



Dave Yost • Auditor of State



JACKSON TOWNSHIP  
STARK COUNTY  
DECEMBER 31, 2017

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Jackson Township, Stark County, Ohio (the Township) as of and for the year ended December 31, 2017 .

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements 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 such 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.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2017 and the respective changes in financial position thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Jackson Township, Stark County as of December 31, 2017 for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Matters***

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards (Schedule) presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this Schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the Schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2018, 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.

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

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

October 19, 2018

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**JACKSON TOWNSHIP  
STARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$1,169,050	\$20,400,117		\$21,569,167
Charges for Services	733,400	1,622,352		2,355,752
Licenses, Permits and Fees	245,374	5,133		250,507
Fines and Forfeitures	22,396	4,872		27,268
Intergovernmental	536,623	3,660,585		4,197,208
Special Assessments		136,982		136,982
Earnings on Investments	340,109	14,357		354,466
Miscellaneous	98,950	341,445		440,395
<i>Total Cash Receipts</i>	<u>3,145,902</u>	<u>26,185,843</u>	<u>\$0</u>	<u>29,331,745</u>
<b>Cash Disbursements</b>				
Current:				
General Government	1,987,963	154,729		2,142,692
Public Safety	30,198	15,835,684		15,865,882
Public Works	18,821	4,171,921		4,190,742
Health	367,903			367,903
Conservation-Recreation		827,199		827,199
Capital Outlay	274,190	2,545,378	12,794	2,832,362
<i>Total Cash Disbursements</i>	<u>2,679,075</u>	<u>23,534,911</u>	<u>12,794</u>	<u>26,226,780</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>466,827</u>	<u>2,650,932</u>	<u>(12,794)</u>	<u>3,104,965</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	1,693	61,560		63,253
Transfers In	594,323	22,743	808,980	1,426,046
Transfers Out	(831,723)	(594,323)		(1,426,046)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(235,707)</u>	<u>(510,020)</u>	<u>808,980</u>	<u>63,253</u>
<i>Net Change in Fund Cash Balances</i>	231,120	2,140,912	796,186	3,168,218
<i>Fund Cash Balances, January 1</i>	<u>7,106,748</u>	<u>15,243,067</u>	<u>2,563,724</u>	<u>24,913,539</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		17,383,979		17,383,979
Committed	2,466,749			2,466,749
Assigned	769,062		3,359,910	4,128,972
Unassigned (Deficit)	4,102,057			4,102,057
<i>Fund Cash Balances, December 31</i>	<u>\$7,337,868</u>	<u>\$17,383,979</u>	<u>\$3,359,910</u>	<u>\$28,081,757</u>

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

**JACKSON TOWNSHIP  
STARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Proprietary Fund Type
	Internal Service
<b>Operating Cash Receipts</b>	
Charges for Services	\$2,870,394
<i>Total Operating Cash Receipts</i>	2,870,394
<b>Operating Cash Disbursements</b>	
Claims	2,714,344
Other	537,017
<i>Total Operating Cash Disbursements</i>	3,251,361
<i>Operating Income (Loss)</i>	(380,967)
 <i>Net Change in Fund Cash Balances</i>	 (380,967)
<i>Fund Cash Balances, January 1</i>	1,357,943
<i>Fund Cash Balances, December 31</i>	\$976,976

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

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Note 1 – Reporting 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 government services, road and bridge maintenance, police and fire protection, emergency medical services, park and recreation and zoning services. On November 5, 1991, voters approved adoption of the "limited home rule" form of government as authorized by Chapter 504 of the Ohio Revised Code.

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

The Township participates in joint ventures, a jointly governed organization, a public entity risk pool, and is associated with a Component Unit. Notes 10, 11, 12 and 13 to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

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

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** 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.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

***Fire Levy Fund*** The fire fund accounts for and reports proceeds from property taxes restricted for fire department and life squad protection and emergency services.

***Police District Fund*** The police fund accounts for and reports proceeds from property taxes restricted for police department operations and protection services.

***Road and Bridge Fund*** The road and bridge fund accounts for and reports all disbursements committed to roads, including improvements, paving, snow removal, salt/sand, gravel, blacktop, maintenance, payroll, supplies, purchases, fuel, vehicle equipment and maintenance.

***Park Fund*** The park fund accounts for and reports proceeds from property taxes restricted for park department operations and recreational services.

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**Capital Project Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

**General Capital Fund** The Township uses this fund to save resources for future capital outlays and to make necessary capital improvements with transfers from the General Fund.

