



Dave Yost • Auditor of State



**JEFFERSON TOWNSHIP  
TUSCARAWAS COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government – Wide Financial Statements – 2015:	
Statement of Net Position - Cash Basis - December 31, 2015.....	11
Statement of Activities - Cash Basis - For the Year Ended December 31, 2015 .....	12
Fund Financial Statements – 2015:	
Statement of Assets and Fund Balances - Cash Basis - Governmental Funds - December 31, 2015.....	13
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis - Governmental Funds - For the Year Ended December 31, 2015 .....	14
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund - For the Year Ended December 31, 2015 .....	15
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - Gasoline Tax Fund - For the Year Ended December 31, 2015 .....	16
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – Special Levy - Ambulance Fund - For the Year Ended December 31, 2015 .....	17
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - Fire Levy - Operating Fund - For the Year Ended December 31, 2015 .....	18
Government – Wide Financial Statements – 2014:	
Statement of Net Position - Cash Basis - December 31, 2014.....	19
Statement of Activities - Cash Basis - For the Year Ended December 31, 2014 .....	20

JEFFERSON TOWNSHIP  
TUSCARAWAS COUNTY

TABLE OF CONTENTS  
(Continued)

TITLE	PAGE
Fund Financial Statements – 2014:	
Statement of Assets and Fund Balances - Cash Basis - Governmental Funds - December 31, 2014.....	21
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis - Governmental Funds - For the Year Ended December 31, 2014 .....	22
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund - For the Year Ended December 31, 2014 .....	23
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - Gasoline Tax Fund - For the Year Ended December 31, 2014 .....	24
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – Special Levy - Ambulance Fund - For the Year Ended December 31, 2014 .....	25
Statement of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - Fire Levy - Operating Fund - For the Year Ended December 31, 2014 .....	26
Notes to the Financial Statements.....	27
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	39



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Jefferson Township  
Tuscarawas County  
102 N Bridge St SW  
Stone Creek, Ohio 43840

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson Township, Tuscarawas County, Ohio (the Township), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson Township, Tuscarawas County, Ohio, as of December 31, 2015 and 2014, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax, Special Levy - Ambulance, and Fire Levy - Operating Funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

**Accounting Basis**

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Emphasis of Matter**

As discussed in Note 3 to the financial statements, during 2014, the Township adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

**Other Matters**

*Other Information*

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2016, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

August 15, 2016

Jefferson Township  
Tuscarawas County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015 and 2014

---

This discussion and analysis of Jefferson Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2015 and 2014, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2014 are as follows:

Net assets of governmental activities increased \$16,136 or 14.1%. All funds contributed to the increase in cash and cash equivalents, except for the Ambulance Fund. A summary of the 2014 asset changes are summarized below:

	1/1/2014	12/31/2014	Change	Change
	Balance	Balance	\$	%
General	\$51,466	\$52,669	\$1,203	2.3%
Motor Vehicle	3,109	7,105	3,996	128.5%
Gas	16,922	25,260	8,338	49.3%
Road & Bridge	3,209	7,388	4,179	130.2%
Ambulance	40,022	38,442	(1,580)	-3.9%
<b>Totals</b>	<b>\$114,728</b>	<b>\$130,864</b>	<b>\$16,136</b>	<b>14.1%</b>

The Township's general receipts are primarily property taxes (\$124,054) and grants/entitlements (\$40,266). These receipts represent respectively 74.5% and 24.2% percent of the general revenues received for governmental activities during the year. Property tax collected in 2014 increased 5.9% and grants/entitlements for 2014 increased 18.5%, when compared to 2013.

Key highlights for 2015 are as follows:

Net assets of governmental activities increased \$4,907 or 3.7%. All funds contributed to the increase in cash and cash equivalents, except for the Gasoline Tax and Ambulance Funds. A summary of the 2015 asset changes are summarized below:

	1/1/2015	12/31/2015	Change	Change
	Balance	Balance	\$	%
General	\$52,669	\$63,575	\$10,906	20.7%
Motor Vehicle	7,105	8,711	1,606	22.6%
Gas	25,260	18376	(6,884)	-27.3%
Road & Bridge	7,388	8,270	882	11.9%
Ambulance	38,442	36,839	(1,603)	-4.2%
<b>Totals</b>	<b>\$130,864</b>	<b>\$135,771</b>	<b>\$4,907</b>	<b>3.7%</b>

The Township's general receipts are primarily property taxes (\$123,646) and grants/entitlements (\$44,018). These receipts represent respectively 71.4% and 25.4% percent of the general revenue received for governmental activities during the year. Property tax collected in 2015 decreased .3%, but grants/entitlements for 2015 increased 9.3%, when compared to 2014.

