



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

JEFFERSON TOWNSHIP
ASHTABULA COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West
Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Ashtabula Township
Ashtabula County
1313 Perry Road
Jefferson, Ohio 44047

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Ashtabula 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 audit.

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

As described 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 reserve for encumbrances of the Township as of December 31, 2000 and 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 20, 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 Auditing 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 management, the Board 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 20, 2001

This page intentionally left blank.

**JEFFERSON TOWNSHIP
ASHTABULA COUNTY**

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

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Project	Agency	
Cash Receipts:						
Local Taxes	\$131,263	\$187,697				\$318,960
Intergovernmental	35,023	76,572		\$4,923		116,518
Licenses, Permits, and Fees		2,332				2,332
Special Assessments		2,014	\$4,083			6,097
Earnings on Investments	17,942	4,169				22,111
Other Revenue	4,582	158				4,740
Total Cash Receipts	188,810	272,942	4,083	4,923		470,758
Cash Disbursements:						
Current:						
General Government	83,879	2,106				85,985
Public Works	769	108,343		4,923		114,035
Health	14,600					14,600
Debt Service:						
Redemption of Principal and Interest	65,160		2,500			67,660
Capital Outlay	45,718	88,846				134,564
Total Cash Disbursements	210,126	199,295	2,500	4,923		416,844
Total Receipts Over/(Under) Disbursements	(21,316)	73,647	1,583			53,914
Other Financing Receipts/(Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Notes	45,718					45,718
Total Other Financing Receipts/(Disbursements)	45,718					45,718
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	24,402	73,647	1,583			99,632
Fund Cash Balances, January 1	247,517	201,544	12,779		45	461,885
Fund Cash Balances, December 31	\$271,919	\$275,191	\$14,362		\$45	\$561,517
Reserve for Encumbrances, December 31	\$100					\$100

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

JEFFERSON TOWNSHIP
ASHTABULA COUNTY

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

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Agency	
Cash Receipts:						
Local Taxes	\$118,051	\$182,124				\$300,175
Intergovernmental	22,697	72,093		\$137,389		232,179
Licenses, Permits, and Fees		3,142				3,142
Special Assessments		2,010	\$5,115			7,125
Earnings on Investments	9,815	2,770				12,585
Other Revenue	5,812	1,504				7,316
Total Cash Receipts	<u>156,375</u>	<u>263,643</u>	<u>5,115</u>	<u>137,389</u>		<u>562,522</u>
Cash Disbursements:						
Current:						
General Government	65,540	941				66,481
Public Works	711	114,196				114,907
Health	14,297	500				14,797
Debt Service:						
Redemption of Principal and Interest	20,736		3,750			24,486
Capital Outlay	34,210	85,054		137,389		256,653
Total Cash Disbursements	<u>135,494</u>	<u>200,691</u>	<u>3,750</u>	<u>137,389</u>		<u>477,324</u>
Total Receipts Over/(Under) Disbursements	<u>20,881</u>	<u>62,952</u>	<u>1,365</u>			<u>85,198</u>
Other Financing Receipts/(Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Notes	34,210					34,210
Transfers-In					45	45
Transfers-Out		(45)				(45)
Total Other Financing Receipts/(Disbursements)	<u>34,210</u>	<u>(45)</u>			<u>45</u>	<u>34,210</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>55,091</u>	<u>62,907</u>	<u>1,365</u>		<u>45</u>	<u>119,408</u>
Fund Cash Balances, January 1 (Restated)	<u>192,426</u>	<u>138,637</u>	<u>11,414</u>			<u>342,477</u>
Fund Cash Balances, December 31	<u>\$247,517</u>	<u>\$201,544</u>	<u>\$12,779</u>		<u>\$45</u>	<u>\$461,885</u>
Reserve for Encumbrances, December 31	<u>\$25,300</u>	<u>\$1,994</u>				<u>\$27,294</u>

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

**JEFFERSON TOWNSHIP
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

The Township maintained a general operating account which included a daily sweep account for investment purposes.

