



Dave Yost • Auditor of State



VILLAGE OF JACKSONVILLE  
ATHENS COUNTY

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# Dave Yost • Auditor of State

## ACCOUNTANTS' REPORT

Village of Jacksonville  
Athens County  
P.O. Box 185  
Jacksonville, Ohio 45740

To the Village Council:

We have selectively tested certain accounts, financial records, files, and reports of the Village of Jacksonville, Athens County, Ohio (the Village), as of and for the years ended December 31, 2011 and 2010 following Ohio Administrative Code Section 117-4-02.

The accompanying financial statements present receipts and disbursements by fund totals only. Ohio Administrative Code Section 117-2-02(A) requires governments to classify receipt and disbursement transactions.

There are reportable findings and conditions as a result of performing these procedures. Our reportable findings and conditions follow the financial presentation. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, and we express no opinion on them.

As discussed in Note 10 to the financial statements, the Village has suffered recurring losses from operations and has a net asset deficiency. Note 10 describes Management's plans regarding these matters. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

This report is intended solely for the information and use of management, the Village Council, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

April 29, 2013

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**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
FUND CASH BALANCES  
ALL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>January 1 Fund Balances</u>	<u>Total Cash Receipts</u>	<u>Total Cash Disbursements</u>	<u>December 31 Fund Balance</u>
General Fund	\$ (162,480)	\$ 102,117	\$ 100,949	\$ (161,312)
Special Revenue Funds:				
Street Construction, Maintenance and Repair	103	23,081	21,943	1,241
State Highway	3,801	1,872	3,565	2,108
Court Computerization	66	450		516
Fire Fund	57,633	53,728	80,731	30,630
Street Lights	17,642	10,340	5,328	22,654
Total Special Revenue Funds	<u>79,245</u>	<u>89,471</u>	<u>111,567</u>	<u>57,149</u>
Debt Service Funds:				
Street Note: #83771		6,228	6,228	
Building Note: #83707		41,079	41,079	
Fire Note: #84488		8,129	8,129	
Backhoe Note #2: #76412		295	295	
Total Debt Service Funds	<u>0</u>	<u>55,731</u>	<u>55,731</u>	<u>0</u>
Capital Projects Fund:				
USDA Playground Improvement Fund	20,250			20,250
Enterprise Funds:				
Water Operating Fund	64,506	109,882	93,103	81,285
Water Improvement Fund	2	21,936	21,936	2
Water Improvement Reserve Fund	18,570	2,870		21,440
Water Deposits Fund	1,286			1,286
Total Enterprise Funds	<u>84,364</u>	<u>134,688</u>	<u>115,039</u>	<u>104,013</u>
Agency Fund:				
Mayors Court	40	9,850	9,740	150
<b>Total All Funds</b>	<b><u>\$ 21,419</u></b>	<b><u>\$ 391,857</u></b>	<b><u>\$ 393,026</u></b>	<b><u>\$ 20,250</u></b>

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

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
FUND CASH BALANCES  
ALL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>January 1 Fund Balances, As restated</u>	<u>Total Cash Receipts</u>	<u>Total Cash Disbursements</u>	<u>December 31 Fund Balance</u>
General Fund	\$ (139,288)	\$ 98,029	\$ 121,221	\$ (162,480)
Special Revenue Funds:				
Street Construction, Maintenance and Repair	4,034	24,663	28,594	103
State Highway	3,655	1,876	1,730	3,801
Court Computerization		66		66
Fire Fund	35,684	44,550	22,601	57,633
Street Lights	16,190	10,348	8,896	17,642
Total Special Revenue Funds	<u>59,563</u>	<u>81,503</u>	<u>61,821</u>	<u>79,245</u>
Debt Service Funds:				
Street Note: #83771		6,228	6,228	
Backhoe Note: #72713		2,435	2,435	
Police Cruiser Note: #83459		5,529	5,529	
Building Note: #83707		38,488	38,488	
Fire Note: #84488		8,908	8,908	
Backhoe Note #2: #76412		6,469	6,469	
Total Debt Service Funds	<u>0</u>	<u>68,057</u>	<u>68,057</u>	<u>0</u>
Capital Projects Fund:				
USDA Playground Improvement Fund	20,250			20,250
Enterprise Funds:				
Water Operating Fund	39,012	112,853	87,359	64,506
Water Improvement Fund	2	17,437	17,437	2
Water Improvement Reserve Fund	15,700	2,870		18,570
Water Deposits Fund	1,286			1,286
Total Enterprise Funds	<u>56,000</u>	<u>133,160</u>	<u>104,796</u>	<u>84,364</u>
Agency Fund:				
Mayors Court		2,551	2,511	40
<b>Total All Funds</b>	<u><u>\$ (3,475)</u></u>	<u><u>\$ 383,300</u></u>	<u><u>\$ 358,406</u></u>	<u><u>\$ 21,419</u></u>

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

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**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 Village of Jacksonville, Athens County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services, street maintenance, water utility services, park operations, police services and fire protection services.

The Village participates in one jointly governed organization and the Public Entities Pool of Ohio. Notes 7 and 8 to the financial statements provides additional information for these entities. These organizations are:

Jointly Governed Organizations:

*Trimble Township Wastewater Treatment District* – a regional sewer district that also provides billing services for the Village’s water utility services.

Public Entity Risk Pool:

*Public Entities Pool of Ohio* – a risk-sharing pool available to Ohio local governments that provides property and casualty coverage for its members,

The Village’s management believes these financial statements present all activities for which the Village 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 Village 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).

The Village did not classify its receipts or disbursements in the accompanying financial statements. This is a material departure from the requirements of Ohio Administrative Code Section 117-02-02(A). This Ohio Administrative Code Section requires classifying receipts and disbursements.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village 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.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

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

**C. Fund Accounting (Continued)**

**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 Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Fire Levy Fund – This fund receives money from a tax levy approved by voters to provide fire protection services for the Village.

Street Light Fund - This fund receives tax levy money to maintain street light service for the Village.

**3. Debt Service Funds**

These funds account for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Fund:

Building Note Fund - This fund receives transfers from the General Fund for the payment of principal and interest on debt related to the new Village Hall.

**4. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

USDA Playground Improvement Fund – This fund received proceeds of a USDA grant for the construction of a new playground.

**5. Enterprise Funds**

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Operating Fund - This fund receives charges for services to cover water service costs.

Water Improvement Fund - This fund receives charges for services for the payment of principal and interest on USDA bonds issued for past water utility improvements in the Village.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

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

**C. Fund Accounting (Continued)**

**7. Fiduciary Funds**

Fiduciary funds include agency funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following significant Agency Fund:

Mayor's Court Fund - This fund accounts for the financial activity of the Mayor's Court.

