

JACKSON TOWNSHIP
CRAWFORD COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012



Dave Yost • Auditor of State

Board of Trustees
Jackson Township
7950 Oldfield Road
Crestline, Ohio 44827

We have reviewed the *Independent Auditors' Report* of Jackson Township, Crawford County, prepared by Holbrook & Manter, for the audit period January 1, 2012 through December 31, 2013. 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.

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

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

Dave Yost
Auditor of State

October 20, 2014

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INDEPENDENT AUDITORS' REPORT

Jackson Township
Crawford County
7950 Oldfield Road
Crestline, Ohio 44827

Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Jackson Township, Crawford County, (the Township) as of and for the years ended December 31, 2013 and 2012.

Managements 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(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fair 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 audits. 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles (continued)

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

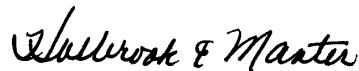
In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013 and 2012, or changes in financial position thereof for the years 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 Jackson Township, Crawford County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2014, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Certified Public Accountants

Marion, Ohio
August 28, 2014

JACKSON TOWNSHIP
CRAWFORD COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013

	General	Special Revenue	Total Memorandum Only
CASH RECEIPTS:-			
Property tax and other local taxes	\$ 15,234	\$ 20,045	\$ 35,279
Intergovernmental receipts	22,066	86,440	108,506
Licenses, permits, and fees	150	0	150
Earnings on investments	18	15	33
Miscellaneous	396	0	396
	37,864	106,500	144,364
CASH DISBURSEMENTS:-			
Current:-			
General government	24,665	1,097	25,762
Public safety	0	12,313	12,313
Public works	0	80,536	80,536
Health	1,504	0	1,504
Debt Service			
Principal Retirement	0	17,777	17,777
Interest and Charges	0	2,235	2,235
	26,169	113,958	140,127
Net change in fund cash balances	11,695	(7,458)	4,237
Fund cash balances, January 1, 2013	22,155	64,606	86,761
Fund cash balances, December 31, 2013			
Restricted	0	57,148	57,148
Unassigned	33,850	0	33,850
	33,850	57,148	90,998
Fund cash balances, December 31, 2013	\$ 33,850	\$ 57,148	\$ 90,998

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

**JACKSON TOWNSHIP
CRAWFORD COUNTY**
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012

	General	Special Revenue	Memorandum Only
CASH RECEIPTS:-			
Property tax and other local taxes	\$ 15,353	\$ 16,683	\$ 32,036
Intergovernmental receipts	10,908	94,804	105,712
Licenses, permits, and fees	120	0	120
Earnings on investments	42	44	86
Miscellaneous	3	0	3
Total cash receipts	26,426	111,531	137,957
CASH DISBURSEMENTS:-			
Current:-			
General government	28,300	999	29,299
Public safety	0	12,431	12,431
Public works	0	109,384	109,384
Health	3,771	0	3,771
Debt Service			
Principal Retirement	0	16,755	16,755
Interest and Charges	0	3,257	3,257
Total cash disbursements	32,071	142,826	174,897
Net change in fund cash balances	(5,645)	(31,295)	(36,940)
Fund cash balances, January 1, 2012	27,800	95,901	123,701
Fund cash balances, December 31, 2012			
Restricted	0	64,606	64,606
Unassigned	22,155	0	22,155
Fund cash balances, December 31, 2012	\$ 22,155	\$ 64,606	\$ 86,761

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

**JACKSON TOWNSHIP
CRAWFORD COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

Description of the Entity - Jackson Township, Crawford County, Ohio, (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 general government services, including road and bridge maintenance, cemetery maintenance and fire protection. The Township contracts with the Central Joint Ambulance to provide ambulance services.

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

Basis of Accounting - These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State of Ohio, 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 or permitted by the Auditor of State of Ohio.

Cash and Investments - The Township maintains an interest bearing checking account. Investments are included in fund cash balances. Investments are 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 by the State Treasurer.