**Internal Service Fund** This fund accounts 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** The self-funded insurance medical fund accounts for insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency fund accounts for fire loss insurance proceeds. The Township did not have any activity within the agency fund in 2017.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Budgetary Process***

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

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, department or personal services level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

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

**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 2017 budgetary activity appears in Note 3.

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

***Deposits and Investments***

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

The Township values U.S. Treasury Notes at cost. Money market mutual funds are recorded at share values that the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

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

***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.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is *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.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are 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*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included 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

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,342,111	\$3,741,919	\$399,808
Special Revenue	24,988,659	26,270,145	1,281,486
Capital Projects	1,000,000	808,980	(191,020)
Internal Service	3,400,000	2,870,394	(529,606)
Total	\$32,730,770	\$33,691,438	\$960,668

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,484,269	\$3,634,802	\$1,849,467
Special Revenue	33,276,444	24,555,112	8,721,332
Capital Projects	2,562,403	335,998	2,226,405
Internal Service	3,863,840	3,251,361	612,479
Total	\$45,186,956	\$31,777,273	\$13,409,683

**Note 4 – Deposits and Investments**

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

Demand deposits	2017 \$1,052,532
U.S. Treasury Notes	\$19,650,744
Commercial Paper	\$1,118,129
STAR Ohio	7,209,566
Money Market	27,762
Total investments	28,006,201
Total deposits and investments	\$29,058,733

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS).

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

***Investments***

The Federal Reserve holds the Township's U.S. Treasury Notes in book-entry form in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 5 - Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax 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.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**Note 6 - Risk Management**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation. Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Township belongs to 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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting, claims loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**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, 2017, 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.

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

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, 2017 (the latest information available):

	<u>2017</u>
Assets	\$40,010,732
Liabilities	8,675,465
Net Position	\$31,335,267

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township's share of these unpaid claims collectible in future years is approximately \$101,000.

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.

<u>2017 Contributions to OTARMA</u>
\$230,042

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.

**Employee Medical Benefits**

The Township is partially self-insured for employee health insurance. The Self Insurance Fund pays covered claims to the Third Party Administrators (TPA) and recovers these costs from charges to other funds based on an actuarial method or historical cost information and adjusted over a reasonable period so the internal service fund receipts and disbursements are approximately equal. Employees enrolled in the plan are required to remit, through payroll deduction, 50 percent of the excess monthly amount over an annually agreed upon base amount, up to an established cap. A comparison of Self Insurance Fund cash and investments to the actuarially measured liability as of December 31 follows (the latest information available):

	<u>2017</u>
Cash and investments	\$976,976
Actuarial liabilities	\$311,564



**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their earnable salaries and the Township contributed an amount equaling 14% of participants' earnable salaries. OPERS members in law enforcement contributed 13% of their earnable salaries and the Township contributed an amount equaling 18.1% of full-time police members' earnable salaries. The Township has paid all contributions required through December 31, 2017.

***Ohio Police and Fire Retirement System***

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their earnable salaries. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' earnable salaries. The Township has paid all contributions required through December 31, 2017.

***Social Security***

Several of the Township's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2017.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. OP&F contributes 0.5 percent to fund these benefits.

**Note 9 - Contingent Liabilities**

The Township has one open lawsuit. The Township believes that in the event the matter proceeds to a trial with respect to the claim, any adverse resolution of the litigation would not materially 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.

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**Note 10 - Joint Ventures**

*Local Organized Governments in Cooperation*

The Township participates in the Local Organized Governments in Cooperation (L.O.G.I.C.), a statutorily created political subdivision of the State formed in 1986 under Chapter 167 of the Ohio Revised Code to provide safety dispatching services. L.O.G.I.C. is a joint venture among the following entities: Jackson Township, Village of Beach City, Bethlehem Township, Village of Brewster, City of Canal Fulton, Village of Dalton, Village of Hills and Dales, Lawrence Township, City of Massillon, Village of Navarre, Perry Township, Village of Waynesburg and the Village of Wilmot, 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 L.O.G.I.C., including budgeting, appropriating, contracting, and designating management. Continued existence of L.O.G.I.C. is dependent on the Township's continued participation. L.O.G.I.C. does not provide specific financial benefits or impose specific financial burdens on the Township. During 2017, the Township made contributions of \$699,864, but does not have an equity interest in L.O.G.I.C. Financial statements of L.O.G.I.C. may be obtained from Local Organized Governments in Cooperation, 5735 Wales Avenue NW, Massillon, Ohio, 44646.