Jefferson Township  
Tuscarawas County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015 and 2014

---

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Township as a Whole**

The statement of net position and the statement of activities reflect how the Township did financially during 2015 and 2014, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

Jefferson Township  
Tuscarawas County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015 and 2014

---

In the statement of net position and the statement of activities, the Township presents Governmental Activities.

Governmental Activities. All of the Township's basic services are reported here, including ambulance, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township were all governmental.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds include the General, Gasoline Tax, Special Levy - Ambulance and Fire Levy - Operating Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The Township as a Whole**

Table 1 provides a summary of the Township's net position for 2015 compared to 2014 and 2013 on a cash basis:

(Table 1)  
**Net Position**

	Governmental Activities		
	2015	2014	2013
<b>Assets</b>			
Cash and Cash Equivalents	\$135,771	\$130,864	\$114,728
Total Assets	\$135,771	\$130,864	\$114,728
<b>Net Assets</b>			
Restricted for:			
Other Purposes	\$72,196	\$78,195	\$63,262
Unrestricted	63,575	52,669	51,466
Total Net Assets	\$135,771	\$130,864	\$114,728

As mentioned previously, net assets of governmental activities increased \$16,136 or 14.1% during 2014 and increased \$4,907 or 3.7% during 2015. The primary reason contributing to the increase in cash balances is trustees aligned expenses to receipts. Trustees also discussed replacing equipment and the risk of higher road maintenance costs in the future.

Jefferson Township  
Tuscarawas County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015 and 2014

Table 2.A reflects the changes in net position on a cash basis in 2014, with a comparative analysis to 2013 governmental activities:

(Table 2.A)  
**Changes in Net Assets**

	Governmental Activities 2014	Governmental Activities 2013	Total Change
Receipts:			
Program Receipts:			
Operating Grants and Contributions	\$100,853	\$99,593	\$1,260
Total Program Receipts	<u>100,853</u>	<u>99,593</u>	<u>1,260</u>
General Receipts:			
Property and Other Local Taxes	124,054	117,181	6,873
Grants and Entitlements Not Restricted to Specific Programs	40,266	33,976	6,290
Interest	157	203	(46)
Miscellaneous & Sale of Capital Assets	2,006	20,806	(18,800)
Total General Receipts	<u>166,483</u>	<u>172,166</u>	<u>(5,683)</u>
Total Receipts	<u>267,336</u>	<u>271,759</u>	<u>(4,423)</u>
Disbursements:			
General Government	62,103	58,888	3,215
Public Safety	85,648	83,152	2,496
Public Works	103,449	175,798	(72,349)
Capital Outlay	0	50,447	(50,447)
Total Disbursements	<u>251,200</u>	<u>368,285</u>	<u>(117,085)</u>
Increase (Decrease) in Net Assets	16,136	(96,526)	112,662
Net Assets, January 1	<u>114,728</u>	<u>211,254</u>	<u>(96,526)</u>
Net Assets, December 31	<u>\$130,864</u>	<u>\$114,728</u>	<u>\$16,136</u>

Program receipts represent 37.7% of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax receipts.

General receipts represent 62.3% of the Township's total receipts, and of this amount, over 74.5% are property taxes. Local government distribution, estate tax and personal property tax rollbacks make up an additional 24.2% of the Township's general receipts. Other receipts are very insignificant.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of elected official wages & benefits, insurance premiums, utilities and other administrative expenses. Since these costs are of a fixed nature and do not represent direct services to residents, we try to limit these as much as possible in order to focus resources to benefit the public.

Public Works and Public Safety disbursements include the cost of maintaining roads, fire protection and ambulance services to Township residents and the general public.

Jefferson Township  
Tuscarawas County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015 and 2014

---

Table 2.B reflects the changes in net position on a cash basis in 2015, with a comparative analysis to 2014 governmental activities:

