



Dave Yost • Auditor of State



JEFFERSON TOWNSHIP  
NOBLE COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Jefferson Township  
Noble County  
38916 Sheep Skin Ridge Road  
Lower Salem, Ohio 43745

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of Jefferson Township, Noble County, Ohio (the Township), as of and for the years ended December 31, 2012 and 2011.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 and 2011, or changes in financial position thereof for the years then ended.

***Basis for Adverse Opinion on Regulatory Basis of Accounting***

During the audit covering January 1, 2007 to December 31, 2008, the Trustees improperly paid salaries for Trustees from the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$250 that should have been paid from the General Fund. Also, the Fiscal Officer posted 2008 gasoline excise tax monies, in the amount of \$358 to the General Fund, instead of the Gasoline Tax Fund, Special Revenue Fund type. The Township declined to make these adjustments.

During the prior audit covering January 1, 2009 to December 31, 2010, the Trustees' salaries were incorrectly allocated in 2009 to Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$139 that should had been allocated to the General Fund. Also during 2010 and 2009, the Township paid various obligations from Special Revenue road funds, the Motor Vehicle License Tax Fund, in the amount of \$3,461, the Gasoline Tax Fund, in the amount of \$13,959, and the Road and Bridge Fund, in the amount of \$946, that should had been paid from the General Fund, in the amount of \$18,366. In addition, a proof of cash was performed for 2010 and 2009, since the Township did not reconcile, requiring the General Fund to be decreased by \$16, the Road and Bridge Fund to be decreased by \$355, the Gasoline Tax Fund to be decreased by \$20, the Permissive Tax Fund to be decreased by \$.10 and the Cemetery Fund to be decreased by \$100. During 2010, revenues were posted to the incorrect fund in the amounts of \$3,303 and \$2,368, to the General Fund and Motor Vehicle License Tax Fund, respectively, and due in the amounts of \$3,303 and \$2,368 to the Road and Bridge Fund and Gasoline Tax Fund, respectively. The Township declined to make these adjustments during the prior audit period and the Township has declined to make these adjustments this audit period. See Note 8 for the effect on each opinion unit.

During the audit covering January 1, 2011 to December 31, 2012, the Trustees' and Fiscal Officer salaries were allocated to Gasoline Tax Special Revenue Fund, in the amount of \$3,832 instead of to the General Fund, in the amount of \$3,832. Also during 2012 and 2011, the Township paid various obligations from Special Revenue road funds, the Motor Vehicle License Tax Fund, in the amount of \$2,578, the Gasoline Tax Fund, in the amount of \$12,474, and the Road and Bridge Fund, in the amount of \$1,167, that should had been paid from the General Fund, in the amount of \$16,219. In addition, a proof of cash was performed for 2012 and 2011 since the Township did not reconcile requiring the General Fund to be increased by \$22, the Road and Bridge Fund to be increased by \$104, and the Gasoline Tax Fund to be increased by \$2,450. The Township declined to make these adjustments during the prior audit period and the Township has declined to make these adjustments this audit period. See Note 8 for the effect on each opinion unit.

***Adverse Opinion on Regulatory Basis of Accounting***

In our opinion, because of the significance of the matters discussed in the *Basis for Adverse Opinion on Regulatory Basis of Accounting*, the financial statements referred to above do not present fairly, in all material respects, the combined cash balances of Jefferson Township, Noble County, Ohio, as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during 2011 the Township adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

As discussed in Note 8, the Township is experiencing financial difficulties. Management has declined to post the aforementioned adjustments discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraphs, due to the General Fund's cash balance not being sufficient to support these adjustments. Management's plan in regards to these financial difficulties is described in Note 8 to the financial statements. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2013, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