**D. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) 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 Village Council must annually approve appropriation measures and subsequent amendments. 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 Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not use the encumbrance method of accounting.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

**E. Property, Plant, and Equipment**

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

**F. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**2. Equity in Pooled Deposits**

The Village 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:

	2011	2010
Demand deposits	\$20,250	\$21,419

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

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$102,117	\$102,117
Special Revenue	0	89,471	89,471
Debt Service	0	55,731	55,731
Capital Projects	0	0	0
Enterprise	0	134,688	134,688
Total	\$0	\$382,007	\$382,007

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$100,949	(\$100,949)
Special Revenue	0	111,567	(111,567)
Debt Service	0	55,731	(55,731)
Capital Projects	0	0	0
Enterprise	0	115,039	(115,039)
Total	\$0	\$383,286	(\$383,286)

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$98,029	\$98,029
Special Revenue	0	81,503	81,503
Debt Service	0	68,057	68,057
Capital Projects	0	0	0
Enterprise	0	133,160	133,160
Total	\$0	\$380,749	\$380,749

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**3. Budgetary Activity (Continued)**

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$121,220	(\$121,220)
Special Revenue	0	61,821	(61,821)
Debt Service	0	68,057	(68,057)
Capital Projects	0	0	0
Enterprise	0	104,796	(104,796)
Total	\$0	\$355,894	(\$355,894)

Contrary to Ohio law, the Village did not formally adopt a Certificate of Estimated Resources or Appropriation Measure for either 2011 or 2010. Also contrary to Ohio law, at December 31, 2011, the General Fund had a cash deficit balance of \$161,312. At December 31, 2010, the General Fund had a cash deficit balance of \$162,480.

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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.

Public utilities are also taxed on personal and real property located within the Village.

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 Village.

**5. Debt**

Debt outstanding at December 31, 2011 was as follows:

	Principal	Interest Rate
Water Improvement Bonds	\$192,569	5.875%
Building Note	340,117	5.450%
Fire Pumper Truck Note	3,342	5.960%
Truck Note	57,292	5.247%
General Operations	5,095	5.200%
Total	\$598,415	

The Water Improvement Bonds relate to the replacement and installation of water lines in the Village. Revenue from the water system has been pledged to repay this debt. The remaining General Obligation Notes will be repaid from general operating receipts.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**5. Debt (Continued)**

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

Year ending December 31:	Water Improvement Bonds	Building Note	Fire Pumper Note	Truck Note	General Operations	Total
2012	\$18,784	\$34,531	\$3,384	\$6,228	\$5,095	\$68,022
2013	18,784	34,531		6,228		59,543
2014	18,784	34,531		6,228		59,543
2015	18,784	34,531		6,228		59,543
2016	18,784	34,531		6,228		59,543
2017-2021	93,909	172,655		31,140		297,704
2022-2026	93,795	129,483		21,832		245,110
2027-2031	93,811					93,811
Total	<u>\$375,435</u>	<u>\$474,793</u>	<u>\$3,384</u>	<u>\$84,112</u>	<u>\$5,095</u>	<u>\$942,819</u>

**6. Retirement Systems**

The Village'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 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2011.

**7. Risk Management**

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

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

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**7. Risk Management (Continued)**

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP'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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets	\$33,362,404	\$34,952,010
Liabilities	<u>(14,187,273)</u>	<u>(14,320,812)</u>
Net Assets	<u>\$19,175,131</u>	<u>\$20,631,198</u>

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$13 million and \$12.9 million of estimated incurred claims payable. The assets above also include approximately \$12.1 million and \$12.4 million of unpaid claims to be billed to approximately 455 member governments in the future, as of December 31, 2011 and 2010, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Government's share of these unpaid claims collectible in future years is approximately \$7,000.

Based on discussions with PEP, the expected rates PEP 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 PEP for each year of membership.

<u>Contributions to PEP</u>	
<u>2011</u>	<u>2010</u>
\$7,989	\$9,343

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP 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 PEP. 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.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**8. Jointly Governed Organization**

*Trimble Township Wastewater Treatment District* - The Trimble Township Wastewater Treatment District is a regional sewer District organized under Chapter 6119 of the Ohio Revised Code. The Village operated under the direction of an eight member Board of Council Members whose membership is composed of two appointments from each of the participating subdivision: Village of Trimble, Village of Jacksonville, Village of Glouster and Trimble Township. The membership elects a President, Vice President and a Secretary-Treasurer who are responsible for the fiscal control of the financial resources of the District. To obtain financial information, write to the Trimble Township Wastewater Treatment District, Joy Hemsley, Secretary-Treasurer, at 18551 Jacksonville Road, P.O. Box 278, Jacksonville, Ohio 45740.

**9. Subsequent Events**

On January 9, 2013, Mayor George Pallo resigned from office for personal reasons. On January 10, 2013, the former Mayor was charged with two counts of grand theft and two counts of theft in office. He admitted to depositing funds designated for the Village into the Jacksonville Fire and Rescue bank account (a nonprofit organization separate from the Village) and used some of the money for personal use. The money had been donated by the Jacksonville Veterans of Foreign Wars and the Jacksonville Eagles.

**10. Deficit Fund Balance**

The Village had a deficit fund balance of \$161,312 in the General Fund as of December 31, 2011. The Village continues to issue short-term debt to fund general governmental operations in addition to the debt obligations relating to the Building Note and General Operations Note, which will require \$39,850 of General Fund resources during 2012. Currently, management is taking steps to reduce spending and to implement a system of accounting that will facilitate in the monitoring of the Village's finances.

**11. Restatement of Beginning Balances**

As a result of prior period errors noted during the period, the January 1, 2010 balances were restated as follows:

	January 1 Fund Balance	Increase/ (Decrease)	Restated January 1 Fund Balance
General Fund	\$ (134,562)	\$ (4,726)	\$ (139,288)
Fire Fund	35,007	677	35,684



# Dave Yost • Auditor of State

## ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

Village of Jacksonville  
Athens County  
P.O. Box 185  
Jacksonville, Ohio 45740

To the Village Council:

We have selectively tested certain accounts, financial records, files, and reports of the Village of Jacksonville, Athens County, Ohio (the Village), as of and for the years ended December 31, 2011 and 2010, following Ohio Admin. Code Section 117-4-02. We noted the Village did not classify receipts and disbursements in its financial statements. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, internal control over financial reporting, or compliance. We therefore express no opinion on these matters.

