



**JACKSON TOWNSHIP  
VAN WERT COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



JACKSON TOWNSHIP  
VAN WERT COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Jackson Township  
Van Wert County  
3884 Middle Point-Wetzel Road  
Middle Point, Ohio 45863

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson Township, Van Wert County, (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 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 March 14, 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

March 14, 2001

**JACKSON TOWNSHIP  
VAN WERT 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>		<u>Total (Memorandum) Only</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$10,139	\$13,506	\$23,645
Intergovernmental	31,660	68,762	100,422
Licenses, Permits, and Fees	125		125
Earnings on Investments	343	758	1,101
	<u>42,267</u>	<u>83,026</u>	<u>125,293</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Current:			
General Government	33,264		33,264
Public Safety		5,970	5,970
Public Works		71,575	71,575
Health	4,118		4,118
Miscellaneous		135	135
Capital Outlay		56,116	56,116
	<u>37,382</u>	<u>133,796</u>	<u>171,178</u>
Total Cash Disbursements			
Total Receipts Over / (Under) Disbursements	4,885	(50,770)	(45,885)
<b>Other Financing Receipts:</b>			
Proceeds from Sale of Public Debt:			
Loan Proceeds		51,923	51,923
	<u>4,885</u>	<u>1,153</u>	<u>6,038</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements			
Fund Cash Balances, January 1, 2000	<u>25,505</u>	<u>81,308</u>	<u>106,813</u>
<b>Fund Cash Balances, December 31, 2000</b>	<u><u>\$30,390</u></u>	<u><u>\$82,461</u></u>	<u><u>\$112,851</u></u>

*The Notes to the Financial Statements are an integral part of this statement*

**JACKSON TOWNSHIP  
VAN WERT 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>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$8,636	\$12,654	\$21,290
Intergovernmental	40,225	69,363	109,588
Licenses, Permits, and Fees	325		325
Earnings on Investments	319	721	1,040
Other Revenue	125	19	144
	<u>49,630</u>	<u>82,757</u>	<u>132,387</u>
Total Cash Receipts			
	<u>49,630</u>	<u>82,757</u>	<u>132,387</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	34,504		34,504
Public Safety		7,489	7,489
Public Works		49,338	49,338
Health	4,017		4,017
Capital Outlay		3,547	3,547
	<u>38,521</u>	<u>60,374</u>	<u>98,895</u>
Total Cash Disbursements			
	<u>38,521</u>	<u>60,374</u>	<u>98,895</u>
Total Receipts Over / (Under) Disbursements	11,109	22,383	33,492
<b>Other Financing Receipts:</b>			
Other Sources	10		10
	<u>10</u>		<u>10</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	11,119	22,383	33,502
Fund Cash Balances, January 1, 1999	<u>14,386</u>	<u>58,925</u>	<u>73,311</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u><u>\$25,505</u></u>	<u><u>\$81,308</u></u>	<u><u>\$106,813</u></u>

*The Notes to the Financial Statements are an integral part of this statement*



**JACKSON TOWNSHIP  
VAN WERT COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Jackson Township, Van Wert 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 Village of Grover Hill, the Village of Middle Point, and the Village of Ottoville to provide fire services and the Village of Grover Hill 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 and Investments**

All Township funds are held in a demand deposit account and are valued at cost.

**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:

**Motor Vehicle License Tax Fund** - This fund receives license tax money to pay for constructing, maintaining, and repairing Township roads.

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

**JACKSON TOWNSHIP  
VAN WERT COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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. Appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the 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 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.

**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	\$112,851	\$106,813

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

**JACKSON TOWNSHIP  
VAN WERT COUNTY**

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

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$37,177	\$42,267	\$5,090
Special Revenue	72,650	134,949	62,299
Total	\$109,827	\$177,216	\$67,389

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$62,682	\$37,382	\$25,300
Special Revenue	153,957	133,796	20,161
Total	\$216,639	\$171,178	\$45,461

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$33,629	\$49,640	\$16,011
Special Revenue	69,269	82,757	13,488
Total	\$102,898	\$132,397	\$29,499

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$47,786	\$38,521	\$9,265
Special Revenue	128,422	60,374	68,048
Total	\$176,208	\$98,895	\$77,313

**JACKSON TOWNSHIP  
VAN WERT 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
Commercial Loan	\$51,923	5.75%

The commercial loan relates to the purchase of a new dump truck. The loan will be repaid in annual installments of \$19,338 over 3 years. The notes are collateralized by the dump truck.

