



Dave Yost • Auditor of State

VILLAGE OF JACKSONVILLE
ATHENS COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Jacksonville, Athens County, Ohio (the Village), as of and for the year ended December 31, 2012.

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 Village'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 Village'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 Village 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 Village as of December 31, 2012, or changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Jacksonville, Athens County, as of December 31, 2012, and its combined cash receipts and disbursements for the year 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 2012 the Village 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2013, on our consideration of the Village'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 Village's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

September 23, 2013

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 25,674	\$ 28,238	\$ -	\$ 53,912
Donations	4,139	12,396		16,535
Intergovernmental	13,800	41,722		55,522
Charges for Services		10,000		10,000
Fines, Licenses and Permits	14,077	720		14,797
Earnings on Investments	15			15
Miscellaneous	1,828	777		2,605
<i>Total Cash Receipts</i>	<u>59,533</u>	<u>93,853</u>	<u>0</u>	<u>153,386</u>
Cash Disbursements				
Current:				
Security of Persons and Property	18,720	23,623		42,343
Transportation		29,108		29,108
General Government	45,660			45,660
Debt Service:				
Principal Retirement	5,220	376,454		381,674
Interest and Fiscal Charges	289	22,467		22,756
<i>Total Cash Disbursements</i>	<u>69,889</u>	<u>451,652</u>	<u>0</u>	<u>521,541</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(10,356)</u>	<u>(357,799)</u>	<u>0</u>	<u>(368,155)</u>
Other Financing Receipts (Disbursements)				
Sale of Notes	5,155	370,081		375,236
<i>Total Other Financing Receipts (Disbursements)</i>	<u>5,155</u>	<u>370,081</u>	<u>0</u>	<u>375,236</u>
<i>Net Change in Fund Cash Balances</i>	(5,201)	12,282	0	7,081
<i>Fund Cash Balances, January 1 (Restated Note 12)</i>	<u>(161,312)</u>	<u>57,149</u>	<u>20,250</u>	<u>(83,913)</u>
Fund Cash Balances, December 31				
Restricted		69,431	20,250	89,681
Unassigned (Deficit)	<u>(166,513)</u>			<u>(166,513)</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ (166,513)</u>	<u>\$ 69,431</u>	<u>\$ 20,250</u>	<u>\$ (76,832)</u>

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

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

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

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 118,542	\$	\$ 118,542
Miscellaneous	31		31
<i>Total Operating Cash Receipts</i>	<u>118,573</u>	<u>0</u>	<u>118,573</u>
Operating Cash Disbursements			
Personal Services	20,192		20,192
Employee Fringe Benefits	1,054		1,054
Contractual Services	7,608		7,608
Supplies and Materials	67,430		67,430
Other	64		64
<i>Total Operating Cash Disbursements</i>	<u>96,348</u>	<u>0</u>	<u>96,348</u>
<i>Operating Income (Loss)</i>	<u>22,225</u>	<u>0</u>	<u>22,225</u>
Non-Operating Receipts (Disbursements)			
Special Assessments	10,809		10,809
Sale of Notes	28,587		28,587
Principal Retirement	(36,026)		(36,026)
Interest and Other Fiscal Charges	(12,780)		(12,780)
Other Financing Sources		17,658	17,658
Other Financing Uses		(17,808)	(17,808)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(9,410)</u>	<u>(150)</u>	<u>(9,560)</u>
<i>Net Change in Fund Cash Balances</i>	12,815	(150)	12,665
<i>Fund Cash Balances, January 1 (Restated Note 12)</i>	<u>104,013</u>	<u>150</u>	<u>104,163</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 116,828</u>	<u>\$ -</u>	<u>\$ 116,828</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, 2012**

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 Village of Jacksonville, Athens County, Ohio (the Village), as a body corporate and politic. A six-member Council directs the Village. The Village's services include 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 8 and 9 to the financial statements provide additional information for these entities. These organizations are:

Jointly Governed Organization:

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).

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

C. Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

D. 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 accounts for and reports all financial resources not accounted for and reported in another fund.

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

Street Lights Fund – This fund receives money from a tax levy to maintain street light service for the Village.

3. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. 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.

4. 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 from residents 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.

5. 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's agency fund accounts for the financial activity of the Mayor's Court.