### Internal Control over Financial Reporting

During our procedures related to the internal control over financial reporting we noted matters that, in our judgment, could adversely affect the Village's ability to initiate, authorize, record, process, or report financial data consistent with management's assertions in the financial statements. In addition, these matters could result in the occurrence of misstatements that are caused by error or fraud that would not be detected in a timely manner by employees when performing the assigned functions. These matters are described in the Schedule of Findings as items 2011-25 through 2011-34.

### Compliance and Other Matters

We tested compliance with certain provisions of laws, regulations, contracts, and grant agreements, applicable to the Village. Noncompliance with these requirements could impact the Village's ability to determine financial statement amounts. The results of our tests disclosed instances of noncompliance or other matters that are reported in the accompanying Schedule of Findings as items 2011-01 through 2011-24.

The Village's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the management and Village Council. We intend it for no one other than these specified parties.

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

April 29, 2013

VILLAGE OF JACKSONVILLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

FINDING NUMBER 2011-01

**Finding for Recovery – George Pallo and Theron Young**

The Ohio Ethics Law and related statutes are found in Ohio Revised Code Chapter 102 and Sections 2921.42 and 2921.43. These laws generally prohibit public officials and employees from misusing their official positions for their own personal benefit or the benefit of their family members or business associates.

In May of 2011, the Village Council passed a resolution allowing adjustments to all utility accounts affected by a leak that had not been previously adjusted due to poor record keeping by the former Fiscal Officer. As a result of that resolution, only two accounts were adjusted. Former Mayor George Pallo's account balance of \$3,254.14 was reduced by \$1,833.32 and Former Council Member, Theron Young's, account balance of \$2,382.82 was reduced by \$1,174.72. A scan of the activity in these accounts revealed that neither Mr. Pallo nor Mr. Young had made any payments on their accounts for several years (since 2005 for Mr. Pallo). Usage over that period was consistent and did not indicate leaks had occurred.

Additionally, during the extended delinquency period, neither account was included on a shut off list and, until 2011, neither account was included on the delinquency listing certified to the County Auditor to be assessed on their taxes. The remaining balances, after adjustments, were included in the 2011 certification to the County Auditor.

In accordance with the foregoing facts, and pursuant to the Ohio Rev. Code Section 117.28, a Finding for Recovery for public money due but not collected is hereby issued against George Pallo, former Mayor, and his bonding company, Auto Owners Insurance Group, jointly and severally, and in favor of the Village of Jacksonville's Water Operating Fund in the amount of \$1,833.

Also, in accordance with the foregoing facts, and pursuant to the Ohio Rev. Code Section 117.28, a Finding for Recovery for public money due but not collected is hereby issued against Theron Young, former Council Member, and his bonding company, Auto Owners Insurance Group, jointly and severally, and in favor of the Village of Jacksonville's Water Operating Fund in the amount of \$1,174.

**Official's Response:** The Village has been and will continue to work toward success.

FINDING NUMBER 2011-02

**Finding for Recovery – Jacksonville Fire and Rescue**

The Fraternal Order of Eagles #1034 (FOE) made donations payable to the Village of Jacksonville from its gambling/bingo proceeds for use by the Village's Fire Fund. Former Mayor, George Pallo, as a member of the FOE, collected the donations on behalf of the Village. As the Treasurer and authorized signatory on the Jacksonville Fire and Rescue Volunteer Fire Department (VFD), Former Mayor Pallo deposited the funds into the VFD account rather than paying them in to the Village as intended by the donors.

Donations made payable to the Village, but deposited with the VFD amounted to \$2,630 in 2011 and \$1,455 in 2010, for a total of \$4,085.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-02 (Continued)**

**Finding for Recovery – Jacksonville Fire and Rescue (Continued)**

In accordance with the foregoing facts, and pursuant to the Ohio Rev. Code Section 117.28, a Finding for Recovery for public money due but not collected is hereby issued against Jacksonville Fire and Rescue in favor of the Village of Jacksonville's Fire Fund in the amount of \$4,085.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-03**

**Finding for Recovery – Robert D. Sayre**

Ohio Rev. Code Section 731.13 states that the legislative authority of a village shall fix the compensation and bonds of all officers, clerks, and employees of the village except as otherwise prohibited by law. The legislative authority shall, in the case of elective officers, fix their compensation for the ensuing term of office at a meeting held not later than five days prior to the last day fixed by law for filing as a candidate for such office. All bonds shall be made with sureties subject to the approval of the mayor. The compensation so fixed shall not be increased or diminished during the term for which any officer is elected or appointed.

The legislatively approved rate for the Village Fiscal officer was \$350 per month. Robert D. Sayre held the position of Village Fiscal Officer until the end of June 2010 and his letter of resignation was approved by Council on August 17, 2010. Since the prior audit included the period January 1, 2010 through March 31, 2010, our current testing of the period April 1, 2010 through June 30, 2010 revealed that the former Fiscal Officer, Robert D. Sayre, issued and cashed additional checks to himself. Council did not approve these additional payments and Mr. Sayre could not otherwise justify the additional payments. The payments are as follows:

Check Number	Check Date	Amount
4843	04/19/10	\$ 1,400.00
4862	04/30/10	350.00
4868	05/13/10	350.00
4872	05/21/10	1,400.00
4876	05/26/10	350.00
4888	06/14/10	350.00
4901	06/13/10	634.19
4902	06/17/10	700.00
4908	06/26/10	1,400.00
		\$ 6,934.19

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is hereby issued for public property converted or misappropriated against Robert D. Sayre, former Village Fiscal Officer, and in favor of the Village of Jacksonville's General Fund in the amount of \$6,934.

**Official's Response:** The Village has been and will continue to work toward success.

VILLAGE OF JACKSONVILLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2011-04

**Finding for Recovery – Robert D. Sayre**

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper “Public Purpose” states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

During our testing of expenditures and cash, we noted \$1,139 of insufficient fund charges, returned check fees and overdraft charges charged to the Village during 2010.

Additionally, we noted the following fees resulting from late payments assessed for delinquencies existing on or before June 30, 2010:

- Late fees relating to four loans: Loan #83707 (\$289.62), Loan# 72713 (\$27.78), Loan #83459 (\$50.59), Loan #76412 (\$276.23) and Loan #84488 (\$101.61).
- Bank charges for service charges in the amount of \$59.
- Late fees and penalties for Perry & Associates (\$4), American Electric Power (\$107), Columbia Gas (\$4), Ohio Police & Fire Pension (\$2,861) and Ohio Public Employees Retirement System (\$56)

We do not consider these charges to be for a proper public purpose in the operations of the Village.

