



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**JEFFERSON TOWNSHIP
MONTGOMERY COUNTY**

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STATE OF OHIO
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REPORT OF INDEPENDENT ACCOUNTANTS

Jefferson Township
Montgomery County
587 Infirmary Road
Dayton, Ohio 45427-2698

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Montgomery County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. 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, 1999 and December 31, 1998, 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 24, 2000 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.

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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

May 24, 2000

**JEFFERSON TOWNSHIP
MONTGOMERY 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**

	GOVERNMENTAL FUND TYPES		Total (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Taxes	\$113,426	\$663,272	\$776,698
Charges for Services	0	91,876	91,876
Licenses, Permits and Fees	36,851	0	36,851
Fines & Forfeitures	2,007	0	2,007
Intergovernmental Receipts	167,888	148,053	315,941
Special Assessments	0	47,280	47,280
Interest	5,694	822	6,516
All Other Receipts	0	37,781	37,781
 Total Cash Receipts	 325,866	 989,084	 1,314,950
 Cash Disbursements:			
Current:			
General Government	308,488	37,916	346,404
Public Safety	14,772	640,828	655,600
Public Works	0	334,020	334,020
Capital Outlay	0	36,814	36,814
 Total Cash Disbursements	 323,260	 1,049,578	 1,372,838
 Total Receipts Over/(Under) Disbursements	 2,606	 (60,494)	 (57,888)
 Other Financing Receipts/(Disbursements):			
Operating Transfers In	0	4,000	4,000
Operating Transfers Out	(4,000)	0	(4,000)
 Total Other Financing Receipts/(Disbursements)	 (4,000)	 4,000	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (1,394)	 (56,494)	 (57,888)
 Fund Cash Balances, January 1, 1999	 100,912	 337,089	 438,001
 Fund Cash Balances, December 31, 1999	 \$99,518	 \$280,595	 \$380,113
 Reserve for Encumbrances, December 31, 1999	 \$22,114	 \$19,274	 \$41,388

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

**JEFFERSON TOWNSHIP
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>GOVERNMENTAL FUND TYPES</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$98,132	\$653,381	\$751,513
Charges for Services	0	113,165	113,165
Licenses, Permits and Fees	60,527	0	60,527
Fines & Forfeitures	782	0	782
Intergovernmental Receipts	147,053	288,953	436,006
Special Assessments	0	45,554	45,554
Interest	5,582	389	5,971
All Other Receipts	0	13,316	13,316
Total Cash Receipts	312,076	1,114,758	1,426,834
Cash Disbursements:			
Current:			
General Government	253,403	100,843	354,246
Public Safety	0	538,006	538,006
Public Works	0	265,937	265,937
Conservation	4,340	0	4,340
Capital Outlay	4,939	47,137	52,076
Note Principal Payment	0	51,932	51,932
Interest & Fiscal Charges	0	2,923	2,923
Total Cash Disbursements	262,682	1,006,778	1,269,460
Total Receipts Over/(Under) Disbursements	49,394	107,980	157,374
Other Financing Receipts/(Disbursements):			
Operating Transfers In	0	39,095	39,095
Operating Transfers Out	(39,095)	0	(39,095)
Total Other Financing Receipts/(Disbursements)	(39,095)	39,095	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursement:	10,299	147,075	157,374
Fund Cash Balances, January 1, 1998	90,613	190,014	280,627
Fund Cash Balances, December 31, 1998	100,912	337,089	438,001
Reserve for Encumbrances, December 31, 1998	\$12,210	\$39,381	\$51,591

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

**JEFFERSON TOWNSHIP
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Jefferson Township of Montgomery 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 and provides general governmental services, including street maintenance, emergency medical services and fire protection. The Township contracts with the Montgomery County Sheriff's department to provide security of persons and property.

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 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 the liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved.)

These statements include adequate disclosures of material matters, as prescribed or permitted by the Auditor of State.

C. 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:

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 (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

Fire District Fund - Receives tax collections from a levy for services to provide fire services to township residents.

Police District Fund - Receives tax collections from a levy for services to provide police services to township residents by contracting with the Montgomery County Sheriff's Department.

Emergency Medical Services Fund - Receives charges for services to provide ambulance and other emergency services to township residents.

**JEFFERSON TOWNSHIP
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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, 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.

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 canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

E. 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.

F. 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 cash 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:

	1999	1998
Demand deposits	\$ 380,113	\$ 438,001

**JEFFERSON TOWNSHIP
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998
(Continued)**

2. EQUITY IN POOLED CASH (Continued)

Deposits:

Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2), collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 1999 and 1998 was as follows:

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 324,990	\$ 325,866	\$ 876
Special Revenue	<u>992,861</u>	<u>993,084</u>	<u>223</u>
Total	<u>\$1,317,851</u>	<u>\$ 1,318,950</u>	<u>\$ 1,099</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 312,077	\$ 312,076	\$ (1)
Special Revenue	<u>1,156,853</u>	<u>1,153,853</u>	<u>(3,000)</u>
Total	<u>\$ 1,468,930</u>	<u>\$ 1,465,929</u>	<u>\$ (3,001)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 438,113	\$ 349,374	\$ 88,739
Special Revenue	<u>1,335,556</u>	<u>1,068,852</u>	<u>266,704</u>
Total	<u>\$ 1,773,669</u>	<u>\$ 1,418,226</u>	<u>\$ 355,443</u>

**JEFFERSON TOWNSHIP
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 367,708	\$ 313,987	\$ 53,721
Special Revenue	<u>1,362,447</u>	<u>1,046,159</u>	<u>316,288</u>
Total	<u>\$ 1,730,155</u>	<u>\$ 1,360,146</u>	<u>\$ 370,009</u>

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.

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.

5. RETIREMENT SYSTEMS

The Township's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer pension plan. This plan provides retirement benefits, including postretirement 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 1999 and 1998 PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. All contributions required through December 31, 1999 have been paid by The Township.

6. 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 coverage to full-time employees through a private carrier.



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Jefferson Township
Montgomery County
587 Infirmary Road
Dayton, Ohio 45427-2698

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Montgomery County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated May 24, 2000. 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 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 an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated May 24, 2000.

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 operating 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 May 24, 2000.

Board of Trustees
Jefferson Township
Montgomery County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the Township's management and Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

May 24, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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JEFFERSON TOWNSHIP

MONTGOMERY 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
JULY 25, 2000**