised Code, Section 505.24, provides that each township trustee is entitled to compensation based on the township's annual budget. In townships having a budget of more than two hundred fifty thousand but not more than five hundred thousand dollars, the township trustee's compensation has been established at \$7,524 in annual compensation. During 2003, an error was made in the calculation of the officials' salaries. The Township's Trustee, Dale Cochran, was entitled to \$7,524 in annual compensation, however he was compensated \$7,651. This resulted in an overpayment of \$127.

In accordance with the foregoing fact, and pursuant to Ohio Rev. Code, Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Township Trustee, Dale Cochran, and The Western Surety Company, his bonding company, jointly and severally, in the amount of one hundred twenty seven dollars (\$127) and in favor of the Township's General Fund. When notified of the overpayment, Mr. Cochran reimbursed the Township in the amount of the finding.

FINDING NUMBER 2003-003

Finding for Recovery- Repaid Under Audit

Ohio Revised Code, Section 507.09, provides that the township clerk is entitled to compensation based on the township's annual budget. In townships having a budget of more than two hundred fifty thousand but not more than five hundred thousand dollars, the township clerk's compensation has been established at \$11,143. During 2003, an error was made in the calculation of the officials' salaries. The Township's Clerk, Darrell Taylor, was entitled to \$11,143 in annual compensation, however he was compensated \$11,477. This resulted in an overpayment of \$334.

In accordance with the foregoing fact, and pursuant to Ohio Rev. Code, Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Township Clerk, Darrell Taylor, and The Ohio Casualty Insurance Company, his bonding company, jointly and severally, in the amount of one hundred three hundred thirty four dollars (\$334) and in favor of the Township's General Fund. When notified of the overpayment, Mr. Taylor reimbursed the Township in the amount of the finding.

FINDING NUMBER 2003-004

Noncompliance Citation/Reportable Condition

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 appropriate 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 certificated 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 order and at the time of the certificate, appropriated and free of any previous encumbrances, the Council 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 (\$3,000 after 4-7-03), the Clerk may authorize payment through a Then and Now Certificate without affirmation of the Council, if such expenditure is otherwise valid.

Of the expenditures tested, 55% were not properly encumbered prior to incurring the obligation. Every effort should be made by the Village to properly utilize the encumbrance method of accounting by certifying funds on purchase orders. Failure to properly certify funds could result in overspending of funds.

FINDING NUMBER 2003-005

Noncompliance Citation/ Material Weakness

Ohio Rev. Code, Section 5705.38, requires on or about the first day of each fiscal year, an appropriation measure to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until April 1. The Township did not pass an appropriation resolution during 2002.

Also, Ohio Rev. Code, Section 5705.41 (B), prohibits a subdivision or taxing unit from making an expenditure unless it has been appropriated. Without an approved appropriation measure, the Clerk has no authority to certify obligations or disburse cash.

FINDING NUMBER 2003-006

Material Weakness

The Township did not follow proper budgetary procedures which help to control receipting and expending of monies and did not have proper budgetary controls in place.

- A. The Township did not use purchase orders properly. Purchase orders are used to ensure that the funds are available and not already "set aside" to be spent and aids in helping to prevent negative fund balances. Purchase orders should be completed before an expenditure is made.
- B. The Township did not approve appropriation resolutions during 2002.
- C. The resolution accepting tax rates was not adopted by the Trustees in the minutes.
- D. The Township did not always post its official certified budgetary documents to the books. We recommend that these documents be posted to the books in a timely manner. This would help the Township monitor its budgetary activity.
- E. Monthly financial reports are not reviewed and approved by the Board at each meeting.

Effort should be made for the Township Trustees to become familiar with applicable budgetary laws and to institute procedures to follow. Failure to follow these procedures could result in overspending and negative cash balances.

FINDING NUMBER 2003-007

Reportable Condition

Pursuant to White v. Clinton Cty. Bd. of Commrs., 76 Ohio St.3d 416 (1996), Ohio Rev. Code Sections 121.22, and 149.43 and , when read together impose a duty on the Township to maintain a full and accurate record of their proceedings. Minutes of meetings must be promptly recorded and open for public inspection per State, ex rel. The Fairfield Leader v. Ricketts, 56 Ohio St.3d 97 (1990). The Township did not sufficiently and consistently document decisions concerning monthly financial reports and budgetary information, and dollar amounts of appropriations. In as much as the Board speaks through its minutes, all actions of the Township should be documented in the minute records with as much detail as possible, and with proper and accurate reference to supporting documentation. Without proper authorization, illegal transactions or payments could occur without the knowledge of the Township officials. Also, these records will provide management with the needed future references for informed decision making, and be available for the public inspection of legislative decisions of the Board.

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**JEFFERSON TOWNSHIP
CLINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-40414-001	Ohio Rev. Code, Section 5705.41 (D), the Township did not properly encumber or certify funds	No	Reissued as Finding 2003-04
2001-40414-002	Ohio Rev. Code, Section 5705.41 (B), the Township's expenditures exceeded appropriations in 2000	No	Reissued as Finding 2003-05
2001-40414-003	Ohio Rev. Code, Section 5705.38, the Township did not pass the appropriation resolution.	No	Reissued as Finding 2003-05
2001-40414-004	The Township did not follow proper budgetary procedures.	No	Reissued as Finding 2003-06



**Auditor of State
Betty Montgomery**

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JEFFERSON TOWNSHIP

CLINTON 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
JULY 13, 2004**