In accordance with the foregoing facts, and pursuant to the Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Robert D. Sayre, former Village Fiscal Officer, and in favor of the Village of Jacksonville’s General Fund in the amount of \$4,975.

**Official’s Response:** The Village has been and will continue to work toward success.

FINDING NUMBER 2011-05

**Noncompliance**

Ohio Rev. Code Section 117.38 provides that cash basis entities must file annual reports with the Auditor of State within 60 days after the close of the fiscal year.. Also, the public office must publish notice in a local newspaper stating that the financial report is available for public inspection at the office of the chief fiscal officer.

The Village did not file the 2011 and 2010 financial reports with the Auditor of State within the 60 days, nor did the Village publish notice of the availability of the financial report in the local newspaper. The 2010 financial report was filed on September 30, 2011. The 2011 financial report was not filed.

We recommend the Village publish notice in a local newspaper that the annual financial report is available after filing with the Auditor of State.

**Official’s Response:** The Village has been and will continue to work toward success.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-06**

**Noncompliance**

Ohio Rev. Code Section 121.22 states in part that all meetings of any public body are declared to be public meetings open to the public at all times. A member of the public body must be present in person at a meeting open to the public to be considered present or to vote and for determining whether a quorum is present. The minutes of a regular or special meeting of any such publicly public body shall be promptly recorded and open to public inspection. The minutes need only reflect the general subject matter of discussion in executive sessions.

The minutes provided for audit from January 1 through August 17, 2010 were unavailable or hand-written notes which did not indicate approval by Council. The notes often indicated that Council voted to dispense with the reading of the minutes. These practices provide no assurance that the minutes properly reflect the approved actions of Council.

We recommend the minutes reflect all official actions taken by Council, including, but not limited to budgetary actions, contract consideration and award and that Council read and approve as to the completeness and accuracy of the minutes at each subsequent meeting.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-07**

**Noncompliance**

Ohio Rev. Code Section 135.21 and Article XII, Section 5a, Ohio Const. and 1982 Op. Atty. Gen. No. 82-031 require that interest earned on money derived from a motor vehicle license or fuel tax must follow the principal.

While not material for 2011, the Fiscal Officer did not post interest to the Street Construction, Maintenance and Repair Fund and State Highway Fund, which receive the motor vehicle license tax and fuel tax. Interest was posted to the General Fund only.

We recommend interest earned on money derived from the motor vehicle license tax and gasoline tax be allocated to the Street Construction, Maintenance and Repair Fund and State Highway Fund based on the ratio of each funds' monthly receipt to the total monthly receipts for all funds. Any remaining interest can be posted to the General Fund.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-08**

**Noncompliance**

Ohio Rev. Code Section 149.351 (A) states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under sections 149.38 to 149.42 of the Revised Code or under the records programs established by the boards of trustees of state-supported institutions of higher education under section 149.33 of the Revised Code. Those records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, destroyed, mutilated, or transferred unlawfully.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-08 (Continued)**

**Noncompliance - Ohio Rev. Code Section 149.351 (A) (Continued)**

During 2010, expenditures totaling \$127,914 had no supporting documentation, such as an invoice, and therefore could not be determined to be for a proper public purpose due to lack of supporting documentation. However, we were able to gain a certain level of assurance of the proper public purpose of these expenditures through alternate procedures. The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In addition, during compliance testing, it was noted that the Village uses a Marathon Gas Card for fuel purchases, but in 2010 and 2011, statements were paid which contained no supporting documentation.

In 2010, September and December meter reading registers were unavailable. Additionally, the water clerk (for Trimble Township Waste Water) was unable to produce the January 2011 billing register.

We recommend all records be maintained for audit purposes and that no disbursements are made unless supporting documentation is available.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-09**

**Noncompliance**

Ohio Rev. Code Section 149.43 requires that all public records shall be promptly prepared and made available to any member of the general public at all reasonable times during regular business hours for inspection. Upon request, a person responsible for public records shall make copies available at cost, within a reasonable period of time. In order to facilitate broader access to public records, public offices shall maintain public records in such a manner that they can be made available for inspection.

Pursuant to Ohio Rev. Code Section 149.43(E), the Ohio Attorney General shall develop and provide to all public offices a model public records policy for responding to public records requests in compliance with Ohio Rev. Code Section 149.43 in order to provide guidance to public offices in developing their own public record policies for responding to public records requests in compliance with that section. This model policy is available at [www.ag.state.oh.us/publicrecords/modelpolicy.asp](http://www.ag.state.oh.us/publicrecords/modelpolicy.asp).

The Village did not have a written public records policy or a written records retention policy. In addition, there was no indication of any elected official attending the required training.

This could result in inconsistencies in the treatment of public records requests.

We recommend the elected officials of the Village Council either attend the required public records training or designate an individual to attend the training on their behalf. In addition, the Council should adopt a public records policy in accordance with Ohio Revised Code requirements.

**Official's Response:** The Village has been and will continue to work toward success.

VILLAGE OF JACKSONVILLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2011-10

**Noncompliance**

Ohio Rev. Code Section 733.27 provides that a village fiscal officer is required to attend annual training programs for new village fiscal officers and annual continuing education programs provided by the Auditor of State.

During 2010 and 2011, the Village Fiscal Officer did not attend training for new village clerks or annual continuing education programs provided by the Auditor of State. As a result, the required accounting ledgers and journals were not maintained, precluding the Fiscal Officer from adequately and accurately preparing the annual financial statements.

We recommend the Village Fiscal Officer attend annual training programs and annual continuing education programs provided by the Auditor of State.

**Official's Response:** The Village has been and will continue to work toward success.

FINDING NUMBER 2011-11

**Noncompliance**

Ohio Rev. Code Section 733.40 requires that all fines, forfeitures, and costs in ordinance cases and all fees that are collected by the mayor, that in any manner come into the mayor's hands, or that are due the mayor, and all money received by the mayor for the use of the municipal corporation shall be paid by the mayor into the treasury of the municipal corporation on the first Monday of each month. At the first regular meeting of the legislative authority each month, the mayor shall submit a full statement of all money received, from whom and for what purposes received, and when paid into the treasury.

The Mayor's Court did not pay the monies collected into the Village on the first Monday of the following month for four months in 2010 and two months in 2011.

We recommend the Clerk of the Mayor's Court pay all moneys collected to the Village by the first Monday of the month following receipt. In addition, we recommend the Court Clerk submit a full statement of such collections to the Village Council along with payment and the Village Council include an acknowledgement of the receipts of this statement and the payment in the Minute Record to indicate their acceptance.

