



**JACKSON TOWNSHIP  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**JACKSON TOWNSHIP  
FRANKLIN COUNTY**

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**STATE OF OHIO  
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS**

Jackson Township  
Franklin County  
3756 Hoover Road  
Grove City, Ohio 3123-9117

To the Board of Trustees:

We have audited the accompanying financial statements of Jackson Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Jackson Township, Franklin County, Ohio as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Audit Standards and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

March 2, 2001

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**JACKSON TOWNSHIP  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$432,146	\$6,551,903	\$466,766	\$7,450,815
Intergovernmental	304,210	718,908	0	1,023,118
Licenses, Permits, and Fees	15,328	0	0	15,328
Earnings on Investments	211,438	10,283	0	221,721
Other Receipts	253,205	145,159	0	398,364
	<u>1,216,327</u>	<u>7,426,253</u>	<u>466,766</u>	<u>9,109,346</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	572,598	0	0	572,598
Public Safety	0	6,750,685	0	6,750,685
Public Works	165,876	87,056	0	252,932
Debt Service:				
Redemption of Principal	0	0	428,000	428,000
Interest and Fiscal Charges	0	0	38,766	38,766
Capital Outlay	15,341	285,196	0	300,537
	<u>753,815</u>	<u>7,122,937</u>	<u>466,766</u>	<u>8,343,518</u>
<b>Total Cash Disbursements</b>				
Total Receipts Over/(Under) Disbursements	462,512	303,316	0	765,828
Fund Cash Balances, January 1	1,390,158	1,504,819	0	2,894,977
<b>Fund Cash Balances, December 31</b>	<u><b>\$1,852,670</b></u>	<u><b>\$1,808,135</b></u>	<u><b>\$0</b></u>	<u><b>\$3,660,805</b></u>
Reserve for Encumbrances, December 31	<u>\$48,552</u>	<u>\$188,002</u>	<u>\$0</u>	<u>\$236,554</u>

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

JACKSON TOWNSHIP  
FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Proprietary Fund Type</u>
	<u>Internal Service</u>
<b>Operating Cash Receipts:</b>	
Claims Funding	\$555,893
Interest	<u>4,168</u>
Total Operating Cash Receipts	<u>560,061</u>
<b>Operating Cash Disbursements:</b>	
Claims Paid	<u>513,852</u>
Total Operating Cash Disbursements	<u>513,852</u>
Operating Income/(Loss)	46,209
Fund Cash Balances, January 1	<u>96,034</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$142,243</u></u></b>

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



**JACKSON TOWNSHIP  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$361,664	\$6,036,845	\$486,240	\$6,884,749
Intergovernmental	231,351	688,935	0	920,286
Special Assessments	0	1,059	0	1,059
Licenses, Permits, and Fees	14,843	0	0	14,843
Earnings on Investments	199,015	8,878	0	207,893
Other Receipts	231,694	157,349	0	389,043
<b>Total Cash Receipts</b>	<u>1,038,567</u>	<u>6,893,066</u>	<u>486,240</u>	<u>8,417,873</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	828,922	0	0	828,922
Public Safety	0	6,725,947	0	6,725,947
Public Works	150,492	76,076	0	226,568
Debt Service:				
Redemption of Principal	0	0	428,000	428,000
Interest and Fiscal Charges	0	0	58,240	58,240
Capital Outlay	213,753	885,810	0	1,099,563
<b>Total Cash Disbursements</b>	<u>1,193,167</u>	<u>7,687,833</u>	<u>486,240</u>	<u>9,367,240</u>
<b>Total Receipts Over/(Under) Disbursements</b>	(154,600)	(794,767)	0	(949,367)
<b>Fund Cash Balances, January 1</b>	<u>1,544,758</u>	<u>2,299,586</u>	<u>0</u>	<u>3,844,344</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$1,390,158</b></u>	<u><b>\$1,504,819</b></u>	<u><b>\$0</b></u>	<u><b>\$2,894,977</b></u>
Reserve for Encumbrances, December 31	<u>\$99,688</u>	<u>\$265,256</u>	<u>\$0</u>	<u>\$364,944</u>

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

**JACKSON TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE**

	<u>Proprietary Fund Type</u>
	<u>Internal Service</u>
<b>Operating Cash Receipts:</b>	
Claims Funding	\$372,030
Interest	<u>2,444</u>
Total Operating Cash Receipts	<u>374,474</u>
<b>Operating Cash Disbursements:</b>	
Claims Paid	<u>337,480</u>
Total Operating Cash Disbursements	<u>337,480</u>
Operating Income/(Loss)	<u>36,994</u>
<b>Non-Operating Cash Receipts:</b>	
Other Non-Operating Receipts	<u>153</u>
Total Non-Operating Cash Receipts	<u>153</u>
Net Receipts Over/(Under) Disbursements	37,147
Fund Cash Balances, January 1	<u>58,887</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$96,034</u></u></b>

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

**JACKSON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Jackson Township, Franklin County, Ohio, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road maintenance, and fire and emergency medical services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investment**

Certificates of Deposit and repurchase agreements are valued at cost. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

Fire District Fund - This fund receives monies collected by the County for the protection of the Township residents.