September 10, 2013

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**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$3,503	\$7,129	\$10,632
Intergovernmental	7,145	126,333	133,478
Miscellaneous	535	4,250	4,785
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	11,183	137,712	148,895
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
General Government	11,109	2,600	13,709
Public Safety	270		270
Public Works		122,603	122,603
Health		5,510	5,510
Other		2,009	2,009
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	11,379	132,722	144,101
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(196)	4,990	4,794
	<hr/>	<hr/>	<hr/>
<b>Other Financing Receipts and (Disbursements):</b>			
Other Financing Sources	602		602
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	602	0	602
	<hr/>	<hr/>	<hr/>
Net Change in Fund Cash Balances	406	4,990	5,396
	<hr/>	<hr/>	<hr/>
Fund Cash Balance, January 1	2,716	12,501	15,217
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balance, December 31</b>			
Nonspendable			
Restricted		17,491	17,491
Unassigned (Deficit)	3,122		3,122
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balance, December 31</i>	<u>\$3,122</u>	<u>\$17,491</u>	<u>\$20,613</u>

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$4,111	\$5,701	\$9,812
Intergovernmental	6,881	95,616	102,497
Miscellaneous	1,396	300	1,696
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	12,388	101,617	114,005
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
General Government	12,753		12,753
Public Works		102,773	102,773
Other		3,752	3,752
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	12,753	106,525	119,278
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(365)	(4,908)	(5,273)
	<hr/>	<hr/>	<hr/>
<b>Other Financing Receipts and (Disbursements):</b>			
Other Financing Sources	884		884
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	884	0	884
	<hr/>	<hr/>	<hr/>
Net Change in Fund Cash Balances	519	(4,908)	(4,389)
	<hr/>	<hr/>	<hr/>
Fund Cash Balance, January 1	2,197	17,409	19,606
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balance, December 31</b>			
Nonspendable			
Restricted		12,501	12,501
Unassigned (Deficit)	2,716		2,716
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balance, December 31</i>	<u>\$2,716</u>	<u>\$12,501</u>	<u>\$15,217</u>

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**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 Jefferson Township, Noble County (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, cemetery maintenance and fire protection services. The Township contracts with the Caldwell Volunteer Fire Company to provide fire services.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. OTARMA is a risk-sharing pool available to Ohio townships for insurance coverage. Note 7 to the financial statements provides additional information for this entity.

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

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose 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 for constructing, maintaining, and repairing Township roads.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**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 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.

A summary of 2012 and 2011 budgetary activity appears in Note 4.

**E. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Fund Balance (Continued)**

**3. Committed**

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**F. Property, Plant, and Equipment**

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

**2. Change in Accounting Principle**

For fiscal year 2011, the Township implemented Government Accounting Standards Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 had no effect on fund balances previously reported.

**3. Equity in Pooled Deposits**

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

	<u>2012</u>	<u>2011</u>
Demand deposits	<u>\$20,613</u>	<u>\$15,217</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**4. Budgetary Activity**

Budgetary activity for the years ending December 31, 2012 and 2011 follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$8,961	\$11,785	\$2,824
Special Revenue	123,710	137,712	14,002
Total	\$132,671	\$149,497	\$16,826

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,822	\$11,379	(\$557)
Special Revenue	112,863	132,722	(19,859)
Total	\$123,685	\$144,101	(\$20,416)

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,480	\$13,272	\$3,792
Special Revenue	108,025	101,617	(6,408)
Total	\$117,505	\$114,889	(\$2,616)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$11,286	\$12,753	(\$1,467)
Special Revenue	120,728	106,525	14,203
Total	\$132,014	\$119,278	\$12,736

Contrary to Ohio Revised Code, the Fiscal Officer did not obtain prior certification before incurring obligations during 2012 and 2011.

**5. 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 the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**6. Retirement System**

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2012 and 2011, 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, 2012.

**7. Risk Management**

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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. 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, 2012, OTARMA retained \$350,000 for casualty claims and \$250,000 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, 2012 and 2011 (the latest information available):

	<u>2012</u>	<u>2011</u>
Assets	\$34,771,270	\$35,086,165
Liabilities	<u>(9,355,082)</u>	<u>(9,718,792)</u>
Net Position	<u>\$25,416,188</u>	<u>\$25,367,373</u>

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**7. Risk Management (Continued)**

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$8.7 and \$9.1 million of estimated incurred claims payable. The assets above also include approximately \$7.96 and \$8.6 million of unpaid claims to be billed to approximately 944 member governments in the future, as of December 31, 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2012, the Township's share of these unpaid claims collectible in future years is approximately \$1,609.

