

Jackson Township
Pike County, Ohio

Regular Audit

For the Years Ended December 31, 2010 and 2009
Fiscal Years Audited Under GAGAS: 2010 and 2009



Balestra, Harr & Scherer, CPAs, Inc.

528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: 740.289.4131 Fax: 740.289.3639
9076 Ohio River Road, Wheelersburg, Ohio, 45694 Phone: 740.876.9121 Fax: 800.210.5273



Dave Yost • Auditor of State

Board of Trustees
Jackson Township
21739 State Route 335
Waverly, Ohio 45690

We have reviewed the *Independent Auditor's Report* of Jackson Township, Pike County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2009 through December 31, 2010. 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 Auditor's 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 Auditor's 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. Jackson Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

April 21, 2011

This Page is Intentionally Left Blank.

Jackson Township
Pike County, Ohio
Table of Contents
For the Fiscal Years Ended December 31, 2010 and 2009

| Title | Page |
|--|-------------|
| Independent Auditor's Report | 1 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Funds – For the Year Ended December 31, 2010 | 3 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Funds – For the Year Ended December 31, 2009 | 4 |
| Notes to the Financial Statements | 5 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By <i>Government Auditing Standards</i> | 11 |
| Schedule of Findings | 13 |
| Schedule of Prior Audit Findings | 14 |



Independent Auditor's Report

Board of Trustees
Jackson Township
Pike County
21761 State Route 335
Waverly, Ohio 45690

We have audited the accompanying financial statements of Jackson Township, Pike County, Ohio (the Township), as of and for the years ended December 31, 2010 and 2009. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Government's to reformat their statements. The Township has elected not to follow GAAP statement formatting requirement. 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.

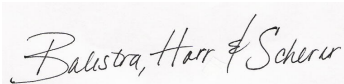
In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Jackson Township, Pike County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

Jackson Township
Pike County
Independent Auditors' Report

The Township 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 March 14, 2011, 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 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.



Balestra, Harr & Scherer, CPAs, Inc.

March 14, 2011

Jackson Township, Pike County
Combined Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances
Governmental Funds
For the Year Ended December 31, 2010

| | General Fund | Special Revenue Fund | Total (Memorandum Only) |
|--|-----------------|-------------------------|-------------------------------|
| Receipts | | | |
| Property and Other Local Taxes | \$ 13,882 | \$ 53,305 | \$ 67,187 |
| Intergovernmental | 19,025 | 109,763 | 128,788 |
| Earnings on Investments | 44 | 9 | 53 |
| Other | 1,947 | 38,751 | 40,698 |
| | 34,898 | 201,828 | 236,726 |
| <i>Total Receipts</i> | | | |
| Disbursements | | | |
| Current: | | | |
| General Government | 28,095 | 1,645 | 29,740 |
| Public Safety | - | 37,478 | 37,478 |
| Public Works | 996 | 130,604 | 131,600 |
| Health | 1,064 | 27,196 | 28,260 |
| Debt Service: | | | |
| Principal Retirement | - | 16,369 | 16,369 |
| Interest and Fiscal Charges | - | 3,183 | 3,183 |
| | 30,155 | 216,475 | 246,630 |
| <i>Total Disbursements</i> | | | |
| <i>Net Change in Fund Balances</i> | 4,743 | (14,647) | (9,904) |
| <i>Fund Balances - Beginning of Year</i> | 3,794 | 105,393 | 109,187 |
| <i>Fund Balances - End of Year</i> | \$ 8,537 | \$ 90,746 | \$ 99,283 |

See accompanying notes to the financial statements.

Jackson Township, Pike County
Combined Statement of Cash Receipts, Disbursements and Changes in Fund Cash Balances
Governmental Funds
For the Year Ended December 31, 2009