E. Budgetary Process

The Ohio Revised Code requires the Village to budget each fund annually.

VILLAGE OF JACKSONVILLE
ATHENS COUNTY

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

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

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. 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 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 2012 budgetary activity appears in Note 4.

F. Fund Balance

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

1. Nonspendable

The Village 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.

3. Committed

The Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

VILLAGE OF JACKSONVILLE
ATHENS COUNTY

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

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

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 the Council or a Village 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 Village 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.

G. 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.

H. 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.

2. Change in Accounting Principle and Restatement of Net Assets/Fund

For fiscal year 2012, the Village reclassified certain funds as required by the revised fund classification guidance in Governmental Accounting Standard Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 had no effect on fund balances previously reported.

3. Equity in Pooled Deposits

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

	2012
Demand deposits	<u>\$39,996</u>

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

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

4. Budgetary Activity

Budgetary activity for the year ending December 31 follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$64,688	\$64,688
Special Revenue	0	463,934	463,934
Capital Projects	0	0	0
Enterprise	0	157,969	157,969
Total	\$0	\$686,591	\$686,591

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$69,889	(\$69,889)
Special Revenue	0	451,652	(451,652)
Capital Projects	0	0	0
Enterprise	0	145,154	(145,154)
Total	\$0	\$666,695	(\$666,695)

5. Property Tax

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

6. Debt

Debt outstanding at December 31, 2012 was as follows:

	Principal	Interest Rate
Water Improvement Bonds	\$185,883	5.875%
Consolidated Loan	\$394,103	5.016%
Total	\$579,986	

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

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

6. Debt (Continued)

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 Consolidated Loan will be repaid from general operating receipts.

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

Year ending December 31:	Water Improvement Bonds	Consolidated Loan
2013	\$18,000	\$32,214
2014	18,000	32,214
2015	18,000	31,094
2016	18,000	30,992
2017	18,000	30,992
2018-2022	90,000	154,960
2023-2027	90,000	154,960
2028-2032	87,435	126,550
Total	\$357,435	\$593,976

7. 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 2012, 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, 2012.

8. 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. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), 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.

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

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

8. Risk Management (Continued)

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, 2012, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

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, 2012:

	<u>2012</u>
Assets	\$34,389,569
Liabilities	<u>(14,208,353)</u>
Net Position	<u>\$20,181,216</u>

At December 31, 2012, the liabilities above include approximately \$13.1 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million of unpaid claims to be billed to approximately 466 member governments in the future, as of December 31, 2012. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2012, the Village's share of these unpaid claims collectible in future years is approximately \$8,000.

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>2012</u>	
\$9,657	

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, 2012
(Continued)**

9. Jointly Governed Organizations

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, Christa Shutts, Secretary-Treasurer, at 18551 Jacksonville Road, P.O. Box 278, Jacksonville, Ohio 45740.

10. 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.

11. Deficit Fund Balance

The Village had a deficit fund balance of \$166,513 in the General Fund as of December 31, 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.

12. Restatement of Beginning Balances

As a result of the Village failing to post prior audit adjustments, the January 1, 2012 balances were restated as follows:

	January Fund Balance	Increase/ (Decrease)	Restated January Fund Balance
General Fund	\$ (150,052)	\$ (11,260)	\$ (161,312)
SCRM Fund	2,685	(1,444)	1,241
State Highway Fund	2,109	(1)	2,108
Fire Fund	22,713	7,917	30,630
Court Computerization Fund	-	516	516
Street Light Fund	22,534	120	22,654
Capital Projects Fund	19,876	374	20,250
Water Operating Fund	103,898	(22,613)	81,285
Water Improvement Fund	-	2	2
Water Improvement Reserve	-	21,440	21,440
Water Deposits	-	1,286	1,286
Mayor's Court	-	150	150



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

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

To the Village Council:

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 the Village of Jacksonville, Athens County, Ohio (the Village), as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2013, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles, and wherein we noted that in 2012, the Village adopted Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Internal Control Over Financial Reporting

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 a 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 Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Findings 2012-002 and 2012-005 through 2012-010 described in the accompanying Schedule of Findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village'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 2012-006.

Entity's Response to Findings

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.

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 Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village'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, flowing style.