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.

<b>Contributions to OTARMA</b>	
<b>2012</b>	<b>2011</b>
\$2,724	\$2,602

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. Financial Difficulties**

At December 31, 2011, the following funds had adjustments which the Township declined to make in the following amounts:

<u>Fund</u>	<u>December 31, 2011 Balance</u>	<u>Adjustments Not Made</u>	<u>Effect on December 31, 2011 Balance</u>
General	\$ 2,716	\$ (32,346)	\$ (29,630)
Special Revenue	12,501	34,459	46,960

At December 31, 2012, the following funds had adjustments which the Township declined to make in the following amounts:

<u>Fund</u>	<u>December 31, 2012 Balance</u>	<u>Adjustments Not Made</u>	<u>Effect on December 31, 2012 Balance</u>
General	\$ 3,122	\$ (42,460)	\$ (39,338)
Special Revenue	17,491	44,546	62,037

The Township has no formalized plan for cash flow issues.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Jefferson Township  
Noble County  
38916 Sheep Skin Road  
Lower Salem, Ohio 43745

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Jefferson Township, Noble County, Ohio (the Township), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated September 10, 2013, wherein we noted the Township has adopted Governmental Accounting Standards Board statement No. 54. We also noted the Township followed accounting financial reporting provisions of Ohio Rev. Code Section 117.38 and the Ohio Administrative Code Section 117-2-03 permit, described in Note 1. We issued an adverse opinion on the 2012 and 2011 regulatory financial statements due to the Township declining to make adjustments for mispostings.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when 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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. We consider Findings 2012-001 through 2012-003 and 2012-006 through 2012-008 described in the accompanying Schedule of Findings to be material weaknesses.

***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, opining 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 instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2012-001 through 2012-005.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

September 10, 2013

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011**

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

**FINDING NUMBER 2012-001**

**Finding for Adjustment/Noncompliance Citation/Material Weakness**

Ohio Rev. Code Section 5735.27(A)(5)(d) requires the funds received from the gasoline excise tax shall be expended by each township to plan, construct, maintain, widen, and reconstruct the public roads and highways within such township.

In addition, Ohio Constitution Article XII, Section 5a, states that no monies derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways, or to fuels used for propelling such vehicles, shall be expended for other than costs of administering such laws, statutory refund and adjustments provided therein, payment of highway obligations, costs for construction, reconstruction, maintenance and repair of public highways and bridges and other statutory highway purposes, expense of state enforcement of traffic laws, and expenditures authorized for hospitalization of indigent persons injured in motor vehicle accidents on public highways.

Ohio Rev. Code Section 5705.10(H) provides that money paid into a fund shall be used only for the purposes for which said fund has been established.

During the 2010 and 2009 audit, expenditures below were paid out of restricted road funds and there was no documentation to demonstrate that the expenditures were within the restricted purposes of the road fund. As of the date of this report, these expenditures have not been corrected.

<b>2010</b>	<b>MVL Fund</b>	<b>Gas Tax Fund</b>	<b>Road &amp; Bridge Fund</b>
Fire contract	\$500		
Township Assoc dues	200		
EMA annual charges	137	\$206	
Mowing services non-road	234	6,859	\$569
<b>2009</b>	<b>MVL Fund</b>	<b>Gas Tax Fund</b>	<b>Road &amp; Bridge Fund</b>
Fire contract			\$200
Township Assoc dues		\$200	
EMA annual charges	\$20	254	
Penalty for late filing		500	
Mowing services non-road	2,370	4,798	
Audit fees-General fund portion		1,142	177

During the 2012 and 2011 audit, expenditures below were paid out of restricted road funds and there was no documentation to demonstrate that the expenditures were within the restricted purposes of the road fund. As of the date of this report, these expenditures have not been corrected.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2012-001 (Continued)**