| | General Fund | Special Revenue Fund | Total (Memorandum Only) |
|--|-----------------|-------------------------|-------------------------------|
| Receipts | | | |
| Property and Other Local Taxes | \$ 14,644 | \$ 56,412 | \$ 71,056 |
| Intergovernmental | 18,871 | 98,673 | 117,544 |
| Interest | 49 | 10 | 59 |
| Other | 1,439 | 14,973 | 16,412 |
| <i>Total Receipts</i> | <u>35,003</u> | <u>170,068</u> | <u>205,071</u> |
| Disbursements | | | |
| Current: | | | |
| General Government | 33,746 | 9,769 | 43,515 |
| Public Safety | - | 9,164 | 9,164 |
| Public Works | 1,000 | 97,266 | 98,266 |
| Health | 1,209 | 25,525 | 26,734 |
| Capital Outlay | - | 6,500 | 6,500 |
| Debt Service: | | | |
| Principal Retirement | - | 15,632 | 15,632 |
| Interest and Fiscal Charges | - | 3,901 | 3,901 |
| <i>Total Disbursements</i> | <u>35,955</u> | <u>167,757</u> | <u>203,712</u> |
| <i>Excess of Receipts Over / (Under) Disbursements</i> | <u>(952)</u> | <u>2,311</u> | <u>1,359</u> |
| <i>Net Change in Fund Balances</i> | (952) | 2,311 | 1,359 |
| <i>Fund Balances - Beginning of Year</i> | <u>4,746</u> | <u>103,082</u> | <u>107,828</u> |
| <i>Fund Balances - End of Year</i> | <u>\$ 3,794</u> | <u>\$ 105,393</u> | <u>\$ 109,187</u> |

See accompanying notes to the financial statements.

**JACKSON TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Jackson Township, Pike County, Ohio (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and cemetery maintenance. The Township provides 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. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. The basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Cash and Investments

The Township's accounting basis includes cash as assets. Township funds are deposited into a checking account at a local commercial bank. The Township had no investments during the year.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for the 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 Fund:

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

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

Fire Levy I Fund – This fund receives property tax money to provide fire protection for the Township residents.

**JACKSON TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. Summary of Significant Accounting Policies (Continued)

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 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.

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 carried over and need not be reappropriated.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

The Township records disbursements for acquisition of property, plant and equipments when paid. The accompanying financial statements do not report these items as assets.

2. Equity in Pooled Cash

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

| | | |
|-----------------|-----------------|------------------|
| | <u>2010</u> | <u>2009</u> |
| Demand deposits | <u>\$99,283</u> | <u>\$109,187</u> |

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**JACKSON TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

3. Budgetary Activity

Budgetary activity for the years ending as follows:

| 2010 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 31,225 | \$ 34,898 | \$ 3,673 |
| Special Revenue | 193,429 | 201,828 | 8,399 |
| Total | \$ 224,654 | \$ 236,726 | \$ 12,072 |

| 2010 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 33,341 | \$ 30,155 | \$ 3,186 |
| Special Revenue | 286,693 | 216,475 | 70,218 |
| Total | \$ 320,034 | \$ 246,630 | \$ 73,404 |

| 2009 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 39,071 | \$ 35,003 | \$ (4,068) |
| Special Revenue | 174,073 | 170,068 | (4,005) |
| Total | \$ 213,144 | \$ 205,071 | \$ (8,073) |

| 2009 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 43,817 | \$ 35,955 | \$ 7,862 |
| Special Revenue | 211,938 | 167,757 | 44,181 |
| Total | \$ 255,755 | \$ 203,712 | \$ 52,043 |

Contrary to Ohio Revised Code section 5705.36 the Township actual resources fell short of estimated resources in the Motor Vehicle and Cemetery funds at December 31, 2010 and the General Fund, Motor Vehicle fund, Gasoline Tax fund and the Road and Bridge funds at December 31, 2009.

**JACKSON TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If property owner elects to pay semiannually, the first half is due December 31. The second half payment is due to 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, 2010 was as follows:

| | Principal | Interest Rate |
|------------------------------|-----------|---------------|
| 2006 Ford F550 Dump Truck | \$ 18,307 | 4.53% |
| Fire Station refunding Bonds | 33,574 | 4.87% |
| Total | \$ 51,881 | |

The 2006 Ford F550 Dump Truck is a lease purchase agreement obtained in the 2006 for 7 years. The backhoe was obtained in 2004 for 5 years. All debt is collateralized by the equipment.

The fire station refunding bonds were issued to refund the outstanding amount of the fire station improvement bonds, which were used to finance construction of a new firehouse, and to pay additional costs of construction. The bonds are collateralized solely by the Township's taxing authority.