Dave Yost
Auditor of State

Columbus, Ohio

September 23, 2013

VILLAGE OF JACKSONVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2012

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

FINDING NUMBER 2012-001

Finding for Recovery

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 \$537 in 2012.

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 \$537.

Officials' Response: The Village Officials met with the Fire Chief who stated they intend to repay the \$537 to the Jacksonville Fire Fund by December 31, 2013.

FINDING NUMBER 2012-002

Noncompliance Citation and Material Weakness

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 \$166,513 at December 31, 2012, which indicates moneys from Special Revenue and Utility Funds were used to cover Village operating costs.

As a result, the following debt covenant requirement for the USDA Loan was violated: \$2,869.92 should have been allocated into the Water Improvement Reserve Fund as part of the reserve requirement, but this amount is offset by the negative fund balance in the General Fund.

We recommend the Village take the necessary steps to avoid late fees and penalties by paying vendors in a timely manner.

Officials' Response: The Village will begin reporting using the Uniform Accounting Network (UAN) System in October 2013 which should help track revenues and costs.

VILLAGE OF JACKSONVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2012
(Continued)

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

Noncompliance Citation

Ohio Rev. Code Section 5705.36 states that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the County Auditor the total amount from all sources available for expenditures from each fund 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 2012.

As a result the Village was unable to properly budget their 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.

Officials' Response: Council and the Village Fiscal Officer will meet to discuss the budget in December of each year to file the Certificate with the county auditor in order to comply.

FINDING NUMBER 2012-004

Noncompliance Citation

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.

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 2012. As a result, all of the Village's expenditures during 2012 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.

Officials' Response: The Village Officials will meet to adopt the appropriations as required and monitoring will be facilitated by the implementation of the UAN system.

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2012
(Continued)**

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

Noncompliance Citation and Material Weakness

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.

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.

VILLAGE OF JACKSONVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2012
(Continued)

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

FINDING NUMBER 2012-005 (Continued)

Noncompliance Citation and Material Weakness (Continued)

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.

Officials' Response: Purchase orders will be used and implemented as soon as Council adopts appropriations for the fiscal year.

FINDING NUMBER 2012-006

Noncompliance Citation and Material Weakness

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; and
- (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.

VILLAGE OF JACKSONVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2012
(Continued)

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

FINDING NUMBER 2012-006 (Continued)

Noncompliance Citation and Material Weakness (Continued)

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

- W-2 forms, W-4 forms 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; and
- 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 or utilize pre-numbered receipt books, pay-ins, an 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. 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.

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

Officials' Response: The Village will begin reporting using the Uniform Accounting Network (UAN) System in October 2013 wherein these records are built into the program.

FINDING NUMBER 2012-007

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.

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2012
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2012-007 (Continued)

Material Weakness (Continued)

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.

Officials' Response: The Village has already set the Court Computerization Fund up and all such fees will be posted to this fund from this point on.

FINDING NUMBER 2012-008

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, or the extent to which the Council used financial information to monitor the financial activity of the Village. The lack of financial information provided for the Council monthly review hampers the Council's ability to effectively monitor the financial activity and position of the Village.

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.

VILLAGE OF JACKSONVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2012
(Continued)

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

FINDING NUMBER 2012-008 (Continued)

Material Weakness (Continued)

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?

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.

Officials' Response: Village Council will be made aware of all budgeted finances and reports. The UAN system will be a great assist in generating detailed and summary reports for monitoring.

FINDING NUMBER 2012-009

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 2012, the following adjustments were made to the financial statements:

- General Fund: We reduced the beginning balance by \$11,260 to agree to the prior year report.
- General Fund: We reduced Fines, Licenses, and Permits by \$696 because these should have been posted to the Court Computerization fund and we increased Fines, Licenses, and Permits by \$627 because an amount was not posted.