Fund Accounting - The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

General Fund

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

Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund

This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

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

Appropriations

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

**JACKSON TOWNSHIP
CRAWFORD COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as 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.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

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.

**JACKSON TOWNSHIP
CRAWFORD COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Accumulated Leave – In certain circumstances, which as upon leaving employment, employees are entitled to cash payment for unused leave. The financial statements do not include a liability for unpaid leave.

NOTE 2 - EQUITY IN POOLED CASH:-

The Township maintains a cash 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>2013</u>		<u>2012</u>
Demand deposits	\$	31,971	\$	27,751
Investments		<u>59,027</u>		<u>59,010</u>
Total Deposits	\$	<u>90,998</u>	\$	<u>86,761</u>

Deposits - The Township's deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

**JACKSON TOWNSHIP
CRAWFORD COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3- BUDGETARY ACTIVITY:-

Budgetary activity for the year ending December 31, 2013 was as follows:

2013 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 47,097	\$ 37,864	\$ (9,233)
Special Revenue	<u>105,887</u>	<u>106,500</u>	<u>613</u>
Total	\$ <u>152,984</u>	\$ <u>144,364</u>	\$ (<u>8,620</u>)

2013 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 42,561	\$ 26,169	\$ 16,392
Special Revenue	<u>170,492</u>	<u>113,958</u>	<u>56,534</u>
Total	\$ <u>213,053</u>	\$ <u>140,127</u>	\$ <u>72,926</u>

**JACKSON TOWNSHIP
CRAWFORD COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 - BUDGETARY ACTIVITY:-

Budgetary activity for the year ending December 31, 2012 was as follows:

2012 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 21,763	\$ 26,426	\$ 4,663
Special Revenue	<u>96,098</u>	<u>111,531</u>	<u>15,433</u>
Total	\$ <u>117,861</u>	\$ <u>137,957</u>	\$ <u>20,096</u>

2012 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 49,563	\$ 32,071	\$ 17,492
Special Revenue	<u>191,997</u>	<u>142,826</u>	<u>49,171</u>
Total	\$ <u>241,560</u>	\$ <u>174,897</u>	\$ <u>66,663</u>

**JACKSON TOWNSHIP
CRAWFORD COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 - Debt:-

In 2011, the township purchased a 2011 Ford F-550 heavy vehicle. They financed the purchase over 4 years through Ford Motor Credit Financing, Dearborn Michigan.

	Principal Balance December 31, 2013
Ford Motor Credit F-550 Purchase	\$ 18,861

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

Year ending December 31,	Principal	Ford Motor Credit Interest	Total
2014	\$ 18,861	\$ 1,151	\$ 20,012
Total	\$ 18,861	\$ 1,151	\$ 20,012

NOTE 5 - PROPERTY TAX:-

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by the Board of 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 Crawford County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

NOTE 6 - RETIREMENT SYSTEMS:-

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio or social security. PERS 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 2013 and 2012, PERS members contributed 9.5% and 9.0% of their gross salaries, respectively. The Township contributed an amount equal to 13.85% and 13.70% of participants' gross salaries for 2013 and 2012, respectively. The Township has paid all contributions required through December 31, 2013.

**JACKSON TOWNSHIP
CRAWFORD COUNTY**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 7 - RISK POOL MANAGEMENT:-

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 774 members as of December 31, 2012 and 2013 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2012 and 2013

	2012	2013
Assets	\$13,100,381	\$13,774,304
Liabilities	(6,687,193)	(7,968,395)
Members' Equity	\$6,413,188	\$5,805,909

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

NOTE 8 - SUBSEQUENT EVENTS:-

Management has evaluated subsequent events through August 28, 2014, the date which the financial statements were available to be issued.