**Finding for Adjustment/Noncompliance Citation/Material Weakness (Continued)**

<u>2011</u>	<u>MVL Fund</u>	<u>Gas Tax Fund</u>	<u>Road &amp; Bridge Fund</u>
Fire contract		\$582	
Township Assoc dues		121	\$79
EMA annual charges	\$137		137
OTARMA-General fund portion			406
Mowing services non-road	2180	4990	
Audit fees-General fund portion	261	1071	
<u>2012</u>	<u>MVL Fund</u>	<u>Gas Tax Fund</u>	<u>Road &amp; Bridge Fund</u>
OTARMA-insurance			\$545
Township Assoc dues		\$200	
Mowing services non-road		5,510	

A finding for adjustment is hereby issued against the Jefferson Township General Fund, in the amount of \$34,585, and in favor of the Jefferson Township Motor Vehicle License Tax Fund, Special Revenue Fund type, in the amount of \$6,039, the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$26,433 and the Road & Bridge Fund, Special Revenue Fund type, in the amount of \$2,113.

The Fiscal Officer has not posted this adjustment to the Township records and, therefore, this adjustment is not reflected in the accompanying financial statements.

**FINDING NUMBER 2012-002**

**Finding for Adjustment/Noncompliance Citation/Material Weakness**

Ohio Rev. Code Section 505.24(C) sets forth the method by which township trustees' compensation should be allocated. This section is amplified by Ohio Attorney General (OAG) Opinion No. 2004-036. This Section requires that compensation of a township trustee must be paid from the Township General Fund or from such other restricted township funds, in such proportions based on the amount of time spent on matters related to the services rendered. In addition, OAG Opinion 2004-036 indicates trustees should establish administrative procedures to document the proportionate amount of trustees' salaries chargeable to other township funds based on the portion of time spent on matters related to the services rendered. There is no one method for documenting time and the kinds of services rendered. The "administrative procedures" can be timesheets or a similar method of record keeping, as long as the trustees document all time spent on township business and the type of service(s) performed, in a manner similar to trustees paid per diem compensation. If trustees do not document their time, then no part of salaries may be paid from these other funds. The Auditor of State issued Bulletin 2011-007 on October 27, 2011 explaining these legislative changes and the impact of these changes on townships.

During the 2008 and 2007 audit, Trustees were improperly paid \$250 from the Gasoline Tax Fund, Special Revenue Fund type instead of from the General Fund.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2012-002**

**Finding for Adjustment/Noncompliance Citation/Material Weakness (Continued)**

During the 2010 and 2009 audit, Trustees were improperly paid \$139 from the Gasoline Tax Fund, Special Revenue Fund type instead of from the General Fund.

Subsequent to HB 153, passed in 2011, Ohio Rev. Code Sections 505.24 and 507.09 require township trustees and fiscal officers, respectively, to certify the amount of work performed on restricted funds. After the passage of HB 153, the Board of Trustees continued the practice of documenting their time on timesheets, however the allocation of salaries were overpaid from the Gasoline Tax fund. The Township Trustees did not prepare any payroll certifications during all of 2012. In addition, the Fiscal officer allocated a portion of his salary to the Gasoline Tax fund without adequate support such as a timesheet or payroll certification sheet. As a result, payroll expenditures were improperly paid from the Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$3,832 instead of from the General Fund in the amount of \$3,832.

A finding for adjustment is hereby issued against the Jefferson Township General Fund, in the amount of \$4,221, and in favor of the Jefferson Township Gasoline Tax Fund, Special Revenue Fund type, in the amount of \$4,221. The Fiscal Officer has not posted this adjustment to the Township records and therefore, this adjustment is not reflected in the accompanying financial statements.