**JACKSON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)**

**D. Fund Accounting (Continued)**

**3. Debt Service Funds**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

The Debt Service Fund is used to accumulate resources for the payment of note indebtedness for the Township Fire Station built in 1993.

**4. Proprietary Fund**

These are fund types that are used to account for a government's business-type activities. The Township had the following significant Proprietary Fund:

Internal Service Fund - This fund receives monies from other funds to pay for health, vision, and life insurance benefits.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**JACKSON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2000</u>	<u>1999</u>
Certificates of Deposit	\$3,000,000	\$2,500,000
Demand deposits	<u>175,659</u>	<u>80,556</u>
Total deposits	3,175,659	2,580,556
Repurchase Agreement	<u>\$627,389</u>	<u>\$410,217</u>
Total deposits and investments	<u>\$ 3,803,048</u>	<u>\$ 2,990,773</u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 are as follows:

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,020,208	\$1,216,327	\$196,119
Special Revenue	7,068,853	7,426,253	357,400
Debt Service	466,766	466,766	0
Proprietary	<u>0</u>	<u>560,061</u>	<u>560,061</u>
Total	<u>\$8,555,827</u>	<u>\$9,669,407</u>	<u>\$1,113,580</u>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,796,638	\$802,367	\$994,271
Special Revenue	8,305,759	7,310,939	994,820
Debt Service	466,766	466,766	0
Proprietary	<u>513,852</u>	<u>513,852</u>	<u>0</u>
Total	<u>\$11,083,015</u>	<u>\$9,093,924</u>	<u>\$1,989,091</u>

**JACKSON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>1999 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$892,599	\$1,038,567	\$145,968
Special Revenue	6,895,031	6,893,066	(1,965)
Debt Service	486,240	486,240	0
Proprietary	0	374,474	374,474
Total	\$8,273,870	\$8,792,347	\$518,477

<b>1999 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,099,645	\$1,292,855	\$806,790
Special Revenue	9,195,366	7,953,089	1,242,277
Debt Service	486,240	486,240	0
Proprietary	337,480	337,480	0
Total	\$12,118,731	\$10,069,664	\$2,049,067

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**JACKSON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Fire Construction Notes	\$428,000	4.55%
Total	\$428,000	

The Township notes relate to construction of a Fire Station. The Huntington Capital Corporation are the holders of the debt. The notes will be repaid in semiannual installments of \$428,000, plus interest, for 10 years. The scheduled payment will be adjusted to reflect any revisions in amounts actually borrowed.

Amortization of the above debt, including interest, will be the final payment made in the year ending December 31, 2001 of \$443,292.

**6. RETIREMENT SYSTEMS**

The Township's Fire Fighters belong to the Police & Firemen's Disability and Pension Funds(PFDPF). Other full-time employees belong to the Public Employees Retirement System(PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 2000, members of PFDPF do not contribute from their wages to the PFDPF. The Township contributed an amount equal to 34.84% of participants' gross wages, which included 10.84% on behalf of the employee and the Township's required contribution of 24%. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 1999 and 10.84% for 2000. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- General liability and casualty
- Public official's liability
- Property (fleet and fire)

**JACKSON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

The Township provides health, vision, and life insurance to its employees through a benefits management agreement by and between the Township and Medical Benefits Administrators, Inc., a third-party administrator (TPA), a subsidiary of Medical Benefits Mutual Life Insurance, Co., dated May 1, 1997. The agreement is renewed annually. The plan is funded by employee payroll deductions and Township contributions. The total plan contributions, employee and employer portions, are determined on "expected claims". Actual claims are processed and deducted from the Township contributions to date. Any remaining contribution balance within the account is considered "reserves" which are planned for claims yet unreported, but expected. All contributions are deposited to a money market account. Claims over \$20,000 per occurrence are covered through a stop-loss company hired by the TPA.

The money market account with a reserve balance, governed by Medical Benefits Administrators, Inc., MedCheck Service Agreement totaled \$142,243 at December 31, 2000 and \$96,034 at December 31, 1999. Participant claims are paid from another checking account by the plan administrator. All financial activity of the self-funding insurance plan is recorded in the Internal Service fund of the Township.

The Government also provides dental coverage to full-time employees through a private carrier.

**8. SELF INSURANCE ACTIVITY**

In order to properly track and report the activity associated with the Township's self insurance activity, effective January 1, 1999, all activity is reported via a self insurance fund. As a result of this reporting change, cash which is handled through a self insurance escrow account, is reported as the beginning balance of the self insurance fund. Also, with this change, the Township is now reporting not only premiums paid but also claims paid.





STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Jackson Township  
Franklin County  
3756 Hoover Road  
Grove City, Ohio 3123-9117

To the Board of Trustees:

We have audited the accompanying financial statements of the Jackson Township, Franklin County, Ohio (the Township), as of and for the years ended December 31, 2000, and December 31, 1999, and have issued our report thereon dated March 2, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated March 2, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain items involving the internal control over financial reporting that does not require inclusion in this report that we have reported to management of the Township in a separate letter dated March 2, 2001.

Jackson Township  
Franklin County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**JIM PETRO**  
Auditor of State

March 2, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**JACKSON TOWNSHIP**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 15, 2001**