



**Auditor of State
Betty Montgomery**

JACKSON TOWNSHIP
STARK COUNTY

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**Auditor of State
Betty Montgomery**

Jackson Township
Stark County
5735 Wales Avenue, NW
Massillon, Ohio 44646

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

October 21, 2005

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Jackson Township
Stark County
5735 Wales Avenue, NW
Massillon, Ohio 44646

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson Township, Stark County, Ohio, (the Township) as of and for the years ended December 31, 2004 and 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 and 2003, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004, or its changes in financial position or cash flows of its internal service fund for the year then ended.

101 Central Plaza South / 700 Bank One Tower / Canton, OH 44702
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Also, 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 Jackson Township, Stark County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

October 21, 2005

**JACKSON TOWNSHIP
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$688,233	\$12,140,499		\$12,828,732
Intergovernmental	1,746,373	2,179,139	\$83,780	4,009,292
Special Assessments		47,389		47,389
Charges for Services	242,352	709,885		952,237
Licenses, Permits, and Fees		186,174		186,174
Fines, Forfeitures, and Penalties	57,741	13,985		71,726
Earnings on Investments	83,268	364		83,632
Other Revenue	52,796	92,222		145,018
	2,870,763	15,369,657	83,780	18,324,200
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	1,789,613	317,451		2,107,064
Public Safety	60,850	10,972,583		11,033,433
Public Works	29,402	1,734,923		1,764,325
Health	261,596			261,596
Conservation - Recreation		768,456		768,456
Capital Outlay	91,191	521,504	4,021,997	4,634,692
	2,232,652	14,314,917	4,021,997	20,569,566
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	638,111	1,054,740	(3,938,217)	(2,245,366)
Other Financing Receipts and (Disbursements):				
Sale of Fixed Assets		17,456		17,456
Transfers-In		1,250,685	1,460,557	2,711,242
Transfers-Out	(946,943)	(1,666,085)	(100,721)	(2,713,749)
Other Sources	325	372		697
	(946,618)	(397,572)	1,359,836	15,646
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(308,507)	657,168	(2,578,381)	(2,229,720)
Fund Cash Balances, January 1	1,760,193	3,282,185	6,191,921	11,234,299
Fund Cash Balances, December 31	\$1,451,686	\$3,939,353	\$3,613,540	\$9,004,579
Reserve for Encumbrances, December 31	\$53,173	\$512,682	\$877,014	\$1,442,869

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

**JACKSON TOWNSHIP
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$642,251	\$11,502,605		\$12,144,856
Intergovernmental	1,538,853	1,893,750	\$42,302	3,474,905
Special Assessments		47,453		47,453
Charges for Services	236,277	372,397		608,674
Licenses, Permits, and Fees	2,820	178,026		180,846
Fines, Forfeitures, and Penalties	12,786	15,485		28,271
Earnings on Investments	153,217	189		153,406
Other Revenue	150,497	39,757		190,254
Total Cash Receipts	2,736,701	14,049,662	42,302	16,828,665
Cash Disbursements:				
Current:				
General Government	1,722,474	213,714		1,936,188
Public Safety	50,080	10,168,075		10,218,155
Public Works	78,562	1,705,804		1,784,366
Health	258,213			258,213
Conservation - Recreation		753,361		753,361
Capital Outlay	80,851	1,477,095	5,154,887	6,712,833
Total Cash Disbursements	2,190,180	14,318,049	5,154,887	21,663,116
Total Receipts Over/(Under) Disbursements	546,521	(268,387)	(5,112,585)	(4,834,451)
Other Financing Receipts and (Disbursements):				
Sale of Fixed Assets		595,145	25,000	620,145
Transfers-In		1,330,898	4,471,553	5,802,451
Transfers-Out	(1,725,467)	(4,079,053)		(5,804,520)
Other Sources	4,502			4,502
Total Other Financing Receipts/(Disbursements)	(1,720,965)	(2,153,010)	4,496,553	622,578
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,174,444)	(2,421,397)	(616,032)	(4,211,873)
Fund Cash Balances, January 1 (Restated)	2,934,637	5,703,582	6,807,953	15,446,172
Fund Cash Balances, December 31	\$1,760,193	\$3,282,185	\$6,191,921	\$11,234,299
Reserve for Encumbrances, December 31	\$133,934	\$183,423	\$1,436,032	\$1,753,389