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2012
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2012-009 (Continued)

Material Weakness (Continued)

- General Fund: We increased donations by \$769, reduced Security of Persons and Property by \$75, and increased General Government by \$213 due to clerical errors and omissions.
- General Fund: We increased taxes by \$1,515, reduced Intergovernmental by \$680, and increased General Government by \$781 to correct mis-postings and to post deductions.
- General Fund: We increased Sale of Notes by \$5,155, increased principal retirement by \$5,095, and increased Interest by \$60 to post the consolidation of notes; additionally we increased principal by \$125, increased interest by 229, and reduced general government by \$519 to correct debt payment mis-posting.
- Street Maintenance: We reduced the beginning balance by \$1,444 to agree to the prior year report.
- Street Maintenance: We reduced Transportation by \$31 and increased Intergovernmental by \$507 to correct mis-postings.
- Street Maintenance: We increased Sale of Notes by \$28,578, increased Principal Retirement by \$28,516, and increased Interest by \$71 to post the consolidation of notes; additionally we increased Principal Retirement by \$823 and increased Interest by \$1,396 to correct debt payment allocation.
- Fire: We increased the beginning balance by \$7,917 to agree to the prior year report.
- Fire: We increased Miscellaneous Revenue by \$34, increased Security of Persons and Property by \$385, and increased Taxes by \$1,329 to correct mis-postings.
- Fire: We increased Sale of Notes by \$341,494, increased Principal Retirement by \$337,657, and increased Interest by \$3,837 to post consolidation of notes; we reduced Principal Retirement by \$21,437 and increased interest by \$17,163 to correct debt payment allocation; and we reduced Miscellaneous Revenue by \$677 and reduced Principal Retirement by \$677 to remove a voided check.
- Court Computerization: We increased the Beginning Balance by \$516 to agree to the prior year report.
- Court Computerization: We increased Fines, Licenses, and Permits by \$696 to correct amount mis-posted to the General Fund and by \$24 to add an amount not posted.
- Street Lighting: We increased the Beginning Balance by \$120 to agree to the prior year report.
- Street Lighting: We reduced Taxes by \$1,573, increased Intergovernmental by \$132, and increased Transportation \$156 to correct mis-postings.
- State Highway: We increased Intergovernmental by \$41 to correct a mis-posting.
- USDA: We increased the Beginning Balance by \$374 to agree to the prior year report.
- Water Operating: We reduced the Beginning Balance by \$22,613 to agree to the prior year report.
- Water Operating: We reduced Charges for Services by \$19,099, reduced Personal Services by \$50, reduced Supplies and Materials by \$10,287, increased Contractual Services by \$5, reduced Principal Retirement by \$6,687, reduced Interest by \$11,313, and increased Special Assessments by \$8,516 to correct mispostings.
- Water Operating: We reduced Charges for Services by \$17 to remove December 2011 receipts and add December 2012 receipts.
- Water Operating: We increased Sale of Notes by \$28,587, increased Principal Retirement by \$28,516, and increased Interest by \$71 to post consolidation of notes; and we increased Principal Retirement by \$823 and increased Interest by \$1,396 to correct debt payment allocation.

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2012
(Continued)**

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

FINDING NUMBER 2012-009 (Continued)

Material Weakness (Continued)

- Water Improvement: We increased Beginning Balance by \$2 to agree to the prior year report.
- Water Improvement: We increased Charges for Services by \$18,000, increased Principal Retirement by \$6,687, and increased Interest by \$11,313 to correct amounts posted to Water Operating.
- Water Improvement Reserve: We increased Beginning Balance by \$21,440 to agree to the prior year report.
- Water Improvement Reserve: We increased Charges for Services by \$2,870 to correct amount posted to Water Operating.
- Water Deposits: We increased Beginning Balance by \$1,286 to agree to the prior year report.
- Mayor's Court: We increased Other Financing Sources by \$17,658 and increased Other Financing Uses by \$17,808 to record Mayor's Court activity.

These misstatements had the net effect on the following Village funds as of December 31, 2012:

	Balance at December 31, 2012	Adjustments	Balance at December 31, 2012
General Fund	\$ (156,034)	\$ (10,479)	\$ (166,513)
Special Revenue Funds:			
Street Construction, Maintenance and Repair	2,725	(3,125)	(400)
State Highway	2,657	40	2,697
Fire Fund	24,759	13,169	37,928
Court Computerization	-	1,236	1,236
Street Lights	29,446	(1,476)	27,970
Capital Projects Fund:			
ODNR Playground Grant	19,876	374	20,250
Enterprise Funds:			
Water Operating Fund	98,330	(7,100)	91,230
Water Improvement Fund	-	2	2
Water Improvement Reserve	-	24,310	24,310
Water Deposits	-	1,286	1,286

VILLAGE OF JACKSONVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2012
(Continued)

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

FINDING NUMBER 2012-009 (Continued)

Material Weakness (Continued)

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.