*Joint Economic Development Districts*

The Township participates in three Joint Economic Development Districts (JEDD) with the City of Canton. The JEDDs are entirely within Jackson Township, Stark County. The purpose of a JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the Township and the City. At the same time, the JEDD prevents annexation of Township property by a city and maintains the Township's property tax base. The JEDD creates a Board of Directors and is permitted to collect income tax. The proceeds of the JEDDs are used to provide public services such as police and fire protection. The City of Canton administers and collects income tax for the JEDDs and reports quarterly to the Township. Any costs paid to secure the JEDD, such as printing tax forms, are reimbursed prior to the City paying to the Township 50% of any remaining income tax collected within the JEDD.

JEDD NAME	** Income Tax Rate	Income Tax Eff Date	AREA
JEDD - FP	2%	3/30/2017	Land north of Home Depot
JEDD - SM	2%	12/1/2016	Stolle Machinery 4337 Excel St.
Jackson/Canton JEDD	2%	3/1/2012	Wind Research facility 8252 Frank Ave.
**Only levied in the District based on income earned by persons working within the District			
<b>JEDD Income Taxes Received by Jackson Township</b>			
	2012	\$ 1,935.43	
	2013	\$ 1,699.39	
	2014	\$ 3,258.99	
	2015	\$ -	
	2016	\$ -	
	2017	\$ 32,703.34	
	TOTAL	\$ 39,597.15	

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**Note 11 - Jointly Governed Organizations**

*Stark Council of Governments*

The Township participates in the Stark County Council of Governments (the "Council") which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County and its municipalities and townships, which direct the operations of the Stark County Metropolitan Narcotics Unit and S.W.A.T. Unit and the Stark County Crime Laboratory. Of the 27 Board Members, the Township has one appointed member. Each member's control over the operation of the Council is limited to its representation on the Board. The Board exercises total authority over the operation of the Council including budgeting, appropriation, contracting, and designating management. The Township does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit to or burden on the Township. The Township did not contribute any funds to the Council in 2017. Financial statements of the Council can be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio, 44701-1451.

*Stark County Combined General Health District*

The Township participates in the Stark County Combined General Health District (the "Health District") which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Louisville, and the City of North Canton. Of the seven Board Members, the Township has one appointed member. The Board is made up of various professionals who are equally representative of the general health district. The Board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The Township does not have an equity interest in the Health District. The Health District is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit to or burden on the Township. The Township contributed \$367,903 to the Health District in 2017. Complete financial statements can be obtained from the Stark County Combined General Health District, 3951 Convenience Circle NW, Canton, Ohio 44718.

**Note 12 – Public Entity Risk Pool**

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool. For more information on OTARMA, see Note 6.

**Note 13 – 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 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. 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. Separately issued financial statements can be obtained from the CIC, 5735 Wales Avenue NW, Massillon, Ohio 44646.

**Note 14 - Tax Increment Financing District (TIF)**

The Township, pursuant to the Ohio Revised Code, has established a TIF. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as "payments in lieu of taxes (PILOT)", as though the TIF had not been established. These "PILOTS" are then dedicated to the payments for various public improvements within

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

or adjacent to the TIF area. Property values existing before commencement date of a TIF continue to be subjected to property taxes. PILOT revenue was \$154,729 in 2017. The TIF has a longevity of 30 years, with 2033 being the final year of PILOT collections. The property tax exemption then ceases; the PILOT will cease and property taxes then apply to the increased property values.

**Note 15 - Stabilization Fund Balances**

Stabilization arrangements within the General fund as authorized under O.R.C. 5705.13(A)(1) and 5705.132 were established or amended by Township resolutions #15-085 and #15-086 on December 8, 2015. The Township Board of Trustees approves additions to the funds as needed. The funds are used to stabilize budgets against cyclical changes in revenues and expenditures and to accumulate currently available resources for the cost of future employees' salaries, benefits and other related costs. The fund balances are \$2,038,300 as of December 31, 2017.

A stabilization arrangement within the Park fund as authorized under O.R.C. 5705.13(A)(1) was established or amended by Township resolution #17-036 on March 14, 2017. The Township Board of Trustees approves additions to the fund as needed. The fund is used to stabilize budgets against cyclical changes in revenues and expenditures. The fund balance is \$172,282 as of December 31, 2017.