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

**JACKSON TOWNSHIP
STARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES
INTERNAL SERVICE FUND
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	<u>2004</u>	<u>2003</u>
Operating Cash Receipts:		
Charges for Services	<u>\$1,270,261</u>	<u>\$1,696,247</u>
Operating Cash Disbursements:		
Contractual Services	<u>1,713,693</u>	<u>1,521,928</u>
Operating Income/(Loss)	<u>(443,432)</u>	<u>174,319</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	(443,432)	174,319
Transfers-In	<u>2,507</u>	<u>2,069</u>
Net Receipts Over/(Under) Disbursements	(440,925)	176,388
Cash Balances, January 1	<u>945,939</u>	<u>769,551</u>
Cash Balances, December 31	<u><u>\$505,014</u></u>	<u><u>\$945,939</u></u>

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

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**JACKSON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Jackson Township, Stark County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general governmental services, including park operations, and fire and police service.

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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Cash and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or disbursements investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values certificates of deposit at cost. Additionally, the Township invested in a repurchase agreement (overnight sweep) and STAR Ohio in both years. The Township also invested in federal agency securities in 2004. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report. The Federal Agency investments are recorded at fair value which is based on quoted market price.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds 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
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire District Fund - This fund receives tax levy money for the purpose providing and maintaining fire apparatus, appliances, buildings, sources of water supply and materials, or the payment of permanent, part-time, or volunteer firemen or to provide ambulance or emergency medical services.

Police District Fund - This fund receives tax levy money for the purpose of providing and maintaining police apparatus, equipment, or payment of permanent, part-time police officers.

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds:

General Capital Projects Fund – This fund received transfers from the General Fund for the purpose of construction of the safety building and various other improvement projects.

Highway Capital Projects Reserves Fund – This fund received transfers from various other funds for the purpose of construction/and or performance of engineering services for various road improvement projects.

4. Internal Service Fund

This fund is used to account for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

Self-funded Insurance Medical Fund – This fund receives insurance premium payments used to pay medical claims of full-time employees enrolled in the health insurance plan.

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.

**JACKSON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 2004 and 2003 budgetary activity appears in Note 4.

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2004	2003
Demand deposits	\$691,046	\$881,945
Certificates of deposit	1,000,000	0
Money Market	1,433	0
Total deposits	1,692,479	881,945
U.S. Treasury Notes		
STAR Ohio	655,765	10,703,926
Repurchase agreement	154,668	594,367
Federal Home Loan Mortgage Corporation Notes	3,256,558	0
Federal Home Loan Bank Notes	3,007,156	0
Federal National Mortgage Association Notes	742,967	0
Total investments	7,817,114	11,298,293
Total deposits and investments	\$9,509,593	\$12,180,238

**JACKSON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

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

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form. The repurchase agreement is an overnight sweep account reported at cost.

3. RESTATEMENT OF PRIOR YEAR FUND BALANCE

During 2002, the Law Enforcement Trust Fund activity which related to money collected under Ohio Revised Code Section 2925.03(J)(1) was incorrectly reported within the Special Revenue Fund.

The correction of these errors had the following net effect on fund balances as previously reported at December 31, 2002.

Fund Balance December 31, 2002	\$5,718,427
Restated Balance	<u>14,845</u>
Revised Fund Balance December 31, 2002	<u>\$5,703,582</u>

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,756,595	\$2,871,088	\$114,493
Special Revenue	16,897,951	16,638,170	(259,781)
Capital Projects	1,499,837	1,544,337	44,500
Internal Service	1,242,403	1,272,768	30,365
Total	\$22,396,786	\$22,326,363	(\$70,423)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,461,997	\$3,232,768	\$1,229,229
Special Revenue	20,177,643	16,493,684	3,683,959
Capital Projects	7,691,758	4,999,732	2,692,026
Internal Service	2,188,342	1,713,693	474,649
Total	\$34,519,740	\$26,439,877	\$8,079,863