**Official's Response:** The Village has been and will continue to work toward success.

FINDING NUMBER 2011-12

**Noncompliance**

Ohio Rev. Code Section 1347.05 requires every state or local agency that maintains a personal information system to:

- (A) Appoint one individual to be directly responsible for the system;
- (B) Adopt and implement rules that provide for the operation of the system;
- (C) Inform each of its responsible employees of all rules adopted in accordance with this section;
- (D) Specify disciplinary measures for unauthorized use of information contained in the system;
- (E) Inform a person supplying personal information if it is legally required, or if they may refuse;

VILLAGE OF JACKSONVILLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**FINDING NUMBER 2011-12 (Continued)**

**Noncompliance - Ohio Rev. Code Section 1347.05 (Continued)**

- (F) Develop procedures for purposes of monitoring the accuracy, relevance, timeliness, and completeness of the personal information in this system;
- (G) Take reasonable precautions to protect personal information in the system from unauthorized modification, destruction, use, or disclosure;
- (H) Collect, maintain, and use only personal information that is necessary and relevant to the functions that the agency is required or authorized to perform, and eliminate personal information from the system when it is no longer necessary and relevant to those functions.

The Village did not adopt a formal policy regarding the collection and maintenance of personal information.

We recommend Village Council formally adopt the required policy regarding the collection and maintenance of personal information.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-13**

**Noncompliance**

Ohio Rev. Code Section 5705.05 prohibits using taxes levied for current expenses to pay debt charges.

The General Fund had two loans outstanding, the proceeds of which were to subsidize general operating costs. Payments made from taxes levied in the General Fund included charges for debt service. Since debt service is not considered a current operating expense, the Village made the payments from an unallowable source. The Village is also experiencing financial difficulties and is in danger of defaulting on its general obligation notes.

We recommend the Village contact their Solicitor prior to issuing debt to determine the legality of any debt issues. We further recommend the Village ensure adequate allowable resources are available to cover the monthly or annual debt payments.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-14**

**Noncompliance**

Ohio Rev. Code Section 5705.10(H) states that money paid into any fund shall be used only for the purposes for which such fund is established. A negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

The Village's General Fund reported a deficit fund balance of \$162,480 at December 31, 2010 and a deficit fund balance of \$161,312 at December 31, 2011, which indicates moneys from Special Revenue and Utility Funds were used to cover Village operating costs.

We recommend that money paid into the restricted funds only be used for the purpose for which the fund was created.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-14 (Continued)**

**Noncompliance – Ohio Rev. Code Section 5705.10(H) (Continued)**

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-15**

**Noncompliance**

Ohio Rev. Code Section 5705.34 requires each taxing authority is to pass an ordinance or resolution to authorize the necessary tax levies. Each such authority is to certify the levies to the County Auditor before October, unless a later date is approved by the Tax Commissioner.

The Village Council did not pass an ordinance to authorize the necessary tax levies for 2010 or 2011.

We recommend Village Council pass an ordinance to authorize the necessary tax levies and certify the levies to the County Auditor before the required deadline, unless a later date is approved by the Tax Commissioner.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-16**

**Noncompliance**

Ohio Rev. Code Section 5705.36 requires that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units shall certify to the County Auditor the total amount from all sources available for expenditures from each fund set up in the tax budget along with any unencumbered balances existing at the end of the preceding year.

The Village did not file the certificate with the County Auditor for 2010 or 2011.

As a result the Village was unable to properly budget its expenditures, which could lead to expending more money than is available.

We recommend the Village file the certificate with the County Auditor on or about the first day of each fiscal year.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-17**

**Noncompliance**

Ohio Rev. Code Section 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is 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 no later than April 1.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-17 (Continued)**

**Noncompliance – Ohio Rev. Code Section 5705.38(A) (Continued)**

Additionally, Ohio Rev. Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

The Village did not pass the required Appropriation Measure for 2010 or 2011. As a result, all of the Village's expenditures during 2010 and 2011 were made in the absence of legal appropriations.

We recommend the Village adopt an appropriation measure at the beginning of every year. We further recommend that no money be expended if it has not been properly appropriated by the Village Council.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-18**

**Noncompliance**

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The Fiscal Officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

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 Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the 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 Village.

2. Blanket Certificate – Fiscal Officer may prepare "blanket" certificates for a certain sum of money not in excess of 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 end of 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.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-18 (Continued)**

**Noncompliance – Ohio Rev. Code Section 5705.42(D)(1) (Continued)**

3. Super Blanket Certificate – The Village 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 extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

One hundred percent of the expenditures were not certified by the Fiscal Officer at the time the commitment was incurred and there was no evidence that the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

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 Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

We recommend the Village certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language Section 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-19**

**Noncompliance**

Ohio Rev. Code Section 5747.07(E) requires that every employer shall file, not later than the last day of the month following the end of each calendar quarter, a return covering, but not limited to, both the actual amount deducted and withheld and the amount required to be deducted and withheld for the tax imposed under this calendar during each partial weekly withholding period during the quarter.

The Village did not remit state tax contributions on a timely basis, nor did the Village provide the required state tax returns for 2010 until June 2011. In addition, the Village filed the yearly reconciliation (IT-3) after the due date. The current Village Fiscal Officer contacted the Ohio Department of Taxation for assistance in determining the Village's liability and learned the former Fiscal Officer contacted the Ohio Department of Taxation at the end of 2005 to close the Village's account, stating there were no employees from which state income taxes applied. Although the Village has worked out a payment plan, they still have an outstanding balance.

We recommend the Village Fiscal Officer reactivate the account and remit state taxes on a timely basis to avoid late fees and penalties, and maintain the appropriate documentation.

**Official's Response:** The Village has been and will continue to work toward success.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-20**

**Noncompliance**

Ohio Admin. Code 117-2-02 requires all local public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

All local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors. Such records should include the following:

- (1) Cash journal, which typically contains the following information: The amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
- (2) Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payer, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.
- (3) Appropriation ledger, which may assemble and classify disbursements or expenditure/expenses into separate accounts for, at a minimum, each account listed in the appropriation resolution. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, uncommitted balance of appropriations and any other information required may be entered in the appropriate columns.

In addition, all local public offices should maintain or provide a report similar to the following payroll records:

- W-2's, W-4's and other withholding records and authorizations.
- Payroll journal that records, assembles and classifies by pay period the name of employee, social security number, hours worked, wage rates, pay date, withholdings by type, net pay, and other compensation paid to an employee (such as a termination payment), and the fund and account charged for the payments.
- Check register that includes, in numerical sequence, the check number, payee, net amount, and the date.
- Information regarding nonmonetary benefits such as car usage and life insurance.
- Information, by employee, regarding leave balances and usage.

