



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

JACKSON TOWNSHIP
MAHONING COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949

REPORT OF INDEPENDENT ACCOUNTANTS

Jackson Township
10613 Mahoning Ave.
P.O. Box 400
North Jackson, OH 44451-0400

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson Township, Mahoning County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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 the Township as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

May 8, 2001

This page intentionally left blank.

JACKSON TOWNSHIP
MAHONING COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Non-Expendable Trust	
Cash Receipts:						
Local Taxes	\$128,093	\$404,305	\$24,603			\$557,001
Licenses, Permits, and Fees	38,404					38,404
Fines, Forfeitures, and Penalties	4,740	766				5,506
Intergovernmental Receipts	44,889	179,956				224,845
Special Assessments				\$1,516		1,516
Earnings on Investments	28,557	5,177			\$260	33,994
Other Revenue	8,635	9,564		51,932		70,131
Total Cash Receipts	253,318	599,768	24,603	53,448	260	931,397
Cash Disbursements:						
Current:						
General Government	137,805	24,892				162,697
Public Safety	29,370	269,631				299,001
Public Works	874	47,441		1,043		49,358
Health	46,403					46,403
Conservation - Recreation	4,720					4,720
Debt Service:						
Note Principal payment		50,668	22,181			72,849
Interest and Fiscal Charges		3,948	2,422			6,370
Capital Outlay	1,300	37,863		206,285		245,448
Total Cash Disbursements	220,472	434,443	24,603	207,328		886,846
Total Receipts Over/(Under) Disbursements	32,846	165,325		(153,880)	260	44,551
Other Financing Receipts/(Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Notes				234,335		234,335
Advances-In	52,846					52,846
Advances-Out		(52,846)				(52,846)
Other Sources		3,525				3,525
Total Other Financing Receipts/(Disbursements)	52,846	(49,321)		234,335		237,860
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	85,692	116,004		80,455	260	282,411
Fund Cash Balances, January 1	203,287	382,602		9,453	4,627	599,969
Fund Cash Balances, December 31	\$288,979	\$498,606		\$89,908	\$4,887	\$882,380
Reserve for Encumbrances, December 31		\$16,467		\$79,982		\$96,449

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

JACKSON TOWNSHIP
MAHONING COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Non-Expendable Trust	
Cash Receipts:						
Local Taxes	\$101,981	\$383,319	\$25,927			\$511,227
Licenses, Permits, and Fees	25,603					25,603
Fines, Forfeitures, and Penalties	5,462	898				6,360
Intergovernmental Receipts	41,587	137,595				179,182
Special Assessments				\$1,270		1,270
Earnings on Investments	20,366	2,623			\$383	23,372
Other Revenue	6,391	2,500				8,891
Total Cash Receipts	201,390	526,935	25,927	1,270	383	755,905
Cash Disbursements:						
Current:						
General Government	143,556	34,685				178,241
Public Safety		280,014				280,014
Public Works	3,055	56,384		1,196		60,635
Health	39,837					39,837
Conservation - Recreation	8,226	9,795				18,021
Capital Outlay	3,371	139,990				143,361
Note Principal Payment		15,310	22,213			37,523
Interest		3,501	3,714			7,215
Total Cash Disbursements	198,045	539,679	25,927	1,196		764,847
Total Receipts Over/(Under) Disbursements	3,345	(12,744)		74	383	(8,942)
Other Financing Receipts/(Disbursements):						
Proceeds from Sale of Public Debt:						
Transfers-In		15,949				15,949
Advances-In		47,846				47,846
Transfers-Out	(15,949)					(15,949)
Advances-Out	(47,846)					(47,846)
Other Sources		3,107				3,107
Total Other Financing Receipts/(Disbursements)	(63,795)	66,902				3,107
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(60,450)	54,158		74	383	(5,835)
Fund Cash Balances, January 1	263,737	328,444		9,379	4,244	605,804
Fund Cash Balances, December 31	\$203,287	\$382,602		\$9,453	\$4,627	\$599,969
Reserve for Encumbrances, December 31	\$3,000	\$15,093				\$18,093

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

**JACKSON TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Jackson Township, Mahoning County, (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 governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and police protection.

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 or permitted by the Auditor of State.

C. Cash and Investments

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

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.

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. It is used to account for all financial resources except those required to be accounted for in another fund.