(Table 2.B)  
**Changes in Net Assets**

	Governmental Activities 2015	Governmental Activities 2014	Total Change
Receipts:			
Program Receipts:			
Operating Grants and Contributions	\$92,143	\$100,853	(\$8,710)
Total Program Receipts	<u>92,143</u>	<u>100,853</u>	<u>(8,710)</u>
General Receipts:			
Property and Other Local Taxes	123,646	124,054	(408)
Grants and Entitlements Not Restricted to Specific Programs	44,018	40,266	3,752
Interest	142	157	(15)
Miscellaneous & Sale of Capital Assets	5,415	2,006	3,409
Total General Receipts	<u>173,221</u>	<u>166,483</u>	<u>6,738</u>
Total Receipts	<u>265,364</u>	<u>267,336</u>	<u>(1,972)</u>
Disbursements:			
General Government	57,758	62,103	(4,345)
Public Safety	85,368	85,648	(280)
Public Works	117,213	103,449	13,764
Capital Outlay	118	0	118
Total Disbursements	<u>260,457</u>	<u>251,200</u>	<u>9,257</u>
Increase (Decrease) in Net Assets	4,907	16,136	(11,229)
Net Assets, January 1	<u>130,864</u>	<u>114,728</u>	<u>16,136</u>
Net Assets, December 31	<u><u>\$135,771</u></u>	<u><u>\$130,864</u></u>	<u><u>\$4,907</u></u>

Program receipts represent 34.7% of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax receipts. As a % of total receipts, program receipts were less than 2014 due to the lack of a \$4,842 receipt from Ohio Public Works (received in 2014) and a \$4,088 drop in gas tax receipts.

General receipts represent 65.3% of the Township's total receipts, and of this amount, over 71.4% are property taxes. Local government distribution, estate tax and personal property tax rollbacks make up an additional 25.4% of the Township's general receipts. Other receipts are very insignificant.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of elected official wages & benefits, insurance premiums, utilities and other administrative expenses. Since these costs are of a fixed nature and do not represent direct services to residents, we try to limit these as much as possible in order to focus resources to benefit the public.

Public Works and Public Safety disbursements include the cost of maintaining roads, fire protection and ambulance services to Township residents and the general public.

Jefferson Township  
Tuscarawas County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015 and 2014

---

**Governmental Activities**

If you look at the Statement of Activities you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are Public Works, which accounts for 45.0% in 2015 and 41.2% in 2014 of all governmental disbursements. Public Safety also represents a significant cost, at about 32.8% in 2015 and 34.1% in 2014. The third major program disbursement was for General Government, which account for 22.2% in 2015 and 24.7% in 2014 of all governmental disbursements. The next three columns of the Statement entitled Program Receipts identify amounts primarily collected from motor vehicle license and gasoline tax. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	<b>Governmental Activities</b>					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2015	2015	2014	2014	2013	2013
General Government	\$57,758	\$57,758	\$62,103	\$62,103	\$58,888	\$58,888
Public Safety	85,368	85,368	85,648	85,648	83,152	83,152
Public Works	117,213	25,070	103,449	2,596	175,798	76,205
Capital Outlay	118	118	0	0	50,447	50,477
Total Expenses	<u>\$260,457</u>	<u>\$168,314</u>	<u>\$251,200</u>	<u>\$150,347</u>	<u>\$368,285</u>	<u>\$268,722</u>

The dependence upon property tax receipts is apparent as 64.6% of governmental activities are supported through these general receipts in 2015. The dependence upon property tax receipts is apparent as 59.9% of governmental activities are supported through these general receipts in 2014.

**The Township's Funds**

Total governmental funds had receipts of \$265,364 and disbursements of \$260,457. Receipts exceeded disbursements in 2015.

General Fund receipts exceeded disbursements by \$10,906 a favorable position in comparison to the beginning of 2015.

Total governmental funds had receipts of \$267,336 and disbursements of \$251,200. Receipts exceeded disbursements in 2014.

General Fund receipts exceeded disbursements by \$1,203 a favorable position in comparison to the beginning of 2014.

Jefferson Township  
Tuscarawas County, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015 and 2014

---

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds is the General Fund.

During 2015 and 2014, the Township amended its General Fund budget a few times to reflect changing circumstances. Final budgeted receipts in the General Fund were \$13,926 above the original budgeted receipts in 2015 primarily due to special unplanned receipts in the local government account and the final budgeted receipts in the General Fund were \$805 below the original budgeted receipts in 2014 primarily due to less property tax receipts.

Disbursements were originally budgeted at \$71,500 while final budgeted and actual disbursements were \$58,680 in 2015. Disbursements were originally budgeted at \$73,608 while final budgeted and actual disbursements were \$63,400 in 2014. The Township kept overall spending very close to budgeted amounts in all lines.

**Capital Assets Administration**

**Capital Assets**

The Township currently maintains an equipment and road maintenance materials inventory. This report is submitted to the Tuscarawas County Engineer annually.