We recommend the Township review Auditor of State Bulletin 2011-007 and adopt formal administrative procedures regarding documenting the time spent by the Fiscal Officer and the Board of Trustees on various duties. Once these administrative procedures are established, Trustee salaries and related benefits should be charged to the applicable funds in accordance with the timesheets or other similar method of record keeping. Beginning in September 2011, this would include signing a certification of the allocation of payroll. Beginning in 2013, the Township implemented the use of payroll certification sheets.

**FINDING NUMBER 2012-003**

**Finding for Adjustment and Material Weakness**

The Fiscal Officer did not prepare accurate monthly reconciliations of bank balances to book balances. Monthly bank reconciliations contained adjusting factors throughout the entire audit period which were carried forward instead of being investigated and corrected. The lack of proper reconciliations among the bank statements, cashbook and ledgers resulted in numerous errors which remained undetected and/or uncorrected until the audit. The extensive problems with these reconciliations resulted in the need for the Township to contract with the Auditor of State to perform a proof-of-cash analysis for each month of the audit period.

During the prior year audit for 2010 and 2009, the Township failed to properly reconcile accounting system to bank for entire audit period. A proof-of-cash analysis was performed and adjustments proposed. As of the date of this report, the Township has not posted any of the proposed adjustments.

During the proof-of-cash analysis for 2012 and 2011, we were able to identify posting errors, such as receipts and expenditures posted at incorrect amounts, receipts/expenditures posted at amounts that differed from deposit ticket, deposited/cleared bank but not posted to accounting system, and twenty five outstanding checks listed on the UAN outstanding checklist at December 31, 2012 that were not valid.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2012-003 (Continued)**

**Finding for Adjustment and Material Weakness (Continued)**

The table reflects adjustments required each year to allow the Township's accounting system to reconcile to the bank.

<u>Fund</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Total</u>
General	\$130.54	(\$146.46)	\$49.51	(\$27.46)	\$6.13
Gas Tax	(20.13)		2,449.92		2,429.79
Road & Bridge	(2.97)	(351.60)	104.26		(250.31)
Cemetery	(100.00)				(100.00)
Perm MVL	(0.10)				(0.10)

**FINDING NUMBER 2012-004**

**Noncompliance Citation**

Ohio Rev. Code Section 117.13(C)(3) states the fiscal officer may distribute such total cost of the audit to each fund audited in accordance with its percentage of the total cost. Auditor of State Bulletin 2009-011 states in determining a percentage of total cost that may be charged to a fund, any reasonable and rational method such as a percentage of the fund's revenue or expenditures compared to the total revenue or expenditures for all funds, would be acceptable.

During the prior audit of 2010 and 2009, the Fiscal Officer charged the 2008-2007 audit costs as follows:

- General Fund - \$0;
- Road and Bridge fund - \$886; and
- Gasoline Tax fund - \$5,710

During 2012 and 2011 audit, the Fiscal Officer charged the 2010-2009 audit costs as follows:

- General Fund - \$0;
- Motor Vehicle License Tax fund - \$1,305; and
- Gasoline Tax fund - \$5,354

The Fiscal Officer did not provide any rational method to support the allocation of audit costs. The Township did not charge any audit costs to the Township's General Fund, which does not appear reasonable.

We recommend the Township follow the guidance provided in Auditor of State Bulletin 2009-011 and determine a rational method for allocating audit costs to the accounting system. The portion of audit costs that should have been allocated to the General Fund is reflected in Finding Number 2012-001.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2012-004 (Continued)**

**Noncompliance Citation (Continued)**

We recommend the Township follow the guidance provided in Auditor of State Bulletin 2009-011 and determine a rational method for allocating audit costs to the accounting system. The portion of audit costs that should have been allocated to the General Fund is reflected in Finding Number 2012-001.

**FINDING NUMBER 2012-005**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D)(1) states that no subdivision shall make any contract or give any order involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer of the subdivision. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Further, contracts and orders for expenditures lacking prior certification should be null and void.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code

1. "Then and Now" Certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate - Fiscal officers may prepare "blanket" certificates for a certain sum of money not exceeding an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate - The Township may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to exceed beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2012-005 (Continued)**

**Noncompliance Citation (Continued)**

The Township did not certify the availability of funds prior to purchase commitment for 54% of the expenditures tested in 2011 and 14% of the expenditures tested in 2012, and there was no evidence the Township followed the aforementioned exceptions. In addition, the Board of Trustees did not pass a resolution in 2012 or 2011 establishing the threshold amount for the blanket certificates. Also, the Township used blanket certificates for 100% of expenditures.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Township. When prior certification is not possible, "then and now" certification should be used.

