

JACKSON TOWNSHIP

RICHLAND COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2008 & 2007

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA

Auditor of State

Board of Trustees
Jackson Township
3761 Plymouth Springmill Road
Shelby, Ohio 44875

We have reviewed the *Report of Independent Accountants* of Jackson Township, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Jackson Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 28, 2009

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JACKSON TOWNSHIP
RICHLAND COUNTY, OHIO
Audit Report
For the years ended December 31, 2008 & 2007

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REPORT OF INDEPENDENT ACCOUNTANTS

Jackson Township
Richland County
3761 Plymouth Springmill Rd.
Shelby, Ohio 44875

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson Township, Richland County, Ohio (the Township) as and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2008 and 2007. Instead of the combined funds the accompanying financial statements present for 2008 and 2007, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for both years. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Jackson Township, Richland County as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2008 and 2007. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Charles E. Harris & Associates, Inc.

March 31, 2009

JACKSON TOWNSHIP
RICHLAND COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2008

	<u>Governmental Fund Types</u>			(Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Cash Receipts:				
Property Taxes and Other Local Taxes	\$ 13,963	\$ 248,344	-	\$ 262,307
Intergovernmental	62,704	120,282	-	182,986
Licenses, Permits and Fees	1,025	-	-	1,025
Earnings on Investments	16,125	2,209	-	18,334
Miscellaneous	<u>954</u>	<u>7,393</u>	<u>-</u>	<u>8,347</u>
Total Cash Receipts	94,771	378,228	-	472,999
Cash Disbursements:				
General Government	88,553	62,539	-	151,092
Public Safety	-	49,000	-	49,000
Public Works	-	182,532	-	182,532
Health	<u>-</u>	<u>7,003</u>	<u>-</u>	<u>7,003</u>
Total Cash Disbursements	88,553	301,074	-	389,627
Total Cash Receipts Over/(Under) Cash Disbursements	6,218	77,154	-	83,372
Fund Balance, January 1, 2008	<u>329,026</u>	<u>317,515</u>	\$ <u>1,330</u>	<u>647,871</u>
Fund Balance, December 31, 2008	<u>335,244</u>	\$ <u>394,669</u>	\$ <u>1,330</u>	\$ <u>731,243</u>
Reserve for Encumbrances	\$ <u>86</u>	\$ <u>241</u>	\$ <u>-</u>	\$ <u>327</u>

See accompanying Notes to the Financial Statements.

JACKSON TOWNSHIP
RICHLAND COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2007

	Governmental Fund Types			(Memorandum Only)
	General	Special Revenue	Capital Projects	Total
Cash Receipts:				
Property Taxes and Other Local Taxes	\$ 15,026	\$ 237,303	-	\$ 252,329
Intergovernmental	34,730	106,329	-	141,059
Licenses, Permits and Fees	1,100	-	-	1,100
Earnings on Investments	26,152	4,795	-	30,947
Miscellaneous	9,341	4,945	-	14,286
Total Cash Receipts	86,349	353,372	-	439,721
Cash Disbursements:				
General Government	84,893	96,154	-	181,047
Public Safety	-	47,547	-	47,547
Public Works	-	182,728	-	182,728
Health	-	577	-	577
Total Cash Disbursements	84,893	327,006	-	411,899
Total Cash Receipts Over/(Under) Cash Disbursements	1,456	26,366	-	27,822
Other Financing Sources/(Uses):				
Transfers In	-	11,500	-	11,500
Transfers Out	(11,500)	-	-	(11,500)
Total Other Financing Sources/(Uses)	(11,500)	11,500	-	-
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(10,044)	37,866	-	27,822
Fund Balance, January 1, 2007	339,070	279,649	\$ 1,330	620,049
Fund Balance, December 31, 2007	\$ 329,026	\$ 317,515	\$ 1,330	\$ 647,871

See accompanying Notes to the Financial Statements.

**JACKSON TOWNSHIP
RICHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For The Years Ended December 31, 2008 & 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Jackson Township, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected, three-member Board of Trustees. The Township provides road and bridge maintenance and cemetery maintenance. The Township contracts with the City of Shelby and Medic Response Ambulance Service, Inc. to provide fire and ambulance services, respectively.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. BASIS OF ACCOUNTING

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved.)

These statements include adequate disclosure of material matters, as prescribed by the Auditor of State.

C. CASH AND INVESTMENTS

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

D. FUND ACCOUNTING

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

JACKSON TOWNSHIP
RICHLAND COUNTY, OHIO

Notes To The Financial Statements
For The Years Ended December 31, 2008 & 2007

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (continued)

D. **FUND ACCOUNTING** - (continued)

2. **Special Revenue Funds**

To account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund – This fund receives gasoline tax monies from State of Ohio for maintaining and repairing Township streets.

Road & Bridge Fund – This fund receives property tax money levied for the funding of the repair of the Township's roads.

Permissive Tax Fund - This fund is used to account for County sales tax revenues received and used to pay for road resurfacing.

3. **Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital projects fund:

Public Works Fund - This fund is used to account for money received from the Mansfield-Richland County Solid Waste Management Authority for allowing the Authority to place recycling dumpsters on the Township's property.

E. **BUDGETARY PROCESS**

The Ohio Revised Code requires that each fund be budgeted annually.

1. **Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

2. **Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered balances as of January 1. The County Budget Commission must also approve estimated resources.