**Current Issues**

The challenge for all local governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and gasoline taxes. Trustees are very involved as it relates to the financial status, budgeting and reducing costs.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Brian R. Pfeiffer, Fiscal Officer, Jefferson Township, Tuscarawas County, 102 N. Bridge St., Stone Creek, Ohio 43840.

**This page intentionally left blank.**

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Net Position - Cash Basis*  
*December 31, 2015*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$135,771</u>
<i>Total Assets</i>	<u><u>\$135,771</u></u>
<b>Net Position</b>	
Restricted for:	
Other Purposes	\$72,196
Unrestricted	<u>63,575</u>
<i>Total Net Position</i>	<u><u>\$135,771</u></u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2015*

	Cash Disbursements	Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position
			Governmental Activities
<b>Governmental Activities</b>			
Current:			
General Government	\$57,758	\$0	(\$57,758)
Public Safety	85,368	0	(85,368)
Public Works	117,213	92,143	(25,070)
Capital Outlay	118	0	(118)
<i>Total Governmental Activities</i>	<u>\$260,457</u>	<u>\$92,143</u>	<u>(168,314)</u>
General Receipts:			
Property Taxes Levied for:			
General Purposes			123,646
Grants and Entitlements not Restricted to Specific Programs			44,018
Earnings on Investments			142
Miscellaneous			5,415
Total General Receipts			<u>173,221</u>
<i>Change in Net Position</i>			4,907
<i>Net Position Beginning of Year</i>			<u>130,864</u>
<i>Net Position End of Year</i>			<u><u>\$135,771</u></u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2015*

	General	Gasoline Tax	Special Levy-Ambulance	Fire Levy - Operating	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$63,575	\$18,376	\$36,839	\$0	\$16,981	\$135,771
<i>Total Assets</i>	<u>\$63,575</u>	<u>\$18,376</u>	<u>\$36,839</u>	<u>\$0</u>	<u>\$16,981</u>	<u>\$135,771</u>
<b>Fund Balances</b>						
Restricted	\$0	\$18,376	\$36,839	\$0	\$16,981	72,196
Assigned	38,700	0	0	0	0	38,700
Unassigned (Deficit)	24,875	0	0	0	0	24,875
<i>Total Fund Balances</i>	<u>\$63,575</u>	<u>\$18,376</u>	<u>\$36,839</u>	<u>\$0</u>	<u>\$16,981</u>	<u>\$135,771</u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2015*

	General	Gasoline Tax	Special Levy-Ambulance	Fire Levy - Operating	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$35,177	\$0	\$4,755	\$52,112	\$31,602	\$123,646
Intergovernmental	31,560	82,625	555	7,410	13,974	136,124
Earnings on Investments	142	29	0	0	8	179
Miscellaneous	2,707	630	0	0	2,078	5,415
<i>Total Receipts</i>	<u>69,586</u>	<u>83,284</u>	<u>5,310</u>	<u>59,522</u>	<u>47,662</u>	<u>265,364</u>
<b>Disbursements</b>						
Current:						
General Government	57,758	0	0	0	0	57,758
Public Safety	0	0	6,913	59,522	18,933	85,368
Public Works	804	90,168	0	0	26,241	117,213
Capital Outlay	118	0	0	0	0	118
<i>Total Disbursements</i>	<u>58,680</u>	<u>90,168</u>	<u>6,913</u>	<u>59,522</u>	<u>45,174</u>	<u>260,457</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>10,906</u>	<u>(6,884)</u>	<u>(1,603)</u>	<u>0</u>	<u>2,488</u>	<u>4,907</u>
<i>Net Change in Fund Balances</i>	10,906	(6,884)	(1,603)	0	2,488	4,907
<i>Fund Balances Beginning of Year</i>	<u>52,669</u>	<u>25,260</u>	<u>38,442</u>	<u>0</u>	<u>14,493</u>	<u>130,864</u>
<i>Fund Balances End of Year</i>	<u><u>\$63,575</u></u>	<u><u>\$18,376</u></u>	<u><u>\$36,839</u></u>	<u><u>\$0</u></u>	<u><u>\$16,981</u></u>	<u><u>\$135,771</u></u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$38,300	\$35,177	\$35,177	\$0
Intergovernmental	16,400	31,560	31,560	0
Earnings on Investments	160	142	142	0
Miscellaneous	800	2,707	2,707	0
<i>Total Receipts</i>	<i>55,660</i>	<i>69,586</i>	<i>69,586</i>	<i>0</i>
<b>Disbursements</b>				
Current:				
General Government	66,250	57,758	57,758	0
Public Works	1,250	804	804	0
Capital Outlay	4,000	118	118	0
<i>Total Disbursements</i>	<i>71,500</i>	<i>58,680</i>	<i>58,680</i>	<i>0</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(15,840)</i>	<i>10,906</i>	<i>10,906</i>	<i>0</i>
<i>Net Change in Fund Balance</i>	<i>(15,840)</i>	<i>10,906</i>	<i>10,906</i>	<i>0</i>
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>52,669</i>	<i>52,669</i>	<i>52,669</i>	<i>0</i>
<i>Unencumbered Fund Balance End of Year</i>	<i>\$36,829</i>	<i>\$63,575</i>	<i>\$63,575</i>	<i>\$0</i>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Intergovernmental	\$ 86,370	\$ 82,625	\$ 82,625	0
Earnings on Investments	30	29	29	0
Miscellaneous	600	630	630	0
<i>Total Receipts</i>	87,000	83,284	83,284	0
<b>Disbursements</b>				
Current:				
Public Works	94,200	90,168	90,168	0
<i>Total Disbursements</i>	94,200	90,168	90,168	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(7,200)	(6,884)	(6,884)	0
<i>Net Change in Fund Balance</i>	(7,200)	(6,884)	(6,884)	0
<i>Unencumbered Fund Balance Beginning of Year</i>	25,260	25,260	25,260	0
<i>Unencumbered Fund Balance End of Year</i>	\$18,060	\$18,376	\$18,376	\$0