Using these accounting records will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

During the audit period, the Village did not maintain, or did not complete a receipts ledger, appropriation ledger, or check register. There was no indication of performance of bank reconciliations. There was also no indication of a receipt book to document date and source of items received. In addition, personnel files did not include hiring authorizations or documentation of approved pay rates. Several personnel files did not include PERS forms, W-4's or IT-4's. There was no indication of tracking of vacation or sick leave accrual and usage. As a result, the Village was unable to prepare an accurate and complete set of financial statements for the audit period.

Failure to maintain adequate accounting records restricts the Village's ability to monitor its financial activity and status, eliminating key management tools for making sound financial decisions.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-20 (Continued)**

**Noncompliance – Ohio Admin. Code Section 117-2-02 (Continued)**

We recommend the Village utilize an accounting system in accordance with Ohio Admin. Code 117-2-02.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-21**

**Noncompliance**

Ohio Admin. Code Section 5703-7-06 requires that for purposes of withholding the Ohio personal income tax as required by Ohio Rev. Code Section 5705.06, Ohio employers and employees shall utilize Ohio Form IT-4. The number of personal exemptions to which an employee is entitled will be determined only from a properly completed IT-4 form, and if such form is not properly completed and filed with the employer, the employer will withhold the Ohio personal income tax without exemptions.

While Ohio state income tax was withheld for two of the six new employees and elected officials, the Village did not present IT-4 forms for these individuals.

We recommend the Village Fiscal Officer obtain IT-4 forms for all Village employees and officials.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-22**

**Noncompliance**

26 U.S.C. Section 3403 states, in part, the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter.

While the payroll records indicated Medicare and federal income taxes were withheld from the employees' and officials' gross pay, the amounts withheld, along with any employer matches were not remitted as required. Additionally, the Village could not provide copies of quarterly 941 reports. This can result in a significant tax liability, plus penalties and interest for the Village.

We recommend the Village Fiscal Officer remit federal income taxes withheld on a timely basis. Additionally, the Village Fiscal Officer should maintain documentation concerning the remittance of federal income taxes as well as the required reports. This matter will be referred to the Internal Revenue Service.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-23**

**Noncompliance**

26 C.F.R. Section 31.3402 requires that a W-4 form (exemptions) for federal income tax deductions must be filed for each employee, whether full or part-time. If a W-4 form is not filed by the employee, deductions are to be made as single with no dependents.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-23 (Continued)**

**Noncompliance - 26 C.F.R. Section 31.3402 (Continued)**

While federal tax was withheld for two of the six new employees and elected officials, the Village did not present W-4 forms for these individuals.

We recommend the Village Fiscal Officer obtain W-4 forms for all Village employees and officials.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-24**

**Noncompliance**

Jacksonville Village Ordinance 01-05-08(A) Rule 10 states once each year, prior to the first Monday in September, all delinquent water bills will be tallied, and sent to the County Auditor for inclusion as liens on the Real Property Tax Duplicate, for the property upon which the water bill is delinquent.

In 2010, the Village certified delinquent accounts to taxes, however there were eleven accounts, more than 90 days past due, not included in the listing certified. Nine of the eleven accounts, representing delinquencies totaling \$2,430.95, were not included at all. The other two accounts representing delinquencies totaling \$5,175.95 and belonging to the Former Mayor and a former Village Councilmember, were certified to the County Auditor in amounts significantly less than the outstanding balance on the accounts. Only \$603.39 of the \$5,175.95 was certified to the County Auditor.

In 2011, the Village certified delinquent accounts to taxes; however three of the accounts were certified as to amounts considerably less than the delinquent amounts per the report. The difference between the report and the amount certified was \$1,343.80. There were eight accounts totaling \$1,045.30 with no payment activity between 60 and 90 days per the delinquency report not certified to the County Auditor and two accounts totaling \$345.37 with no payment activity in excess of 90 days per the delinquency report not certified to the County Auditor. The Village also included two delinquent accounts for a total of \$380.54 more than the amounts shown on the delinquent report.

The failure to subject all delinquent water accounts to the same collection procedures mandated by the Village's own Ordinance can result in undue financial hardship for the Village.

We recommend Village Council, as a quorum, regularly obtain and review delinquent lists directly from the Trimble Wastewater Treatment District and enforce collection procedures as mandated by Ordinance 01-05-08(A) Rule 10. We further recommend the Village Fiscal Officer certify the required delinquent list to the County Auditor in order to facilitate the timely collection of delinquent water bills.

**Official's Response:** The Village has been and will continue to work toward success.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-25**

**Material Weakness**

When designing the public office's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls.

The small size of the Village staff did not allow for an adequate segregation of duties; the Village Fiscal Officer was responsible for all accounting functions. Therefore, it is important the Village Council function as a finance committee to monitor financial activity closely. Actual revenues and expenses should be compared to budgeted amounts each month, and reported to and reviewed by the Village Council. The Village Council should determine the reason actual expenditures varied from budgeted expenditures by making inquiries to management. Additionally, the Village Council should compare their actual cash balance to budgeted cash balance at the end of each month. When the actual cash balance is below the budgeted cash balance, the Council should look for ways to increase revenues and/or decrease expenditures budgeted in the upcoming months so as to achieve the budgeted cash balance. In addition, the Village Council should review and approve bank reconciliations and expenditures monthly.

There was no documentation supporting the Village Council review of monthly bank reconciliations for any Village account, approval of expenditures for any of the months in 2010 and 2011, or the extent to which the Council used financial information to monitor the financial activity of the Village. The lack of financial information provided to the Council monthly review hampers the Council's ability to effectively monitor the financial activity and position of the Village.

This resulted in the ledgers of the Village not being posted up-to-date, errors in the reconciliation, and errors and omissions occurring in the Village's annual financial statements without the timely knowledge of the Village Council. The lack of controls over expenditures and financial reporting adversely affected the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We recommend financial information be presented to the Village Council on a regular basis. This information should include reconciliations, as well as revenue and expenditure activity and budget versus actual reports. A periodic review should also be performed on the Village's cash book to gain assurances that the records are posted up to date, in agreement with the presented reports and reflect authorized transactions. These reviews should be documented in the minutes of the Village Council meetings.