D. Fund Accounting

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

1. General Fund

The General Fund 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 Funds

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

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

**JEFFERSON TOWNSHIP
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Special Revenue Funds

Fire Levy Fund - This fund's receipts are generated from a restricted Township levy and are only to be utilized to assist in providing the necessary equipment and fire protection for Township residents.

Library Levy Fund - This fund's receipts are generated from a restricted Township levy and are forwarded to the library upon receipt.

Cemetery Levy Fund - This fund's receipts are generated from a restricted Township levy and are forwarded to the cemetery upon receipt.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Issue II Fund - The Township received a two-phase grant from the State of Ohio for the Hickok/Creek Roads improvement project.

4. Fiduciary Funds (Agency Fund)

This fund is one for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

Unclaimed Monies Fund - This fund is used to account for outstanding, stale-dated checks which represent a legal debt of the Township.

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 function level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

**JEFFERSON TOWNSHIP
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. The Township did not use the encumbrance method of accounting.

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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

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>
Demand deposits	\$420,602	\$329,458
Investments - Repurchase Agreements	<u>140,915</u>	<u>132,427</u>
Total deposits and investments	<u>\$561,517</u>	<u>\$461,885</u>

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

Investments: Repurchase Agreements are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

**JEFFERSON TOWNSHIP
ASHTABULA COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$138,554	\$234,528	\$95,974
Special Revenue	256,313	272,942	16,629
Debt Service	5,114	4,083	(1,031)
Capital Projects	4,923	4,923	0
Total	\$404,904	\$516,476	\$111,572

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$242,153	\$210,226	\$31,927
Special Revenue	344,723	199,295	145,428
Debt Service	15,500	2,500	13,000
Capital Projects	4,923	4,923	0
Total	\$607,299	\$416,944	\$190,355

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$127,955	\$190,585	\$62,630
Special Revenue	234,364	263,643	29,279
Debt Service	6,464	5,115	(1,349)
Capital Projects	137,389	137,389	0
Total	\$506,172	\$596,732	\$90,560

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$238,000	\$160,794	\$77,206
Special Revenue	294,081	202,730	91,351
Debt Service	7,500	3,750	3,750
Capital Projects	137,389	137,389	0
Total	\$676,970	\$504,663	\$172,307

**JEFFERSON TOWNSHIP
ASHTABULA COUNTY**

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

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.

5. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% in 2000 and 13.55% in 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

7. DEBT

Debt outstanding at December 31, 2000 was as follows:

Principal: \$23,000
Interest Rate: 6%
General Obligation Note

**JEFFERSON TOWNSHIP
ASHTABULA COUNTY**

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

7. DEBT (Continued)

Principal: \$40,003
Interest Rate: 5%
General Obligation Note

Principal: \$21,282
Interest Rate: 4.2%
General Obligation Note

Principal: \$31,250
Interest Rate: 0%
Ohio Public Works Commission (OPWC) Loan

The general obligation notes were issued to finance the following: Real Estate land, Truck, Backhoe Loader purchases, respectively, and the OPWC loan was for waterline extensions. The debt is collateralized solely by the Township's taxing authority.

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year</u>	<u>Land Purchase</u>	<u>Truck</u>	<u>Backhoe</u>	<u>Waterline OPWC</u>
2001	\$12,880	\$11,430	\$9,450	\$ 2,500
2002	12,190	11,430	9,061	2,500
2003		11,430	4,696	2,500
2004		11,572		2,500
2005				2,500
2006-13				<u>18,750</u>
Totals	<u>\$25,070</u>	<u>\$45,862</u>	<u>\$23,207</u>	<u>\$31,250</u>



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West
Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949
www.auditor.state.oh.us

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

Jefferson Township
Ashtabula County
1313 Perry Road
Jefferson, Ohio 44047

To the Board of Trustees:

We have audited the accompanying financial statements of Jefferson Township, Ashtabula County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 20, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We noted a certain immaterial instance of noncompliance that we have reported to management of Jefferson Township in a separate letter dated March 20, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or 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 a matter 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 20, 2001.

Jefferson Township Board of Trustees
Ashtabula 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 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 20, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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

JEFFERSON TOWNSHIP

ASHTABULA 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
APRIL 19, 2001**