A stabilization arrangement within the Fire Levy fund as authorized under O.R.C. 5705.13(A)(1) was established or amended by Township resolution #17-152 on December 12, 2017. The Township Board of Trustees approves additions to the fund as needed. The fund is used to stabilize budgets against cyclical changes in revenues and expenditures. The fund balance is \$329,176 as of December 31, 2017.

Stabilization arrangements within the Police District fund as authorized under O.R.C. 5705.13(A)(1) and 5705.132 were established or amended by Township resolutions #17-037 and #16-162 on March 14, 2017 and December 13, 2016. The Township Board of Trustees approves additions to the funds as needed. The funds are used to stabilize budgets against cyclical changes in revenues and expenditures and to accumulate currently available resources for the cost of future employees' salaries, benefits and other related costs. The fund balances are \$1,946,208 as of December 31, 2017.

**Note 16 – Transfers**

During 2017 the following transfers were made:

	Transfers From	Transfers To			Total
		General Fund	Special Revenue Fund	Capital Projects Fund	
General Fund	\$831,723		\$22,743	\$808,980	\$831,723
Special Revenue	594,323	\$594,323			594,323
	<u>\$1,426,046</u>	<u>\$594,323</u>	<u>\$22,743</u>	<u>\$808,980</u>	<u>\$1,426,046</u>

The above mentioned transfers were used to move funds into reserve balance accounts established in accordance with Chapter 5705.13 of the Ohio Revised Code. Also, the General Fund transferred JEDD income taxes received in 2017 to the police levy and the fire levy funds, with each fund receiving half.

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**Note 17 – Subsequent Events**

On May 8, 2018, voters approved the renewal of an existing tax of 3 mills and increase of 1 mill for the purpose of general construction, reconstruction, resurfacing, and repair of streets, roads, and bridges in Jackson Township for five (5) years, first due in calendar year 2019.

On June 26, 2018, the Township approved a resolution to submit to voters at the general election to be held on November 6, 2018, the question of the renewal of an existing tax of 1 mill for the purpose of parks and recreational purposes of Jackson Township for five (5) years, first due in calendar year 2019.

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**JACKSON TOWNSHIP  
STARK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>FEDERAL GRANTOR Pass Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Award #</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Passed Through the Federal Emergency Management Agency</i>				
Assistance to Firefighters Grant - Radios	97.044	EMW-2015-FR-00125	\$ 446,309	\$ 695,069
Assistance to Firefighters Grant - Airpacks	97.044	EMW-2016-FO-00997		332,070
<b>Total U.S. Department of Homeland Security</b>			<b>446,309</b>	<b>1,027,139</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed Through Ohio Department of Public Safety</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	STEP-2017-76-00-00-00503-00		11,861
National Priority Safety Programs	20.616	IDEP-2017-76-00-00-00360-00		20,646
<i>Passed Through the Stark County Sheriff's Office</i>				
National Priority Safety Programs	20.616	OVITF-2017-76-00-00-00448-00		1,065
<b>Total U.S. Department of Transportation</b>			<b>-</b>	<b>33,572</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 446,309</b>	<b>\$ 1,060,711</b>

*The accompanying notes are an integral part of this schedule.*

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Jackson Township (the Township) under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position or cash flows of the Township.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Township has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C – SUBRECIPIENTS**

The Township passes certain federal awards received from the U.S. Department of Homeland Security to other governments (subrecipients). As Note B describes, the Township reports expenditures of Federal awards to subrecipients when paid in cash.

Since the Township provided funds to subrecipients during the audit period, the Township has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE D – MATCHING REQUIREMENTS**

Certain Federal programs require the Township to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Township has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.





# 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*

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

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 financial statements of the cash balances, receipts, and disbursements by fund type of Jackson Township, Stark County, Ohio, (the Township) as of and for the year ended December 31, 2017, and the related notes to the financial statements and have issued our report thereon dated October 19, 2018 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***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 opinion 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

October 19, 2018



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Trustees:

### ***Report on Compliance for the Major Federal Program***

We have audited Jackson Township's (the Township) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Township's major federal program for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Township's major federal program.

### ***Management's Responsibility***

The Township's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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

Our responsibility is to opine on the Township's compliance for the Township's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Township's major program. However, our audit does not provide a legal determination of the Township's compliance.

***Basis for Qualified Opinion on Assistance to Firefighters Grant***

As described in finding 2017-001 in the accompanying schedule of findings, the Township did not comply with requirements regarding Suspension and Debarment applicable to its CFDA #97.004 Assistance to Firefighters Grant. Compliance with this requirement is necessary, in our opinion, for the Township to comply with requirements applicable to this program.