We recommend the Township certify purchases to which Section 5705.41(D) applies. The Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of Ohio Rev. Code Section 5705.41(D) are satisfied. Also, the Board of Trustees should pass a resolution adopting an amount for blanket purchase orders.

**FINDING NUMBER 2012-006**

**Material Weakness**

When designing the public office's system of internal control and the specific control activities, management should ensure that all transactions are properly authorized in accordance with management's policies as well as ensure the collection and compilation of the data needed for the timely preparation of financial statements. The Ohio Township Handbook (revised April 2013) provides suggested account classifications.

The Township misposted receipts/expenditures in the amount of \$4,516 in the General Fund, \$4,970 in the Gasoline Tax Fund, \$666 in the Road and Bridge Fund and \$391 in the Permissive Motor Vehicle License Tax Fund in 2012 and \$4,394 in the General Fund, \$531 in the Road and Bridge Fund, \$8,996 in the Gasoline Tax Fund and \$416 in the Permissive Motor Vehicle License Tax Fund in 2011 in the Township accounting system. These misstatements were caused by a lack of oversight by management. As a result, significant reclassifications, with which the Township's management agrees, were made to the financial statements and are reflected in the accompanying financial statements. The Township declined to make any of the adjustments that are reflected in Finding Numbers 2012-001, 2012-002 and 2012-003.

We recommend the Fiscal Officer refer to the Ohio Township Handbook (revised April 2013) and UAN Accounting & General Manual (revised May 2013), for proper classification of receipts and expenditures. The Fiscal Officer should take additional care in posting transactions to the Township's ledgers and annual financial report in order to ensure the Township's year-end financial statements reflect the appropriate sources of the Township's receipts.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2012-007**

**Material Weakness**

During our review of the Township's disbursement system, we noted the following conditions:

- Voucher packages did not include invoices as supporting documentation to support the payment being made.
- Checks cleared the bank which had different check numbers on the checks than what was recorded in the UAN accounting system.
- Check numbers that were voided in the UAN system, cleared the bank.
- Checks were written for amounts different than the amount on the invoice.
- Checks were written and issued after the due date on invoice, resulting in the Township paying late fees and penalties.
- Checks cleared the bank months after the date on the check, indicating the checks were held before being mailed.

These conditions did not allow for proper documentation of certain disbursements and resulted in the Township not being able to properly reconcile their accounting system to the bank.

We recommend the Township consider implementing the following procedures to strengthen the internal controls over the proper disbursement of public funds:

- Voucher packages should contain evidence to support the expenditure, such as an invoice.
- Check numbers in the UAN accounting system should match the physical check.
- Fiscal Officer should mutilate the signature block on voided checks.
- Procedure should be implemented to verify amount posted to system to invoice amount.
- Checks be prepared and issued in a timely manner.

**FINDING NUMBER 2012-008**

**Material Weakness**

When designing the public office's system of internal control and the specific control activities, management should ensure that all transactions are properly authorized in accordance with management's policies as well as ensure the collection and compilation of the data needed for the timely preparation of financial statements.

