

JACKSON TOWNSHIP

AUDIT REPORT

JANUARY 1, 2001 – DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

Board of Trustees
Jackson Township

We have reviewed the Independent Auditor's Report of Jackson Township, Coshocton County, prepared by Wolfe, Wilson & Phillips, Inc. for the audit period January 1, 2001 through December 31, 2002. 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 "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

May 6, 2003

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**JACKSON TOWNSHIP
COSHOCTON COUNTY**

**ELECTED OFFICIALS
AS OF DECEMBER 31, 2002**

<u>NAME</u>	<u>TITLE</u>	<u>TERM</u>
Bill Bowen	Trustee	01/01/02-12/31/05
Rod Wasinger	Trustee	01/01/00-12/31/04
Rick D. Conkle	Trustee	01/01/02-12/31/05
Shelly Webb 43819 CR 58 Coshocton, OH 43812	Clerk	04/01/00-03/31/04

STATUTORY LEGAL COUNSEL

Robert Batchelor, Prosecutor
Coshocton County
318 Chestnut Street
Coshocton, OH 43812

**JACKSON TOWNSHIP
COSHOCOTON COUNTY**

INDEX OF FUNDS

GOVERNMENTAL FUND TYPES:

General Fund Type:

General Fund

Special Revenue Fund Types:

Motor Vehicle License Tax Fund

Gasoline Tax Fund

Road and Bridge Fund

Fire District Fund

Cemetery Fund

Permissive Tax Fund

FIDUCIARY FUND TYPES:

Nonexpendable Trust Fund Types:

Cemetery Bequest Fund

WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Jackson Township
Coshocton, Ohio

We have audited the accompanying financial statements of Jackson Township as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 cash basis, which is a comprehensive basis of accounting prescribed or permitted by the Auditor of State, other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jackson Township as of December 31, 2002 and 2001, 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 a report dated April 21, 2003, on our consideration of Jackson Township's internal control structure 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 officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
April 21, 2003

**JACKSON TOWNSHIP
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	General	Special Revenue	(Memorandum Only) Totals
CASH RECEIPTS:			
Local taxes	\$ 55,230	\$ 27,173	\$ 82,403
Intergovernmental	33,835	69,066	102,901
Interest	1,529	1,750	3,279
Miscellaneous	19,869	116	19,985
TOTAL CASH RECEIPTS	110,463	98,105	208,568
 CASH DISBURSEMENTS:			
Current:			
General government	53,811	-	53,811
Public safety services	1,726	9,288	11,014
Public work activities	18,667	17,011	35,678
Public health services	4,507	-	4,507
Capital outlay	164	-	164
Debt service	8,935	-	8,935
TOTAL CASH DISBURSEMENTS	87,810	26,299	114,109
 TOTAL RECEIPTS OVER CASH DISBURSEMENTS	22,653	71,806	94,459
 FUND CASH BALANCE - JANUARY 1	37,590	52,415	90,005
 FUND CASH BALANCE - DECEMBER 31	60,243	124,221	184,464

See notes to financial statements.

**JACKSON TOWNSHIP
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General	Special Revenue	(Memorandum Only) Totals
CASH RECEIPTS:			
Local taxes	\$ 56,937	\$ 27,453	\$ 84,390
Intergovernmental	22,972	67,254	90,226
Interest	1,828	1,035	2,863
Miscellaneous	21,402	37	21,439
TOTAL CASH RECEIPTS	103,139	95,779	198,918
CASH DISBURSEMENTS:			
Current:			
General government	56,148	-	56,148
Public safety services	4,740	11,649	16,389
Public work activities	17,113	55,308	72,421
Public health services	2,457	-	2,457
Capital outlay	2,216	-	2,216
Debt service	9,714	-	9,714
TOTAL CASH DISBURSEMENTS	92,388	66,957	159,345
TOTAL RECEIPTS OVER CASH DISBURSEMENTS	10,751	28,822	39,573
FUND CASH BALANCE - JANUARY 1	26,839	23,593	50,432
FUND CASH BALANCE - DECEMBER 31	37,590	52,415	90,005

See notes to financial statements.

**JACKSON TOWNSHIP
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES -
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Nonexpendable Trust</u>
CASH RECEIPTS:	
Interest	<u>\$ -</u>
TOTAL CASH RECEIPTS	-
CASH DISBURSEMENTS:	
Supplies and materials	<u>-</u>
TOTAL CASH DISBURSEMENTS	-
TOTAL CASH RECEIPTS OVER CASH DISBURSEMENTS	-
FUND CASH BALANCE - JANUARY 1	<u>890</u>
FUND CASH BALANCE - DECEMBER 31	<u><u>\$ 890</u></u>

See notes to financial statements.