***Qualified Opinion on Assistance to Firefighters Grant***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Assistance to Firefighters Grant* paragraph, Jackson Township complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Assistance to Firefighters Grant* for the year ended December 31, 2017.

***Other Matters***

The Township's response to our noncompliance finding is described in the accompanying schedule of findings and corrective action plan. We did not audit the Township's response and, accordingly, we express no opinion on it.

***Report on Internal Control Over Compliance***

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Township's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on a major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected or corrected. A *significant deficiency in internal over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2017-001.

The Township's response to our internal control over compliance finding is described in the accompanying schedule of findings and corrective action plan. We did not audit the Township's response and, accordingly, we express no opinion on it.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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

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

October 19, 2018

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**JACKSON TOWNSHIP  
STARK COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2017**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	Yes
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Qualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	Yes
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Assistance to Firefighters Grant – CFDA #97.004
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

<b>Finding Number</b>	2017-001		
<b>CFDA Title and Number</b>	Assistance to Firefighters CFDA #97.004		
<b>Federal Award Identification Number / Year</b>	EMW-2015-FR-00125 EMW-2016-FO-00997		
<b>Federal Agency</b>	U.S. Department of Homeland Security		
<b>Compliance Requirement</b>	Suspension and Debarment		
<b>Pass-Through Entity</b>	Federal Emergency Management Agency		
<b>Repeat Finding from Prior Audit?</b>	No	<b>Finding Number (if repeat)</b>	

**Noncompliance and Material Weakness - 2 CFR § 3000 Adoption of 2 CFR § 180.300 - Suspension and Debarment**

**2 CFR § 3000** gives regulatory effect to the Department of Homeland Security for **2 CFR § 180.300** which states when a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity is not suspended or debarred or otherwise excluded. Furthermore, “covered transactions” include those procurement contracts for goods and services awarded under a grant or cooperative. 2 CFR § 180.300 further states grantees and sub-grantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, “Debarment and Suspension” by

- (a) Checking the System for Award Management (SAM) exclusions; or
- (b) Collecting a certification from that party; or
- (c) Adding a clause or condition to the covered transaction with that party.

The Township entered into three equipment purchase contracts with three vendors for which the System for Award Management (SAM) verification was not completed for the three vendors to ensure the vendors were not suspended and/or debarred. Additionally, the Township did not obtain a certification from the vendors nor did they include a clause or condition in the purchase agreement indicating the entity was not excluded or disqualified.

The Township should review federal grant policies and develop procedures to ensure one of the three aforementioned methods is used to verify an entity is not excluded or disqualified prior to entering covered transactions and should maintain specific documentation regarding the contracted vendor's status at the time of the covered transaction.

**Official's Response: See Corrective Action Plan**





# Randy Gonzalez

## Jackson Township Fiscal Officer

5735 WALES AVENUE N.W., JACKSON TOWNSHIP, OHIO 44646

**Office**  
330-832-5886

**Home**  
330-497-6357

**Fax**  
330-830-5548

**E-Mail**  
rgonzalez@jacksontwp.com

**BOARD OF TRUSTEES**

Township Office  
330-832-7416  
www.jacksontwp.com

JOHN E. PIZZINO  
Home 330-809-0673

TODD J. HAWKE  
Home 330-854-6394

JAMES N. WALTERS  
Home 330-833-7844

**TWP. ADMINISTRATOR**

**LAW DIRECTOR**

MICHAEL B. VACCARO  
330-832-7416  
330-832-5936 - FAX  
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**FISCAL OFFICER ASSISTANT**

DEBBIE KERR  
330-832-5886  
330-830-5548 - FAX  
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**ACCOUNT CLERK**

JANET RUSSELL  
330-832-5886  
330-830-5548 - FAX  
apclerk@jacksontwp.com

**PAYROLL COORDINATOR**

CATHY HOLT  
330-832-5886  
330-830-5548 - FAX  
cholt@jacksontwp.com

### CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) December 31, 2017

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2017-001	The Township will verify that vendors are not suspended and/or debarred or otherwise excluded for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension" by (a) Checking the System for Award Management (SAM) exclusions; or (b) Collecting a certification from that party; or (c) Adding a clause or condition to the covered transaction with that party.	Noted and corrected	Randy Gonzalez, Fiscal Officer

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# Dave Yost • Auditor of State

**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  
NOVEMBER 8, 2018**