At December 31, 2012, we found appropriations as approved by the Board of Trustees did not agree to the Township's ledgers for the following funds:

<u>Fund</u>	<u>Appropriations Per Board of Trustees</u>	<u>Amounts Per Township Records</u>	<u>Variance</u>
General	\$ 10,822	\$ 12,553	\$ (1,731)
Road & Bridge	4,517	6,050	(1,533)
Perm MVL	961	461	500
Misc. Spec. Revenue	-	27,390	(27,390)

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2012-008 (Continued)**

**Material Weakness (Continued)**

At December 31, 2012, we found estimated revenues as approved by the Budget Commission did not agree to the Township's ledgers for the following fund:

<u>Fund</u>	<u>Estimated Revenues Per Budget Commission</u>	<u>Amounts Per Township Records</u>	<u>Variance</u>
Misc. Spec. Revenue	\$ 19,910	\$ -	\$ 19,910

At December 31, 2011, we found appropriations as approved by the Board of Trustees did not agree to the Township's ledgers for the following funds:

<u>Fund</u>	<u>Appropriations Per Board of Trustees</u>	<u>Amounts Per Township Records</u>	<u>Variance</u>
General	\$ 11,286	\$ 12,873	\$ (1,587)
MVL	16,456	17,656	(1,200)
Gas Tax	95,724	95,024	700

At December 31, 2011, we found estimated revenues as approved by the Budget Commission did not agree to the Township's ledgers for the following fund:

<u>Fund</u>	<u>Estimated Revenues Per Budget Commission</u>	<u>Amounts Per Township Records</u>	<u>Variance</u>
Perm MVL	\$ 450	\$ 595	\$ (145)

We also found the Fiscal Officer posted supplemental appropriations to several line items in 2011 and 2012 that were not approved by the Board of Trustees. Without information properly entered into the system, the management of the Township lost some degree of budgetary control. This also resulted in audit adjustments to the budgetary note disclosure.

We recommend the Fiscal Officer take due care in posting estimated resources and only post approved appropriations to the accounting system. We further recommend the Board of Trustees approve all supplemental appropriations in the minutes and the Fiscal Officer post them only after approval by the Board.

**Official's Response:**

Management declined to respond to any of the aforementioned Findings.

**JEFFERSON TOWNSHIP  
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2010-001	Ohio Rev. Code Section 5735.27(A)(5)(d) – expenditures made from restricted road funds resulting in Finding for Adjustment.	No	Not Corrected. Reissued in the Schedule of Findings as item 2012-001.
2010-002	Ohio Rev. Code Section 5705.10(D) – amounts posted to incorrect funds. Finding for Adjustment (2008) against General Fund \$358 and for Gasoline Tax Fund for \$358. Finding for Adjustment (2010) against General Fund \$3,303 and Motor Vehicle License Tax Fund \$2,368 for Road & Bridge Fund \$3,303 and for Gasoline Tax Fund \$2,368.	No	Not Corrected. Adjustment has not been made.
2010-003	Ohio Rev. Code Section 5705.10(H) – improper advance from Gasoline Tax to General Fund	Yes	
2010-004	Ohio Rev. Code Section 117.13(C)(3) – paying audit costs from unreasonable funds	No	Not Corrected. Reissued in the Schedule of Findings as item 2012-004.
2010-005	Ohio Rev. Code Section 5705.41(B) – expenditures exceeded appropriations	No	Finding No Longer Valid – not required to be tested in most recent OCS
2010-006	Ohio Rev. Code Section 5705.41(D) – expenditures tested in 2007 and 2008 were not properly encumbered.	No	Not Corrected. Reissued in the Schedule of Findings as item 2012-005.
2010-007	Ohio Rev. Code Section 505.24(C) – Trustees salaries paid did not match timesheet allocations	No	Not Corrected. Reissued in the Schedule of Findings as item 2012-002.
2010-008	Ohio Rev. Code Section 9.38 – receipts not deposited timely	No	Not Corrected. Reissued in the Management Letter.
2010-009	Not reconciling the bank statement to a zero balance monthly.	No	Not Corrected. Reissued in the Schedule of Findings as item 2012-003.
2010-010	Mispostings of revenue and expenditures	No	Not Corrected. Reissued in the Schedule of Findings as item 2012-006.
2010-011	Township disbursement errors	No	Not Corrected. Reissued in the Schedule of Findings as item 2012-007.

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# Dave Yost • Auditor of State

**JEFFERSON TOWNSHIP**

**NOBLE 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  
OCTOBER 3, 2013**