**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by Government Auditing Standards**

Jackson Township
Crawford County
7950 Oldfield Road
Crestline, Ohio 44827

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Jackson Township, Crawford County, (the Township) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated August 28, 2014, wherein we noted the Township followed accounting financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

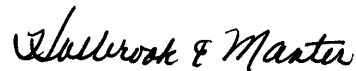
We did note certain internal control matters that we reported to the Township's management in a separate letter dated August 28, 2014.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2013-001 through 2013-003.

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 Township's internal control or on compliance. This report is an integral part of an audit performed under Government Auditing Standards in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose and is intended solely for the information and use of management, Board of Trustees, and the Auditor of State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

Marion, Ohio
August 28, 2014

**JACKSON TOWNSHIP
CRAWFORD COUNTY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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

Finding Number	2013-001
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Noncompliance Citation- Allocation of Trustees' Salaries

Ohio Revised Code, Section 502.24 (C), requires that the per diem compensation shall be paid from the township general fund or from other township funds in proportion to the kinds of services rendered, as documented. When a trustee chooses to be paid using the salary method, no documentation process need be established as long as the salaried trustee is being paid solely from the general fund. However, for salaries not paid from the general fund, effective October 19, 2004 OAG Opinion 2004-036 requires trustees to establish administrative procedures to document the proportionate amount chargeable to other township funds based on the kinds of services rendered. If trustees do not document their time, then no part of salaries may be paid from these other funds.

During our payroll testing, it was noted that Trustees' salaries are being allocated throughout the year on the certifications provided to the Fiscal Officer each month. However, when comparing the payroll for one pay period, the certifications do not tie to the allocation paid. The Fiscal Officer is paying nine to ten months from the Gasoline Tax Fund and the remainder of the year to the General Fund. The certifications have the same amount certified each month because they determine the allocation at the beginning of the year. The Trustees set the allocation on a conservative method since they know they will spend more time than what they set for allocation in the Gasoline Tax Fund. At year end when looking at the entire payroll allocation for the year and the certifications, the amounts agree.

We recommend the Trustees complete the certification with the accurate and complete allocations each month based upon services performed. In addition, we recommend the Fiscal Officer adjust the payroll each month to match the allocations provided by the certification the Trustees submit.

Officials' Response

The Fiscal Officer will attempt to utilize the current months certification to allocate the payroll in the subsequent months payroll for each Trustee.

**JACKSON TOWNSHIP
CRAWFORD COUNTY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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

Finding Number	2013-002
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Noncompliance Citation- “Super” Blanket Certificates

Ohio Rev. Code Sections 5705.41 (D); and 5705.42 Restrictions on appropriating and expending money. Fiscal officer may also issue so-called “super blanket” certificates for any amount for expenditures and contracts from a specific line-item appropriation account in a specified fund 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 fiscal year or, in the case of counties, beyond the quarterly spending plan established by the county commissioners. More than one super blanket certificate may be outstanding at one particular time for a particular line-item appropriation account.

During our disbursement testing, we noted that the Township was using “Super” Blanket certificates for all expenditures. We recommend the use of regular and then and now certificates for non-reoccurring expenditures.

Officials’ Response

The Fiscal Officer will consider utilizing regular purchase orders in the future and try to eliminate using primarily “Super” Blanket certificates.

Finding Number	2013-003
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Noncompliance Citation- Improper Bidding

Ohio Rev. Code Sections 117.12 States Force accounts **may not** be used and bidding is required when the total estimated cost of the project, including labor, for **maintenance** and **repair** of roads exceeds \$45,000.

During disbursement testing, we noted that one item was near or above the threshold to be required to be bid. During further testing and reading of the minutes, we noted that the townships was using a threshold of \$50,000 for bidding requirements for 2012 and 2013 and did not bid the project as required.

Officials’ Response

The Fiscal Officer will update the trustees on the ORC policy for future bidding projects within the county.

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Dave Yost • Auditor of State

JACKSON TOWNSHIP

CRAWFORD 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
NOVEMBER 06, 2014**