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

| | Dump Truck Equipment Lease | Fire Station Refunding Banks |
|--------------------------|----------------------------------|------------------------------------|
| Year Ending December 31: | | |
| 2011 | \$ 10,096 | \$ 9,405 |
| 2012 | 10,096 | 9,405 |
| 2013 | - | 9,405 |
| 2014 | - | 9,406 |
| Total | \$ 20,192 | \$ 37,621 |

**JACKSON TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

6. Retirement Systems

Township 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, which include postretirement healthcare and survivor and disability benefits as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

7. Risk Management

Risk Pool Membership

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of Your Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims

The aforementioned casualty and property reinsurance agreement does 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, 2009 and 2008 (the latest information available):

**JACKSON TOWNSHIP
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

7. Risk Management (continued)

| | 2009 | 2008 |
|-------------------|---------------|---------------|
| Assets | \$ 38,982,088 | \$ 40,737,740 |
| Liabilities | (12,880,766) | (12,981,818) |
| Retained Earnings | \$ 26,101,322 | \$ 27,755,922 |

At December 31, 2009 and 2008, respectively, casualty coverage liabilities noted above include approximately \$12.0 million and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$14,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Township's contributions to OTARMA for the past two years are as follows:

| Contributions to OTARMA | |
|-------------------------|----------|
| 2008 | \$ 5,323 |
| 2009 | 6,586 |
| 2010 | 7,272 |

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

8. Compliance

Contrary to Ohio Revised Code section 5705.41(B) the Township had expenditures in excess of appropriations in the Cemetery and Fire Levy II funds at December 31, 2009. Contrary to Ohio Revised Code section 5705.36(A)(2) the Township had estimated resources in excess of actual receipts in the Motor Vehicle and Cemetery funds in 2010 and in the General, Motor Vehicle, Gasoline Tax, and Road & Bridge funds in 2009.



Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Required by *Government Auditing Standards*

Board of Trustees
Jackson Township
Pike County
21761 State Route 335
Waverly, Ohio 45690

We have audited the financial statements of Jackson Township, Pike County, Ohio, (the Township) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Township’s basic financial statements and have issued our report thereon dated March 14, 2011, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States’ *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township’s internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township’s internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township’s financial statements will not be prevented, or detected and timely corrected.

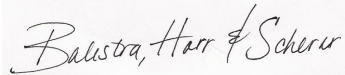
Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Township’s financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-001 through 2010-002.

Jackson Township
Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An Audit Of
Financial Statements Required by *Government Auditing Standards*
Page 2

We intended this report solely for the information and use of management, the Board of Trustees, and others within the Township. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
March 14, 2011

**JACKSON TOWNSHIP
PIKE COUNTY
DECEMBER 31, 2010 AND 2009
SCHEDULE OF FINDINGS**

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

FINDING 2010-001

Material Noncompliance

Ohio Rev. Code section 5705.41(B) prohibits a subdivision or taxing unit from expending money unless it has been appropriated.

The Township had expenditures in excess of appropriations in the Cemetery and Fire Levy II funds of \$2,918 and \$1,713, respectively, at fiscal year end December 31, 2009.

The Township should monitor expenditures throughout the year to ensure appropriations are not exceeded.

Client Response:

We received no response from officials regarding the above findings.

FINDING 2010-002

Material Noncompliance

Ohio Rev. Code Section 5705.36 (A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. Ohio Rev. Code section 5705.36(A)(3) requires that an increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. Ohio Rev. code section 5705.36(A)(4) requires that a reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriations.

During 2010 the Township's actual resources fell short of estimated resources in the Motor Vehicle fund and the Cemetery fund and no amendment was obtained as required. During 2009 the Township's actual resources fell short of estimated resources in the General fund, Motor Vehicle fund, Gasoline Tax fund, and the Road & Bridge fund and no amendment was obtained as required.

The Township should obtain a reduced amended certificate of estimated resources when it becomes apparent it is going to receive less than what was estimated. The Township should also monitor the effect of the reduction in relation to their appropriations and make amendment as needed.

Client Response:

We received no response from officials regarding the above findings.

**JACKSON TOWNSHIP
PIKE COUNTY
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF PRIOR AUDIT FINDINGS

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain: |
|-----------------------|--|-------------------------|--|
| 2008-001 | ORC Section 5705.41(B) expending monies that are not appropriated | No | Reissued as 2010-001 |
| 2008-002 | ORC 5705.36(A)(2) estimated resources in excess of actual receipts | No | Reissued as 2010-002 |
| 2008-003 | Significant deficiency for adjustments and reclassifications | Yes | |

This Page is Intentionally Left Blank.



Dave Yost • Auditor of State

JACKSON TOWNSHIP

PIKE 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
MAY 5, 2011**