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Special Levy - Ambulance Fund*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional)
	<u>Original</u>	<u>Final</u>		Variance with
				Final Budget
				Positive
				(Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$5,100	\$4,755	\$4,755	\$0
Intergovernmental	300	555	555	0
<i>Total Receipts</i>	<u>5,400</u>	<u>5,310</u>	<u>5,310</u>	<u>0</u>
<b>Disbursements</b>				
Current:				
Public Safety	8,250	6,913	6,913	0
<i>Total Disbursements</i>	<u>8,250</u>	<u>6,913</u>	<u>6,913</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,850)</u>	<u>(1,603)</u>	<u>(1,603)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(2,850)</u>	<u>(1,603)</u>	<u>(1,603)</u>	<u>0</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>38,442</u>	<u>38,442</u>	<u>38,442</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$35,592</u></u>	<u><u>\$36,839</u></u>	<u><u>\$36,839</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire Levy - Operating Fund*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional)
	<u>Original</u>	<u>Final</u>		Variance with
				Final Budget
				Positive
				(Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$56,700	\$52,112	\$52,112	\$0
Intergovernmental	3,200	7,410	7,410	0
<i>Total Receipts</i>	<u>59,900</u>	<u>59,522</u>	<u>59,522</u>	<u>0</u>
<b>Disbursements</b>				
Current:				
Public Safety	59,900	59,522	59,522	0
<i>Total Disbursements</i>	<u>59,900</u>	<u>59,522</u>	<u>59,522</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Net Position - Cash Basis*  
*December 31, 2014*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$130,864</u>
<i>Total Assets</i>	<u><u>\$130,864</u></u>
<b>Net Position</b>	
Restricted for:	
Other Purposes	\$78,195
Unrestricted	<u>52,669</u>
<i>Total Net Position</i>	<u><u>\$130,864</u></u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2014*

	Cash Disbursements	Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Governmental Activities
<b>Governmental Activities</b>			
Current:			
General Government	\$62,103	\$0	(\$62,103)
Public Safety	85,648	0	(85,648)
Public Works	103,449	100,853	(2,596)
<i>Total Governmental Activities</i>	<u>251,200</u>	<u>100,853</u>	<u>(150,347)</u>
Total Primary Government	<u>\$251,200</u>	<u>\$100,853</u>	<u>(150,347)</u>
General Receipts:			
Property Taxes Levied for:			
General Purposes			124,054
Grants and Entitlements not Restricted to Specific Progr			40,266
Earnings on Investments			157
Miscellaneous			2,006
Total General Receipts			<u>166,483</u>
<i>Change in Net Position</i>			16,136
<i>Net Position Beginning of Year</i>			<u>114,728</u>
<i>Net Position End of Year</i>			<u>\$130,864</u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2014*

