



**JACKSON TOWNSHIP
SENECA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

JACKSON TOWNSHIP
SENECA COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Jackson Township
Seneca County
6250 North County Road 3
Fostoria, Ohio 44830-9594

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson Township, Seneca County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 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 audits 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 audits 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 audits provide 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 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 April 27, 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 the 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

April 27, 2001

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**JACKSON TOWNSHIP
SENECA COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$23,087	\$82,315		\$105,402
Intergovernmental	61,804	77,640	\$19,713	159,157
Special Assessments		1,428		1,428
Licenses, Permits, and Fees	870	200		1,070
Earnings on Investments	4,343	1,162		5,505
Other Revenue	1,569	4,500		6,069
	<u>91,673</u>	<u>167,245</u>	<u>19,713</u>	<u>278,631</u>
Total Cash Receipts				
	<u>91,673</u>	<u>167,245</u>	<u>19,713</u>	<u>278,631</u>
Cash Disbursements:				
Current:				
General Government	48,922			48,922
Public Safety		29,641		29,641
Public Works	17,110	129,689		146,799
Health	6,201	152		6,353
Capital Outlay	2,124	10,940	19,713	32,777
	<u>74,357</u>	<u>170,422</u>	<u>19,713</u>	<u>264,492</u>
Total Cash Disbursements				
	<u>74,357</u>	<u>170,422</u>	<u>19,713</u>	<u>264,492</u>
Total Receipts Over/(Under) Disbursements	17,316	(3,177)		14,139
Fund Cash Balances, January 1	32,040	75,755		107,795
Fund Cash Balances, December 31	<u>\$49,356</u>	<u>\$72,578</u>		<u>\$121,934</u>
Reserve for Encumbrances, December 31	<u>\$1,165</u>	<u>\$347</u>		<u>\$1,512</u>

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

**JACKSON TOWNSHIP
SENECA COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$18,798	\$71,402		\$90,200
Intergovernmental	36,529	76,105	\$17,026	129,660
Special Assessments		1,431		1,431
Licenses, Permits, and Fees	945	200		1,145
Earnings on Investments	1,061	416		1,477
Other Revenue	3,083	4,860		7,943
	<u>60,416</u>	<u>154,414</u>	<u>17,026</u>	<u>231,856</u>
Total Cash Receipts				
	<u>60,416</u>	<u>154,414</u>	<u>17,026</u>	<u>231,856</u>
Cash Disbursements:				
Current:				
General Government	50,244			50,244
Public Safety	317	25,991		26,308
Public Works	7,008	116,620		123,628
Health	4,944	604		5,548
Debt Service:				
Redemption of Principal		7,234		7,234
Interest and Fiscal Charges		134		134
Capital Outlay		3,136	17,026	20,162
	<u>62,513</u>	<u>153,719</u>	<u>17,026</u>	<u>233,258</u>
Total Cash Disbursements				
	<u>62,513</u>	<u>153,719</u>	<u>17,026</u>	<u>233,258</u>
Total Receipts Over/(Under) Disbursements	(2,097)	695		(1,402)
Fund Cash Balances, January 1	34,137	75,060		109,197
Fund Cash Balances, December 31	<u>\$32,040</u>	<u>\$75,755</u>		<u>\$107,795</u>
Reserve for Encumbrances, December 31	<u>\$228</u>	<u>\$12,339</u>		<u>\$12,567</u>

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

**JACKSON TOWNSHIP
SENECA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Jackson Township, Seneca 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 emergency medical services. The Township contracts with the Kansas Volunteer Fire Department, Risingsun Volunteer Fire Department, and the Bascom Joint Fire District to provide fire services and the City of Fostoria to provide ambulance services.

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

The Township's cash consists of a sweep account into certificates of deposit and are valued at cost.

D. 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:

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:

**JACKSON TOWNSHIP
SENECA COUNTY**

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

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

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

3. Capital Project Funds

This fund is 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 project fund:

Issue II Fund - The Township received a grant from the State of Ohio for the repair or maintenance of Township roads.

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.

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.

**JACKSON TOWNSHIP
SENECA COUNTY**

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

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

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

	<u>2000</u>	<u>1999</u>
Demand deposits	<u>\$121,934</u>	<u>\$107,795</u>

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (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.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,291	\$91,673	\$9,382
Special Revenue	157,118	167,245	10,127
Capital Projects	20,000	19,713	(287)
Total	<u>\$259,409</u>	<u>\$278,631</u>	<u>\$19,222</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$105,720	\$75,522	\$30,198
Special Revenue	232,873	170,769	62,104
Capital Projects	20,000	19,713	287
Total	<u>\$358,593</u>	<u>\$266,004</u>	<u>\$92,589</u>

**JACKSON TOWNSHIP
SENECA COUNTY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$50,665	\$60,416	\$9,751
Special Revenue	155,209	154,414	(795)
Capital Projects	20,000	17,026	(2,974)
Total	\$225,874	\$231,856	\$5,982

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$82,502	\$62,741	\$19,761
Special Revenue	213,994	166,058	47,936
Capital Projects	20,000	17,026	2,974
Total	\$316,496	\$245,825	\$70,671

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 payments, 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

The Township paid off the Term Loan Agreement note during Fiscal Year 1999.

6. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. 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.

**JACKSON TOWNSHIP
SENECA COUNTY**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% of participants' gross salaries in 2000 and 13.55% in 1999. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty;
- Public official's liability;
- Vehicle;
- Property; and
- Data Processing Equipment

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

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

Jackson Township
Seneca County
6250 North County Road 3
Fostoria, Ohio 44830-9594

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson Township, Seneca County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 27, 2001. We conducted our audits 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 audits 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*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated April 27, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 27, 2001.

This report is intended for the information and use of the 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

April 27, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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JACKSON TOWNSHIP

SENECA 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 29, 2001**