The Village Council should carefully review this information and make appropriate inquiries to help determine the continued integrity of financial information. This information also provides important data necessary to manage the Village. This information can help answer questions such as the following:

**Inquiries Relevant to Overall Village Operations:**

- Are current receipts sufficient to cover expenditures?
- Are expenditures in line with prior year costs?
- If unusual fluctuations in receipts or expenditures occur, is the reason understood, and has it been appropriately budgeted?
- Are anticipated receipts being timely received?
- Is the Village maximizing its return on invested cash balances?
- Is the Village able to achieve the financial goals as set by the original or amended budgets?

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-25 (Continued)**

**Material Weakness (Continued)**

In order to effectively monitor the financial activity of the Village, we recommend the Council members review and accept/approve the monthly financial information provided by the Village Clerk. We recommend that the Village Clerk provide a detailed budget and financial statements, cash balances, and checks paid, and completed bank reconciliations for each regular Council meeting. The review of this information should be noted in the minutes of the meetings of the Council.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-26**

**Material Weakness**

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

In 2010 and 2011, adjustments were necessary to record unaccounted for debt activity, including transfers into the debt funds from the funds bearing the original obligations, activity of one fund being posted to the incorrect fund and corrections to the booked beginning balances.

These misstatements had the net effect on the following Village funds as of December 31, 2011:

	Unadjusted Balance at December 31, 2011	<u>Adjustments</u>	Adjusted Balance at December 31, 2011
General Fund	\$ (162,041)	\$ 729	\$ (161,312)
Special Revenue Funds:			
Street Construction, Maintenance and Repair	4,840	(3,599)	1,241
Fire Fund	24,878	5,752	30,630
Court Computerization	450	66	516
Capital Projects Fund:			
ODNR Playground Grant	(2,060)	22,310	20,250
Enterprise Funds:			
Water Operating Fund	84,584	(3,299)	81,285
Water Improvement Fund (USDA Loan)	21,938	(21,936)	2
Agency Fund:			
Mayor's Court Fund	40	110	150

To ensure the Village's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Village Manual for guidance on the correct line item to post various receipts and expenditures of the Village. These adjustments, with which the Village agrees, are reflected in the audited financial statements.

**Official's Response:** The Village has been and will continue to work toward success.

VILLAGE OF JACKSONVILLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2011-27

**Material Weakness**

According to Auditor of State Bulletin 97-019, while there is no provision in Ohio Rev. Code Ch. 1905 that explicitly establishes a mayor's court computerization fund similar to Ohio Rev. Code Sections 1901.261 and 1907.261, it is the Auditor of State's opinion that the mayor's courts are also able to establish a computer fund. The fee charged to computerize operations of the court the office of the clerk of its court must be placed in a special revenue fund.

In July 2010, the Village mayor's court began assessing a computerization fee on fines collected, per review of the mayor's court cashbook. During the audit period, the computerization fees collected were paid into the Village's General Fund, because a special revenue fund for these fees had not been set up on the Village's books. The financial statements have been adjusted to add the Court Computerization Fund and reflect this activity.

We recommend the Village Fiscal Officer pay all future court computerization fees into the Court Computerization Fund.

**Official's Response:** The Village has been and will continue to work toward success.

FINDING NUMBER 2011-28

**Material Weakness**

The Village Fiscal Officer did not provide a complete payroll register that included quarter-to-date totals or year-to-date totals. The payroll registers for 2010 and 2011 were incomplete and were not prepared in a consistent manner. In 2010 and 2011, Council Members and Employees were paid less than the legislatively approved rate. Some recalculated net pay amounts did not equal the amounts noted on the W-2.

The lack of a complete and accurate payroll register could allow errors and/or irregularities to occur and remain undetected for an extended period of time.

We recommend the Village Fiscal Officer maintain a complete and accurate payroll register that includes quarter-to-date and year-to-date totals in a consistent manner.

**Official's Response:** The Village has been and will continue to work toward success.

FINDING NUMBER 2011-29

**Material Weakness**

In 2009, the Ohio Department of Natural Resources (ODNR) issued the Village of Jacksonville a grant in the amount of \$64,350 received by the Village in two payments of \$50,000 and \$14,350 for a playground. The remaining fund balance as of December 31, 2009 was \$20,249. The project was completed in June of 2010, however, the Village was unable to provide evidence (invoices, contracts, and timesheets) that any expenditures relating to the playground project occurred in either 2010 or 2011. Unless otherwise provided in the grant agreement, unspent grant funds should be returned to the grantor upon the completion of the project for which the grant was intended.

VILLAGE OF JACKSONVILLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2011-29 (Continued)

**Material Weakness (Continued)**

We recommend the Fiscal Officer contact ODNR to obtain guidance as to whether the Village needs to return the unused portion of the grant.

**Official's Response:** The Village has been and will continue to work toward success.

FINDING NUMBER 2011-30

**Significant Deficiency**

The Village Fiscal Officer should write checks to a specific vendor.

In 2010, the Village Fiscal Officer issued a check to "cash". This check was to replace two payroll checks for Jeremy Sharps. The amounts he was paid were consistent and determined to be reasonable, however, issuing checks to cash could result in mis-spending of Village funds.

We recommend Village checks be written to a specific vendor.

**Official's Response:** The Village has been and will continue to work toward success.

FINDING NUMBER 2011-31

**Significant Deficiency**

The Village Fiscal Officer should issue checks in sequence and voided checks should be properly voided and retained.

In 2010, the Village Fiscal Officer did not issue checks in proper sequence. From January 2010 through June 2010 checks were issued from check number 4769 through 4908 in sequence, then in July 2010 checks were issued from check number 1000 through 1017 in sequence, and finally starting at the end of July 2010 the check sequence started at 3575 and continued in this sequence through the end of our audit period. Additionally, we noted that the Village did not retain voided checks from January 2010 through July 2010. When checks are not issued in sequence and voided checks are not retained, there is no way to ensure all checks have been included on the cashbook.

We recommend the Village Fiscal Officer issue checks in sequence and retain all voided checks.

**Official's Response:** The Village has been and will continue to work toward success.

FINDING NUMBER 2011-32

**Significant Deficiency**

Auditor of State Bulletin 96-006 states an auditor can regard optical imaging of checks as evidential matter when performing an audit. However, in order for the optical images of checks to be sufficient evidential matter, the imaging of the reverse side of the checks must occur.

The Mayor's Court depository did not include images of the reverse side of the checks for 2011 and 2010.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)</b>
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**FINDING NUMBER 2011-32 (Continued)**

**Significant Deficiency (Continued)**

The bank did not provide optical images of the reverse side of the canceled checks for 2011 and 2010 for the Village's operating account. Additionally, the bank did not provide copies of the reverse side of the cancelled checks for the Water Account. This could result in a lack of sufficient audit evidence or could result in a failure to follow the records retention laws.