	General	Gasoline Tax	Special Levy-Ambulance	Fire Levy - Operating	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$52,669	\$25,260	\$38,442	\$0	\$14,493	\$130,864
<i>Total Assets</i>	<u>\$52,669</u>	<u>\$25,260</u>	<u>\$38,442</u>	<u>\$0</u>	<u>\$14,493</u>	<u>\$130,864</u>
<b>Fund Balances</b>						
Restricted	\$0	\$25,260	\$38,442	\$0	\$14,493	78,195
Unassigned (Deficit)	52,669	0	0	0	0	52,669
<i>Total Fund Balances</i>	<u>\$52,669</u>	<u>\$25,260</u>	<u>\$38,442</u>	<u>\$0</u>	<u>\$14,493</u>	<u>\$130,864</u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2014*

	General	Gasoline Tax	Special Levy-Ambulance	Fire Levy - Operating	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$35,314	\$0	\$4,780	\$52,296	\$31,664	\$124,054
Intergovernmental	27,765	86,714	557	7,434	18,612	141,082
Earnings on Investments	157	31	0	0	6	194
Miscellaneous	1,367	639	0	0	0	2,006
<i>Total Receipts</i>	<u>64,603</u>	<u>87,384</u>	<u>5,337</u>	<u>59,730</u>	<u>50,282</u>	<u>267,336</u>
<b>Disbursements</b>						
Current:						
General Government	62,103	0	0	0	0	62,103
Public Safety	0	0	6,917	59,730	19,001	85,648
Public Works	1,297	79,046	0	0	23,106	103,449
<i>Total Disbursements</i>	<u>63,400</u>	<u>79,046</u>	<u>6,917</u>	<u>59,730</u>	<u>42,107</u>	<u>251,200</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,203</u>	<u>8,338</u>	<u>(1,580)</u>	<u>0</u>	<u>8,175</u>	<u>16,136</u>
<i>Net Change in Fund Balances</i>	1,203	8,338	(1,580)	0	8,175	16,136
<i>Fund Balances Beginning of Year</i>	<u>51,466</u>	<u>16,922</u>	<u>40,022</u>	<u>0</u>	<u>6,318</u>	<u>114,728</u>
<i>Fund Balances End of Year</i>	<u><u>\$52,669</u></u>	<u><u>\$25,260</u></u>	<u><u>\$38,442</u></u>	<u><u>\$0</u></u>	<u><u>\$14,493</u></u>	<u><u>\$130,864</u></u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$38,200	\$35,314	\$35,314	\$0
Intergovernmental	26,893	27,765	27,765	0
Earnings on Investments	170	157	157	0
Miscellaneous	145	1,367	1,367	0
<i>Total Receipts</i>	<u>65,408</u>	<u>64,603</u>	<u>64,603</u>	<u>0</u>
<b>Disbursements</b>				
Current:				
General Government	68,808	62,103	62,103	0
Public Works	800	1,297	1,297	0
Capital Outlay	4,000	0	0	0
<i>Total Disbursements</i>	<u>73,608</u>	<u>63,400</u>	<u>63,400</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(8,200)</u>	<u>1,203</u>	<u>1,203</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(8,200)	1,203	1,203	0
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>51,466</u>	<u>51,466</u>	<u>51,466</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$43,266</u>	<u>\$52,669</u>	<u>\$52,669</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ 85,350	\$ 86,713	\$ 86,714	1
Earnings on Investments	50	31	31	0
Miscellaneous	600	639	639	0
<i>Total Receipts</i>	<u>86,000</u>	<u>87,383</u>	<u>87,384</u>	<u>1</u>
<b>Disbursements</b>				
Current:				
Public Works	86,000	79,046	79,046	0
<i>Total Disbursements</i>	<u>86,000</u>	<u>79,046</u>	<u>79,046</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>8,337</u>	<u>8,338</u>	<u>1</u>
<i>Net Change in Fund Balance</i>	0	8,337	8,338	1
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>16,922</u>	<u>16,922</u>	<u>16,922</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$16,922</u>	<u>\$25,259</u>	<u>\$25,260</u>	<u>\$1</u>

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Special Levy-Ambulance Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$5,000	\$4,780	\$4,780	\$0
Intergovernmental	400	557	557	0
<i>Total Receipts</i>	5,400	5,337	5,337	0
<b>Disbursements</b>				
Current:				
Public Safety	8,000	6,917	6,917	0
<i>Total Disbursements</i>	8,000	6,917	6,917	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,600)	(1,580)	(1,580)	0
<i>Net Change in Fund Balance</i>	(2,600)	(1,580)	(1,580)	0
<i>Unencumbered Fund Balance Beginning of Year</i>	40,022	40,022	40,022	0
<i>Unencumbered Fund Balance End of Year</i>	\$37,422	\$38,442	\$38,442	\$0