**JACKSON TOWNSHIP
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES -
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Nonexpendable Trust</u>
CASH RECEIPTS:	
Interest	<u>\$ -</u>
TOTAL CASH RECEIPTS	-
CASH DISBURSEMENTS:	
Supplies and materials	<u>-</u>
TOTAL CASH DISBURSEMENTS	-
TOTAL CASH RECEIPTS OVER CASH DISBURSEMENTS	-
FUND CASH BALANCE - JANUARY 1	<u>890</u>
FUND CASH BALANCE - DECEMBER 31	<u><u>\$ 890</u></u>

See notes to financial statements.

**JACKSON TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Township of Jackson, Coshocton County, is a body politic and corporate 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. The Township provides general governmental services, including road, bridge and cemetery maintenance.

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 cash 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 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 cash is maintained in a pooled checking account.

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:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**JACKSON TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

D. Fund Accounting (Continued)

Special Revenue Funds (Continued)

Motor Vehicle License Tax Fund – This fund receives motor vehicle tax receipts for constructing, maintaining and repairing Township roads and bridges.

Gasoline Tax Fund – This fund receives gasoline tax receipts for constructing, maintaining and repairing Township roads and bridges.

Road and Bridges Fund – This fund receives real estate and personal property tax money for the construction, repair and maintenance of township roads and bridges.

Permissive Motor Vehicle Fund – This fund receives county motor vehicle license tax money for the construction, repair, and maintenance of township roads and bridges.

Fire District Fund – This fund receives real estate tax for the cost associated with the fire protection contract with the Township of Tuscarawas.

Fiduciary Fund (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. The Township had the following significant fiduciary funds:

Non-Expendable Trust Fund – This fund receives money from the bequests of individuals. The earnings of which are expended for the upkeep of cemeteries and the purchase of cemetery land.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

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.

**JACKSON TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

E. Budgetary Process (Continued)

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.

Encumbrances

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

A Summary of 2002 and 2001 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 in the accompanying financial statements.

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:

	2002	2001	
Demand Deposits	\$ 185,354	\$ 90,895	

Deposits:

Deposits are collateralized by securities specifically pledged by the financial institution to the Township.

3. Budgetary Activity

Budgetary activity for the years ended December 31, 2002 and 2001 was as follows:

2002 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 90,264	\$ 110,463	\$ 20,199
Special Revenue	107,470	98,105	(9,365)
Fiduciary	-	-	-
Total	\$ 197,734	\$ 208,568	\$ 10,834

**JACKSON TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

3. Budgetary Activity (continued)

2002 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 127,853	\$ 87,810	\$ 40,043
Special Revenue	159,886	26,299	133,587
Fiduciary	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 287,739</u>	<u>\$ 114,109</u>	<u>\$ 173,630</u>

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 90,277	\$ 103,139	\$ 12,862
Special Revenue	102,500	95,779	(6,721)
Fiduciary	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 192,777</u>	<u>\$ 198,918</u>	<u>\$ 6,141</u>

2001 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 117,105	\$ 92,388	\$ 24,717
Special Revenue	126,104	66,957	59,147
Fiduciary	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 243,209</u>	<u>\$ 159,345</u>	<u>\$ 83,864</u>

4. Property Tax

Real property taxes become a lien on January 1 proceeding 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.

Public utilities are also taxed on personal and real property located within the Township.

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.

**JACKSON TOWNSHIP
COSHOCTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS

5. Debt Service

Debt outstanding at December 31, 2002:

	<u>Principal</u>	<u>Interest Rate</u>
Note Payable:		
Financial Institution – Real Estate	<u>8,000</u>	5.77%
Total	<u>\$ 8,000</u>	

The unsecured loans to the Financial Institution relate to the purchase of storage buildings. The loan will be paid in annual installments of \$8,000 plus interest at a rate of 5.77%. The following schedule is a summary of the expected maturities of the above obligations.

Amortization of the following debt is scheduled as follows:

<u>Year Ending December 31:</u>	<u>Financial Institution Note Payable Real Estate</u>
2003	<u>\$ 8,000</u>
Total	<u>\$ 8,000</u>

6. Retirement Systems

The Township’s Trustees, Clerk and other employees of the Township 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 health care, 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 2002 and 2001, 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 has paid all contributions required through December 31, 2002.

7. Risk Management

The Township maintains insurance coverage through Ohio Risk Management that provides the following coverages:

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

The Township also provides health and life insurance to the Township Trustees, Township Clerk, and full time employees through a private carrier.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENT PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**

Board of Trustees
Jackson Township
Coshocton, Ohio

We have audited the financial statements of Jackson Township as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 21, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Jackson Township's combined 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 the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted immaterial instances of noncompliance that we have reported to the management of Jackson Township in a separate letter dated April 21, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jackson Township internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the combined 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 weakness. 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 the 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.

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
April 23, 2003



**Auditor of State
Betty Montgomery**

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

COSHOCTON 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 20, 2003**