We recommend the Village consult with the bank to have the bank provide images of both the front and reverse side of each cancelled check.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-33**

**Significant Deficiency**

Governmental entities might have the authority to provide cell phones, credit cards and purchasing cards for use by authorized employees, government-owned vehicles and equipment (e.g., computers, internet and phone usage, etc.) for use by authorized users. The use of these items should be specified in a policy established by the government's legislative body.

The Village has a gas card, vehicles and equipment, but they did not have a written authorized policy addressing the use of these items. In addition, we noted that statements were paid that did not have detailed receipts; receipts that were retained did not have signatures or vehicle numbers written on them. In absence of a written policy or internal control procedures over these expenditures, the Village may not be able to recover the expended monies in the event of theft, loss or damage.

We recommend the Village Council approve policies as noted above. The cell phone, credit card and purchasing policy should, at a minimum, identify authorized users; guidelines for allowable use/purchases; method of reimbursement (if personal use is allowed); specific unallowable uses; reporting; monitoring of use by appropriate levels of management; and other guidelines deemed appropriate by the legislative body.

We also recommend the Village establish procedures over the gas card that requires employees to submit a detailed/itemized receipt with the vehicle notated, and the user signature on the receipt. This will allow the Fiscal Officer to know how to properly allocate the expenditures.

**Official's Response:** The Village has been and will continue to work toward success.

**FINDING NUMBER 2011-34**

**Significant Deficiency**

When designing the public office's system of internal control and the specific control activities, management should consider the following:

- Ensure that all transactions are properly authorized in accordance with management's policies;
- Ensure that accounting records are properly designed;
- Ensure adequate security of assets and records;
- Plan for adequate segregation of duties or compensating controls;

VILLAGE OF JACKSONVILLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2011-34 (Continued)

**Significant Deficiency (Continued)**

- Verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records;
- Perform analytical procedures to determine the reasonableness of financial data;
- Ensure the collection and compilation of data needed for the timely preparation of financial statements; and,
- Monitor activities performed by service organizations.

In 2011, ticket #s 3505, 3506, and 3507 were issued after the final ticket issued in sequential order (ticket #3483), and ticket numbers 3484-3504 were not included. The Village does not maintain a list of tickets issued which increase the risk that transactions recorded in the Mayor's Court were not accurate or complete.

We recommend the Village of Jacksonville police department ensures all tickets are accounted for by maintaining a ledger of all tickets issued, voided and unused.

**Official's Response:** The Village has been and will continue to work toward success.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	Finding for Recovery Repaid Under Audit (through 3/31/10)	No	Partially Corrected; Amount through 3/31/10 repaid however, additional fraudulent checks found from 4/1/10 through 6/31/10. Reissued as Finding Number 2011-03.
2009-002	Finding for Recovery against former Fiscal Officer for monies illegally expended	Yes	NA
2009-003	Finding for Recovery against former Fiscal Officer for public money expended not for a proper public purpose.	No	Partially Corrected; Amount through 12/31/09 repaid however, additional such fees and charges recurred in 2010. Reissued as Finding Number 2011-04.
2009-004	Ohio Rev. Code Section 117.38 – Failure to file the 2007 and 2006 annual reports with the AOS.	No	Not Corrected; Reissued as Finding Number 2011-05.
2009-005	Ohio Rev. Code Section 121.22 – Advertising meeting dates.	No	Not Corrected; Reissued as Finding Number 2011-06.
2009-006	Ohio Rev. Code Section 145.47 – Not remitting OPERS contributions timely.	Yes	NA
2009-007	Ohio Rev. Code Section 149.351(A) – damage or destruction of public records	No	Not Corrected; Reissued as Finding Number 2011-08.
2009-008	Ohio Rev. Code Section 733.13 – officials’ salaries	Yes	NA
2009-009	Ohio Rev. Code Section 733.40 – Untimely pay in from Mayor’s Court to the Village and lack of separate Agency Fund ledgers	No	Not Corrected; Reissued as Finding Number 2011-11.
2009-010	Ohio Rev. Code Section 742.35 - Not remitting OP&F contributions timely.	Yes	NA

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-011	Ohio Rev. Code Section 5705.05 – Using debt proceeds to cover current operating expenses.	No	Not Corrected; Reissued as Finding Number 2011-13.
2009-012	Ohio Rev. Code Section 5705.10(H) – Deficit Fund Balances.	No	Not Corrected; Reissued as Finding Number 2011-14.
2009-013	Ohio Rev. Code Section 5705.31(A) and (D) – Paying debt from unallowable restricted sources.	Yes	NA
2009-014	Ohio Rev. Code Section 5705.36 – Certification of available balances.	No	Not Corrected; Reissued as Finding Number 2011-16.
2009-015	Ohio Rev. Code Section 5705.38(A) – failure to appropriate.	No	Not Corrected; Reissued as Finding Number 2011-17.
2009-016	Ohio Rev. Code Section 5705.41(B) – Actual Disbursements exceeded Appropriation.	No	Not Corrected; Combined under 2011-17.
2009-017	Ohio Rev. Code Section 5705.41(D) - Not properly certifying the availability of funds prior to incurring obligations.	No	Not Corrected; Reissued as Finding Number 2011-18.
2009-018	Ohio Rev. Code Section 5747.07(E) - Not remitting federal income tax withholdings timely.	No	Not Corrected; Reissued as Finding Number 2011-019.
2009-019	Noncompliance & Material Weakness – O.A.C. 117-2-02 - Lack of accounting records.	No	Not Corrected; Reissued as Finding Number 2011-20.
2009-020	26 C.F.R Section 1.6041-1 – Failure to issue Form 1099-MISC to contractors paid in excess of \$600 per year.	Yes	NA
2009-021	26 U.S.C. Section 3403 – Failure to remit federal income taxes withheld in a timely manner.	No	Not Corrected; Reissued as Finding Number 2011-22.

**VILLAGE OF JACKSONVILLE  
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-022	Jacksonville Village Ordinance 01-05-08(A) – failure to subject all delinquent utility accounts to same collection procedures.	No	Not Corrected; Reissued as Finding Number 2011-01.
2009-023	Material Weakness for lack of monitoring.	No	Not Corrected; Reissued as Finding Number 2011-25.
2009-024	Material Weakness for lack of controls to compensate for the lack of duty segregation.	No	Not Corrected; Reissued and combined into Finding Number 2011-25.



# Dave Yost • Auditor of State

VILLAGE OF JACKSONVILLE

ATHENS 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 23, 2013