Officials' Response: The Village Fiscal Officer will continue to review the Village Handbook for guidance.

FINDING NUMBER 2012-010

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 2010, 2011, or 2012. 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.

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

Officials' Response: The Village will contact ODNR to resolve this matter by December 31, 2013.

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2011-001	Finding for Recovery for public money due but not collected.	Yes	N/A
2011-002	Finding for Recovery for donations made payable to the Village but deposited with the Volunteer Fire Department.	No	Not corrected; additional donation in 2012, issued finding number 2012-001 in the report.
2011-003	Finding for Recovery for additional checks written to the prior fiscal officer which were not approved.	Yes	N/A
2011-004	Finding for Recovery for fees resulting from late payments due to the prior fiscal officer's negligence.	Yes	N/A
2011-005	A noncompliance citation for not filing annual reports within 60 days.	Yes	N/A
2011-006	A noncompliance citation for minutes not provided for audit.	Yes	N/A
2011-007	A noncompliance citation for not properly allocating interest.	No	Not corrected; re-issued in the management letter.
2011-008	A noncompliance citation for destruction of public records.	Yes	N/A
2011-009	A noncompliance citation for lack of a public records policy.	No	Not corrected; re-issued in the management letter.
2011-010	A noncompliance citation for not attending annual trainings.	No	Not corrected; re-issued in the management letter.
2011-011	A noncompliance citation for not paying Mayor's Court monies into the Village by the first Monday of the following month.	No	Not corrected; re-issued in the management letter.
2011-012	A noncompliance citation for not adopting a policy regarding personal information.	No	Not corrected; re-issued in the management letter.
2011-013	A noncompliance citation for making debt payments from an unallowable source.	Yes	N/A
2011-014	A noncompliance citation for deficit fund balances.	No	Not corrected; re-issued as finding 2012-002 in the report.

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2011-015	A noncompliance citation for not authorizing necessary tax levies.	Yes	N/A
2011-016	A noncompliance citation for not filing certificates of estimated revenues with the County Auditor.	No	Not corrected; re-issued as finding 2012-003 in the report.
2011-017	A noncompliance citation for not passing an annual appropriation measure.	No	Not corrected; re-issued as finding 2012-004 in the report.
2011-018	A noncompliance citation for not properly encumbering funds.	No	Not corrected; re-issued as finding 2012-005 in the report.
2011-019	A noncompliance citation for not remitting state tax on a timely basis.	Yes	N/A
2011-020	A noncompliance citation for not maintaining adequate accounting records.	No	Not corrected; re-issued as finding 2012-006 in the report.
2011-021	A noncompliance citation for not presenting IT-4 forms.	Yes	N/A
2011-022	A noncompliance citation for not providing 941 forms.	Yes	N/A
2011-023	A noncompliance citation for not presenting W-4 forms.	Yes	N/A
2011-024	A noncompliance citation for failing to subject all delinquent water accounts to the same collection procedures.	Yes	N/A
2011-025	A material weakness for segregation of duties.	No	Not corrected; re-issued as finding 2012-008 in the report.
2011-026	A material weakness for material misstatements.	No	Not corrected; re-issued as finding 2012-009 in the report.
2011-027	A material weakness for not establishing a court computerization fund.	No	Not corrected; re-issued as finding 2012-007 in the report.
2011-028	A material weakness for not maintaining a complete and accurate payroll ledger.	Yes	N/A
2011-029	A material weakness for the return of unused ODNR grant funds.	No	Not corrected; re-issued as finding 2012-010 in the report.

**VILLAGE OF JACKSONVILLE
ATHENS COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-030	A significant deficiency for checks written to "cash".	Yes	N/A
2011-031	A significant deficiency for not issuing checks in sequence and not maintaining voided checks.	Yes	N/A
2011-032	A significant deficiency for not having reverse side images of checks.	No	Not corrected; re-issued in the management letter.
2011-033	A significant deficiency for not having policies for cell phone, gas card, etc.	No	Not corrected; re-issued in the management letter.
2011-034	A significant deficiency for police department ticket accountability.	Yes	N/A

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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
OCTOBER 10, 2013