**JACKSON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

4. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,669,399	\$2,741,203	\$71,804
Special Revenue	16,628,974	15,975,705	(653,269)
Capital Projects	5,113,854	4,538,855	(574,999)
Internal Service	1,659,521	1,698,316	38,795
Total	<u>\$26,071,748</u>	<u>\$24,954,079</u>	<u>(\$1,117,669)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,603,982	\$4,049,581	\$1,554,401
Special Revenue	22,332,556	18,580,525	3,752,031
Capital Projects	11,921,808	6,590,919	5,330,889
Internal Service	2,468,111	1,521,928	946,183
Total	<u>\$42,326,457</u>	<u>\$30,742,953</u>	<u>\$11,583,504</u>

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

6. RETIREMENT SYSTEMS

The Township's full-time fire fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

**JACKSON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

6. RETIREMENT SYSTEMS (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, members of OP&F participants contributed 10 percent of their wages. The Township contributed an amount equal to 24 percent of their wages to OP&F. OPERS members, except for law enforcement or public safety, contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. Members participating in OPERS who are law enforcement or public safety contribute 10.1 percent of their annual covered salary. The Township contributed 16.7 percent. The Township has paid all contributions required through December 31, 2004.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

The Township has established a medical self-insurance fund for the purpose of paying medical claims of the Township's full-time employees and their covered dependents. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on an actuarially determined cost per employee.

8. JOINT VENTURE

The Township participates in the Local Organized Governments in Cooperation (LOGIC), a statutorily created political subdivision of the State formed in 1986 to provide safety dispatching services. LOGIC is a joint venture among the Township, the City of Massillon, the City of Canal Fulton, and Village of Hills and Dales, with each participant providing one representative. Each representative has a membership share based on the percentage of contractual financial contributions to the total funding, and each participant is entitled to vote its percentage share. The board has total authority over the operation of LOGIC, including budgeting, appropriation, contracting, and designating management. Continued existence of LOGIC is dependent on the Township's continued participation. LOGIC does not provide specific financial benefits or impose specific financial burdens on the Township. During 2004 and 2003, the Township made contributions of \$391,176 and \$405,496, respectively, but does not have an equity interest in LOGIC. Financial statements of LOGIC may be obtained from Local Organized Governments in Cooperation, Canton, Ohio.

9. JOINTLY GOVERNED ORGANIZATION

The Township participates in the Stark Council of Governments (the "Council"), which is a statutorily created political subdivision of the State for the purpose of providing a permanent forum for discussion and study of concerns of the county, cities, villages and townships for development of policies and programs for implementation by one or more of the local governing bodies. The Council is jointly governed among Stark County, municipalities and townships which consists of 38 members.

**JACKSON TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

9. JOINTLY GOVERNED ORGANIZATION (Continued)

The Township appoints a representative and has a membership share based on the percentage of contractual financial contributions to the total funding. Each participant is entitled to vote its percentage share. The board exercises total authority over the operation of the Council including budgeting, appropriating, contracting and designating management. Continued existence of the Council is not dependent on the Township's continued participation. The Council does not provide specific financial benefits or impose specific financial burdens on the Township. The Township did not make any contributions during the year and does not have an equity interest in the Council.

Financial statements of the Council can be obtained from the Stark Council of Governments, Canton, Ohio.

10. COMPONENT UNIT

The Jackson Township Community Improvement Corporation (CIC) is a not-for-profit corporation created under Chapter 1724 of the Ohio Revised Code. The purpose of the CIC is to advance, encourage and promote industrial, economic, commercial and civic development of the Township. The Township appoints four of the nine CIC Board of Trustee members and presently a majority of the CIC funding is received from the Township. The CIC is a component unit of the Township, as the Township is financially accountable for the CIC under the criteria of Governmental Accounting Standards Board Statement No. 14. Separately issued financial statements can be obtained from the CIC, 5735 Wales Avenue NW, Massillon, Ohio 44646.

11. CONTINGENT LIABILITIES

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Jackson Township
Stark County
5735 Wales Avenue, NW
Massillon, Ohio 44646

To the Board of Trustees:

We have audited the financial statements of Jackson Township, Stark County, Ohio, (the Township) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated October 21, 2005, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated October 21, 2005, we reported a matter involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the Township's management dated October 21, 2005, we reported other matters related to noncompliance we deemed immaterial.

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Jackson Township
Stark County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
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We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

October 21, 2005



**Auditor of State
Betty Montgomery**

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JACKSON TOWNSHIP

STARK 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
DECEMBER 6, 2005**