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire Levy-3M Operating Fund*  
*For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$56,500	\$52,296	\$52,296	\$0
Intergovernmental	3,800	7,434	7,434	0
<i>Total Receipts</i>	60,300	59,730	59,730	0
<b>Disbursements</b>				
Current:				
Public Safety	60,300	59,730	59,730	0
<i>Total Disbursements</i>	60,300	59,730	59,730	0
<i>Excess of Receipts Over (Under) Disbursements</i>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Unencumbered Fund Balance Beginning of Year</i>	0	0	0	0
<i>Unencumbered Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

See accompanying notes to the basic financial statements

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015 and 2014*

---

**Note 1 – Reporting Entity**

Jefferson Township, Tuscarawas County, Ohio (the Township), 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 of Trustees. The Township also has an elected Fiscal Officer.

The reporting entity is comprised of the primary government only and does not have any component units or other organizations that were included, which ensures that the financial statements are not misleading.

***Primary Government***

The Township provides general government services, including maintenance of Township roads and bridges and cemetery maintenance. The Township contracts with the Stone Creek Volunteer Fire Department for fire protection and Smith Ambulance Service, Inc. to provide ambulance services. Police protection is provided by the Tuscarawas County Sheriff Department.

***Component Units***

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities, whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

Jefferson Township has no component units.

***Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools***

The Township participates in the Ohio Township's Association Risk Management Authority (OTARMA), a public entity risk pool for the Township's property and casualty insurance.

Management believes the financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015 and 2014*

---

***Basis of Presentation***

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-Wide Financial Statements***

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash and investment balances of the governmental and business-type activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Township's general receipts.

The Township has no business-type activities.

***Fund Financial Statements***

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

***Fund Accounting***

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are all in the category of governmental funds.

***Governmental Funds*** The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Township's major governmental funds:

***General*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015 and 2014*

---

***Gasoline Tax Fund*** The gasoline tax fund accounts for and reports that portion of the state gasoline tax restricted for maintenance and repair of roads within the Township.

***Special Levy- Ambulance Fund*** The ambulance fund accounts for a receipts of a .5 mill ambulance service levy and monthly expenditures to Smith Ambulance per the contract.

***Fire Levy - Operating Fund*** The fire fund accounts for receipts of a 3.0 mill fire operating levy. All net collections in these funds are paid to the Stone Creek Volunteer Fire Department per the “agreement for fire protection” contract.

***Basis of Accounting***

The Township’s financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township’s financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

***Budgetary Process***

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township’s authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015 and 2014*

---

***Cash***

To improve cash management, cash received by the Township is deposited into the Commercial and Savings Bank where it earns interest. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2015 was \$142 which includes all interest not directly earned by the Motor Vehicle or Gasoline Tax Funds. Total interest receipts were \$179. Also, Interest receipts credited to the General Fund during 2014 was \$157 which includes all interest not directly earned by the Motor Vehicle or Gasoline Tax Funds. Total interest receipts for 2014 were \$194.

***Restricted Assets***

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Township does not have any restricted cash assets.

***Inventory and Prepaid Items***

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

***Capital Assets***

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

***Interfund Receivables/Payables***

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

***Accumulated Leave***

The Township does not have any unpaid leave liabilities.

***Employer Contributions to Cost-Sharing Pension Plans***

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

***Net Position***

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for expenses allowed from the Motor Vehicle, Gasoline Tax, Road & Bridge and Ambulance Funds.

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015 and 2014*

---

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

***Fund Balance***

Fund balance is divided into three classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees, or a Township official delegated that authority by resolution, or by State Statute.

***Unassigned*** fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Change in Accounting Principle**

For 2014, the Township implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Note 4 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis is (are) outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The Township had no outstanding encumbrances or interfund activity.

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015 and 2014*

---

**Note 5 – Deposits**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015 and 2014*

---

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Township had no undeposited cash on hand included as part of “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

***Deposits***

As of December 31st, 2015 and 2014, the Township did not have any investments; all township money is held in a checking account and savings account at the Commercial and Savings Bank.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2015 and 2014 for real and public utility property taxes represents collections of 2014 and 2013 taxes, respectively.