JACKSON TOWNSHIP
RICHLAND COUNTY, OHIO

Notes To The Financial Statements
For The Years Ended December 31, 2008 & 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

E. BUDGETARY PROCESS - (continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year- end are carried over and need not be reappropriated.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

F. PROPERTY, PLANT AND EQUIPMENT

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. ACCUMULATED LEAVE

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2008</u>	<u>2007</u>
Demand Deposits	\$ 15,201	\$ 8,555
Certificates of Deposit	185,518	185,518
STAR Ohio	<u>530,524</u>	<u>453,798</u>
Total Deposits and Investments	<u>\$ 731,243</u>	<u>\$ 647,871</u>

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**JACKSON TOWNSHIP
RICHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For The Years Ended December 31, 2008 & 2007**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008 and 2007 is as follows:

2008 Budgeted vs Actual Receipts

<u>Fund:</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General Fund	\$ 56,396	\$ 94,771	\$ 38,375
Special Revenue Funds	452,945	378,228	(74,717)
Capital Projects	-	-	-

2008 Budgeted vs Actual Budgetary Basis Expenditures

<u>Fund:</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General Fund	\$ 381,964	\$ 88,639	\$ 293,325
Special Revenue Funds	770,458	301,315	469,143
Capital Projects	1,330	-	1,330

2007 Budgeted vs Actual Receipts

<u>Fund:</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General Fund	\$ 53,887	\$ 86,349	\$ 32,462
Special Revenue Funds	332,544	364,872	32,328
Capital Projects	-	-	-

2007 Budgeted vs Actual Budgetary Basis Expenditures

<u>Fund:</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General Fund	\$ 389,620	\$ 96,393	\$ 293,227
Special Revenue Funds	612,191	327,006	285,185
Capital Projects	1,330	-	1,330

**JACKSON TOWNSHIP
RICHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For The Years Ended December 31, 2008 & 2007**

4. PROPERTY TAXES

Real property becomes a lien on January 1 preceding the October 1 date for which rates are adopted by Township Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township. Tangible personal property tax is assessed on the property owners, who must file a list of such property to the County by each April 30.

The Richland County Auditor is responsible for assessing property, and for billing, collecting and distributing all property taxes on behalf of the Township.

5. RETIREMENT SYSTEM

Full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2008, OPERS members contributed 10% of their gross salaries. For 2007, OPERS members contributed 9.5 % of their gross salaries. The Township contributed an amount equal to 14% for 2008 and 13.85% for 2007 of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

6. RISK MANAGEMENT

The Township belongs to the Ohio Government Risk Management Plan, an unincorporated non-profit association over 600 government entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine, and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverage and reinsures these coverage's 100% rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

**JACKSON TOWNSHIP
RICHLAND COUNTY, OHIO**

**Notes To The Financial Statements
For The Years Ended December 31, 2008 & 2007**

6. RISK MANAGEMENT – (continued)

Settled claims have not exceeded this commercial coverage in any of the last two years. There have been significant reductions in insurance coverage from last year.

The Township does not provide health coverage to any employees. However, the Township reimburses the cost of health insurance coverage to full-time employees and officials up to a maximum of \$200 per month.

7. TRANSFERS

The Township transferred \$11,500 from the General Fund to the Fire Fund to pay for the fire contract in 2007.

8. CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Jackson Township
Richland County
3761 Plymouth Springmill Rd.
Shelby, Ohio 44875

To the Board of Trustees:

We have audited the financial statements of Jackson Township, Richland County, Ohio (Township) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated March 31, 2009, wherein we noted the Township followed accounting practices prescribed or permitted by the Auditor of State of Ohio rather than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting practices prescribed or permitted by the Auditor of State of Ohio such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2008-001 and 2008-002.

We noted certain matters that we have reported to management of the Township in a separate letter dated March 31, 2009.

This report is intended for the information and use of management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.

March 31, 2009

JACKSON TOWNSHIP
 RICHLAND COUNTY, OHIO
 SCHEDULE OF FINDINGS
 DECEMBER 31, 2007 AND 2008

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

Finding Number: 2008-001 – Noncompliance Citation

Certificates of Estimated Resources Amendments

Ohio Revised Code Section 5705.36(A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. Ohio Revised Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation.

In 2008, the Township had estimated receipts greater than actual receipts in the following funds to the extent by which the shortage of actual compared to estimated receipts reduced the total estimated resources to an amount lower than the appropriations.

Fund	2008		
	Estimated Receipts	Actual Receipts	Variance
Special Reveue-Motor Vehicle License Tax	\$ 11,500	\$ 8,424	\$ (3,076)
Special Revenue-Road and Bridge	220,000	116,248	(103,752)
Special Revenue-Cemetery	2,000	1,975	(25)

Management response:

Management will amend the certificate when estimated receipts are greater than actual receipts.

Finding Number: 2008-002 Noncompliance Citation

Ohio Revised Code Section 5705.41 (D), requires in part, that no subdivision or taxing unit shall make any contract or order any expenditure unless there is attached thereto a certificate of the fiscal officer of the subdivision certifying that the amount required to meet the obligation has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Every contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

JACKSON TOWNSHIP
RICHLAND COUNTY, OHIO
SCHEDULE OF FINDINGS – (CONTINUED)
DECEMBER 31, 2007 AND 2008

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

There are several exceptions to the standard requirement state 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 the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution 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 expenditure by the Township.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution 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 Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line items appropriation.

The Township did not certify the availability of funds for 27 of 60 non-payroll expenditures tested for the audit period. Failure to certify the availability of funds and encumber appropriations could result in overspending and negative cash balances.

To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify the availability of funds for all commitments. The Township should consider the use of blanket purchase orders and "then and now" certificates to assist in complying with the above requirement.

Management response:

Management will certify the availability of funds prior to the purchases.

JACKSON TOWNSHIP
RICHLAND COUNTY, OHIO
For the Years Ended December 31, 2008 and 2007

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, as of December 31, 2006 and 2005, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

JACKSON TOWNSHIP

RICHLAND 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 12, 2009