2. 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:

Police District Fund - This fund receives tax settlement money for the general operation of the police department.

Fire District Fund - This fund receives tax settlement money for the general operation of the fire district.

**JACKSON TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Debt Service Fund

This fund accounts for the accumulation of resources for, and the payment of, debt principal and interest.

4. Capital Project 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 has several miscellaneous capital projects funds which are used to account for the purchase of various types of equipment for the Township such as fire equipment and a dump truck.

5. Non-expendable Trust Funds

These funds account for assets held by the township in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds; where the principal must be kept intact, but the interest or income may be expended.

Non-expendable Trust Fund/Cemetery Bequest - This fund is used to account for cemetery bequests.

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 or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**JACKSON TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments 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>2000</u>	<u>1999</u>
Demand deposits	(\$24,826)	(\$38,079)
Certificates of deposit	2,900	2,900
Total deposits	(21,926)	(35,179)
Repurchase Agreements	790,912	521,754
STAR Ohio	113,394	113,394
Total investments	904,306	635,148
Total deposits and investments	\$882,380	\$599,969

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. Repurchase agreements are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Township's name.

**JACKSON TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$212,880	\$253,318	\$40,438
Special Revenue	534,184	603,293	69,109
Debt Service	24,603	24,603	0
Capital Projects	287,399	287,783	384
Non-expendable Trust	150	260	110
Total	<u>\$1,059,216</u>	<u>\$1,169,257</u>	<u>\$110,041</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$416,166	\$220,472	\$195,694
Special Revenue	901,538	450,910	450,628
Debt Service	24,603	24,603	0
Capital Projects	296,853	287,310	9,543
Non-expendable Trust	4,778	0	4,778
Total	<u>\$1,643,938</u>	<u>\$983,295</u>	<u>\$660,643</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$144,333	\$201,390	\$57,057
Special Revenue	455,472	545,991	90,519
Debt Service	25,927	25,927	0
Capital Projects	1,133	1,270	137
Non-expendable Trust	303	383	80
Total	<u>\$627,168</u>	<u>\$774,961</u>	<u>\$147,793</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$371,639	\$216,994	\$154,645
Special Revenue	887,419	554,772	332,647
Debt Service	25,927	25,927	0
Capital Projects	10,512	1,196	9,316
Non-expendable Trust	4,547	0	4,547
Total	<u>\$1,300,044</u>	<u>\$798,889</u>	<u>\$501,155</u>

**JACKSON TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 the 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Rescue Fire Truck	\$30,614	5.65%
Fire Bldg Renovation	17,448	6.07%
Pumper Fire Truck	69,325	4.76%
International Dump Truck	49,697	4.76%
Fire Tanker Apparatus	80,000	5.55%
Total	\$247,084	

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

Year ending December 31:	Rescue Fire Truck	Fire Bldg. Renovation	Pumper Fire Truck	International Dump Truck	Fire Tanker Apparatus
2001	\$17,983	\$18,524	\$36,687	\$13,960	\$29,723
2002	16,287	0	36,687	13,960	29,723
2003	0	0	0	13,960	29,723
2004	0	0	0	13,960	0
Total	\$34,270	\$18,524	\$73,374	\$55,840	\$89,169

**JACKSON TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

6. RETIREMENT SYSTEMS

Full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement 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 2000 and 1999, law enforcement employees and full-time Township employees contributed 9% and 8.5% respectively. The Township contributed an amount equal to 16% for law enforcement employees and 10.8% in 2000 and 13.55% for 1999 for full-time Township employees. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance, dental and vision coverage to full-time employees through a private carrier.

8. PRIOR PERIOD ADJUSTMENT

A transfer was inadvertently made twice in 1997, out of the General Fund into the Debt Service Fund. The following shows the adjustment which will correct the error made:

	Balance 1/1/99	Adjustment	Balance 1/1/99
General Fund	227,318	36,419	263,737
Debt Service Fund	36,419	(36,419)	0



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 W. Federal Plaza, Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Jackson Township
10613 Mahoning Ave.
P.O. Box 400
North Jackson, OH 44451-0400

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson Township, Mahoning County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated May 8, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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 and grants, noncompliance with which could have a direct and material effect on 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 8, 2001.

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.

Jim Petro
Auditor of State

May 8, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

JACKSON TOWNSHIP

MAHONING 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
JUNE 19, 2001