2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Similarly, 2014 real property taxes are levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015 and 2013 real property taxes are collected in and intended to finance 2014.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes which became a lien December 31 of the previous years, are levied after October 1 of that year, and are collected in 2016 with real property taxes. 2014 public utility property taxes which became a lien December 31 of the previous years, are levied after October 1 of that year, and are collected in 2015 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2015 and 2014, was \$7.30 per \$1,000 of assessed value in 2015 and \$6.40 per \$1,000 of assessed value in 2014. The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

	2014	2015
Real Property	\$16,310,600	\$16,313,360
Public Utility Personal Property	2,197,330	2,251,110
Total	\$18,507,930	\$18,564,470

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015 and 2014*

---

**Note 7 – Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2015 and 2014, the Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

2015:

Legal Liability	\$3,000,000	Per Occurrence
Automobile Liability	\$3,000,000	Per Occurrence
Wrongful Acts	\$3,000,000	Per Occurrence
Property	Various	Total Coverage
Equipment	\$342,428	Limit

2014:

Legal Liability	\$3,000,000	Per Occurrence
Automobile Liability	\$3,000,000	Per Occurrence
Wrongful Acts	\$3,000,000	Per Occurrence
Property	Various	Total Coverage
Equipment	\$335,900	Limit

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2015, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Assets	\$37,313,311	\$35,970,263
Liabilities	8,418,518	8,912,432
Net Position	\$28,894,793	\$27,057,831

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015 and 2014*

---

At December 31, 2015 and 2014, respectively, the liabilities above include approximately \$7.8 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.7 and \$7.2 million of unpaid claims to be billed to approximately 989 members and 957 member governments in the future, as of December 31, 2015 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the Township’s share of these unpaid claims collectible in future years is approximately \$2,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<b><u>Contributions to OTARMA</u></b>	
2015	\$ 3,777
2014	\$ 3,688
2013	\$ 3,669

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year’s contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 8 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

Plan Description – The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a costsharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015 and 2014*

---

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local divisions. For the year ended December 31, 2015 and December 31, 2014, members in the state and local divisions contributed 10 percent of covered payroll. For 2015 and 2014, member and employer contribution rates were consistent across all three plans.

The Township’s 2015 and 2014 contribution rate was 14.0 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members was 2 percent. Employer contribution rates are actuarially determined.

The Township’s required contributions for pension obligations for the years ended December 31, 2015 and 2014, were \$6,507 and \$6,585, respectively; 100 percent has been contributed for 2015 and 2014.

**Note 9 - Postemployment Benefits**

***Ohio Public Employees Retirement System***

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015 and 2014, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

**Jefferson Township**  
*Tuscarawas County, Ohio*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015 and 2014*

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members was 2 percent.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015 and 2014 were \$930, and \$941 respectively; 100 percent has been contributed for 2015 and 2014.

**Note 10 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below for 2014 and 2015:

2014 Fund Balances	General	Gasoline Tax	Special Levy- Ambul	Fire Levy- 3M Operating	Other Governmental Funds	Total
<b>Restricted for</b>						
Emergency Medical Services	\$0	\$0	\$38,442	\$0	\$0	\$38,442
Road and Bridge Maintenance	0	25,260	0	0	14,493	39,753
<i>Total Restricted</i>	0	25,260	38,442	0	14,493	78,195
<b>Unassigned (Deficit)</b>	52,669	0	0	0	0	52,669
<i>Total Fund Balances</i>	<u>\$52,669</u>	<u>\$25,260</u>	<u>\$38,442</u>	<u>\$0</u>	<u>\$14,493</u>	<u>\$130,864</u>

2015 Fund Balances	General	Gasoline Tax	Special Levy- Ambul	Fire Levy- 3M Operating	Other Governmental Funds	Total
<b>Restricted for</b>						
Emergency Medical Services	\$0	\$0	\$36,839	\$0	\$0	\$36,839
Road and Bridge Maintenance	0	18,376	0	0	16,981	35,357
<i>Total Restricted</i>	0	18,376	36,839	0	16,981	72,196
<b>Assigned for</b>						
2016 Appropriations	38,700	0	0	0	0	38,700
<b>Unassigned (Deficit)</b>	24,875	0	0	0	0	24,875
<i>Total Fund Balances</i>	<u>\$63,575</u>	<u>\$18,376</u>	<u>\$36,839</u>	<u>\$0</u>	<u>\$16,981</u>	<u>\$135,771</u>

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Jefferson Township  
Tuscarawas County  
102 N Bridge St SW  
Stone Creek, Ohio 43840

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson Township, Tuscarawas County, Ohio (the Township), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 15, 2016, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the Township adopted new accounting guidance in Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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, opining 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*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

August 15, 2016



# Dave Yost • Auditor of State

**JEFFERSON TOWNSHIP**

**TUSCARAWAS 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  
SEPTEMBER 6, 2016**