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

Year ending December 31:	Commercial Loan
2001	\$19,338
2002	19,338
2003	19,338
Total	\$58,014

**6. RETIREMENT SYSTEMS**

Township officials and full-time 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 post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**JACKSON TOWNSHIP  
VAN WERT COUNTY**

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

**6. RETIREMENT SYSTEMS (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 13.55% of participants' gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July through December 2000. The District 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, dental, and eye care insurance to full-time employees and officials through a private carrier.

**8. CONTRACTUAL OBLIGATIONS**

As of December 31, 2000, the Township had the following contractual obligations:

<u>Company</u>	<u>Project</u>	<u>Amount Remaining on Contract</u>
Kalida Truck	Truck Bed	\$24,203

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

Jackson Township  
Van Wert County  
3883 Middle Point-Wetzel Road  
Middle Point, Ohio 45863

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson Township, Van Wert County (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 14, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-40281-001 and 2000-40281-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 14, 2001.

**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 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 March 14, 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

March 14, 2001



**JACKSON TOWNSHIP  
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

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

**Finding Number 2000-40281-001**

**FINDING FOR RECOVERY**

Richard Dunlap served as Clerk for Jackson Township until December 10, 2000. During 2000, he started a new term beginning April 1, 2000. The calculation of the Clerk's 2000 salary, based upon Ohio Rev. Code Section 507.09, and beginning the new term on April 1, 2000 and submission of his resignation as of December 10, 2000, is as follows:

Jan. - March 2000	\$583.33 per month / 3 months	\$1,749.99
April - November 2000	\$680.75 per month / 8 months	5,446.00
December 1-9 2000	\$21.96 per day / 9 days	197.64
Total Salary Due		7,393.63
Amount Paid		7,876.74
Overpayment		\$483.11

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Richard Dunlap, former Clerk-Treasurer, and the Century Insurance Company, jointly and severally, in the amount of \$483.11 in favor of the General Fund.

**Finding Number 2000-40281-002**

**FINDING FOR RECOVERY REPAID UNDER AUDIT**

Ohio Rev. Code Section 505.601 allows a board of township trustees who does not procure an insurance policy or group health care services to reimburse any township officer or employee for each out-of-pocket premium that the officer or employee incurs for insurance policies described in division (A) of section 505.60 of the Revised Code. Jackson Township passed a resolution during December, 1999, to provide for insurance premium reimbursement and set a maximum reimbursement amount of \$4,000.

On September 1, 2000, Richard Dunlap, Clerk-Treasurer, received reimbursement for out of pocket expenses for a hearing exam and hearing aids in the amount of \$2,295 (Check #1076). The Revised Code and the Township resolution authorizes reimbursement only for insurance premiums rather than out of pocket health care expenses.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Richard Dunlap, former Clerk-Treasurer, and the Century Insurance Company, jointly and severally, in the amount of \$2,295 in favor of the General Fund.

Payment was made to the Township on April 4, 2001.

**JACKSON TOWNSHIP  
VAN WERT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

Finding Number	Finding Summary	Fully Corrected	Not Corrected; Partially Corrected; Significantly Different Corrective Action Plan Taken; or Finding No Longer Valid; Explain:
1998-40281-001	Ohio Rev. Code Section 5705.41 (D): The Township did not obtain certification of the availability of funds from the Clerk prior to obligating the Township to purchase goods and/or services. There was no evidence of a "Then and Now" certificate being issued.	Yes	
1998-40281-002	Ohio Rev. Code Section 5705.41 (B): The Township did not amend its 1998 appropriations measure to include the 1998 Issue II monies received and expended. This resulted in actual expenditures exceeding budgetary appropriations.	No	Expenditures in excess of appropriations were not material for audit period ending December 31, 2000. Repeated in the Management Letter.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**JACKSON TOWNSHIP**

**VAN WERT 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  
APRIL 17, 2001**