



**JERSEY TOWNSHIP  
LICKING COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**JERSEY TOWNSHIP  
LICKING COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Trustees  
Jersey Township  
Licking County  
2810 Mink Street  
Johnstown, Ohio 43031

We have audited the accompanying financial statements of Jersey Township, Licking 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 auditing standards generally accepted in the United States of America 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 reserve for encumbrances of Jersey Township 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 June 15, 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

June 15, 2001

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**JERSEY TOWNSHIP  
LICKING 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>		<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Taxes	\$64,231	\$281,078	\$345,309
Licenses, Permits and Fees	4,264	950	5,214
Intergovernmental Receipts	98,446	90,272	188,718
Special Assessments	0	2,621	2,621
Interest	8,079	2,258	10,337
Other Receipts	3,682	2,168	5,850
	<u>178,702</u>	<u>379,347</u>	<u>558,049</u>
<b>Total Cash Receipts</b>			
	<u>178,702</u>	<u>379,347</u>	<u>558,049</u>
<b>Cash Disbursements:</b>			
General Government	97,882	81,399	179,281
Public Works	1,601	196,380	197,981
Health	16,043	209	16,252
Debt Service:			
Redemption of Principal	0	13,796	13,796
Interest	0	2,241	2,241
Capital Outlay	91,049	2,456	93,505
	<u>206,575</u>	<u>296,481</u>	<u>503,056</u>
<b>Total Cash Disbursements</b>			
	<u>206,575</u>	<u>296,481</u>	<u>503,056</u>
<b>Total Cash Receipts Over(Under) Cash Disbursements</b>	(27,873)	82,866	54,993
<b>Other Financing Sources:</b>			
Proceeds of Notes	76,500	0	76,500
	<u>76,500</u>	<u>0</u>	<u>76,500</u>
<b>Total Cash Receipts and Other Sources Over (Under) Cash Disbursements</b>	48,627	82,866	131,493
	<u>48,627</u>	<u>82,866</u>	<u>131,493</u>
<b>Fund Cash Balance, January 1,2000</b>	38,260	127,292	165,552
	<u>38,260</u>	<u>127,292</u>	<u>165,552</u>
<b>Fund Cash Balance, December 31, 2000</b>	<u>\$86,887</u>	<u>\$210,158</u>	<u>\$297,045</u>

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

**JERSEY TOWNSHIP  
LICKING 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>		<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Taxes	\$55,642	\$260,064	\$315,706
Licenses, Permits and Fees	10,002	3,450	13,452
Intergovernmental Receipts	52,666	91,171	143,837
Special Assessments	0	2,089	2,089
Interest	2,818	3,729	6,547
Other Receipts	500	12,892	13,392
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	121,628	373,395	495,023
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
General Government	100,453	88,369	188,822
Public Works	9,747	233,554	243,301
Health	17,869	4,168	22,037
Capital Outlay	1,357	76,024	77,381
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	129,426	402,115	531,541
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over(Under) Cash Disbursements	(7,798)	(28,720)	(36,518)
	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources:</b>			
Proceeds of Notes	0	41,388	41,388
	<hr/>	<hr/>	<hr/>
Total Cash Receipts and Other Sources Over (Under) Cash Disbursements	(7,798)	12,668	4,870
	<hr/>	<hr/>	<hr/>
Fund Cash Balance, January 1, 1999	46,058	114,625	160,683
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balance, December 31, 1999</b>	<u>\$38,260</u>	<u>\$127,293</u>	<u>\$165,553</u>
	<hr/>	<hr/>	<hr/>
Reserve For Encumbrances, December 31, 1999	<u>\$0</u>	<u>\$237</u>	<u>\$237</u>

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



**JERSEY TOWNSHIP  
LICKING COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Jersey Township, Licking 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. Fund Accounting**

The Township uses fund accounting to segregate cash that is 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.

Fire Department Special Levy Fund - This fund receives property tax money for operation of fire department.

**JERSEY TOWNSHIP  
LICKING COUNTY**

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

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

**D. 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 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 cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated. The Township did not encumber all commitments required by Ohio law.

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

**E. 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.

**F. 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**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	<u>\$297,045</u>	<u>\$165,553</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.

**JERSEY TOWNSHIP  
LICKING 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 December 31, 1999 follows:

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$252,360	\$255,202	\$2,842
Special Revenue	623,256	379,347	(243,909)
Total	<u>\$875,616</u>	<u>\$634,549</u>	<u>(\$241,067)</u>

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

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$252,360	\$206,575	\$45,785
Special Revenue	623,256	296,481	326,775
Total	<u>\$875,616</u>	<u>\$503,056</u>	<u>\$372,560</u>

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$239,715	\$121,628	(\$118,087)
Special Revenue	530,289	414,783	(115,506)
Total	<u>\$770,004</u>	<u>\$536,411</u>	<u>(\$233,593)</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$239,715	\$129,426	\$110,289
Special Revenue	530,289	402,352	127,937
Total	<u>\$770,004</u>	<u>\$531,778</u>	<u>\$238,226</u>

**JERSEY TOWNSHIP  
LICKING 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. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Dump Truck Loan	\$27,592	5%
Land Purchase	76,500	6%
Total	\$104,092	

The general obligation notes were issued to finance the purchases of land and a dump truck. The notes are secured by the land and the dumb truck.

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

Year ending December 31:	General Obligation Notes
2001	\$35,207
2002	33,536
2003	18,068
2004	17,145
2005	16,223
Total	\$120,179

**JERSEY TOWNSHIP  
LICKING COUNTY**

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

**6. RETIREMENT SYSTEMS**

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% for 2000 and 13.55% for 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Trustees  
Jersey Township  
Licking County  
2810 Mink Street  
Johnstown, Ohio 43031

We have audited the accompanying financial statements of Jersey Township, Licking 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 June 15, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Finding as item 2000-40645-001.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 June 15, 2001.

Jersey Township  
Licking County  
Report 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

June 15, 2001



**JERSEY TOWNSHIP  
LICKING COUNTY**

**SCHEDULE OF FINDING  
DECEMBER 31, 2000 AND DECEMBER 31, 1999**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	<b>2000-40645-001</b>
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**Certification of Funds**

Ohio Rev. Code § 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification should be considered null and void.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - if no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the purchase order or contract and at the time of the certificate, appropriated and free of any previous encumbrance, the Board may authorize the issuance of a check in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than \$1000, the fiscal officer may authorize it to be paid without the affirmation of the Board, if such expenditure is otherwise valid.

Forty four percent of the transactions tested were not certified by the Clerk. This procedure is not only required by Ohio law but is also a key control in the disbursement process to assure that purchase commitments receive prior approval, and to help reduce the possibility of Township funds being over expended or exceeding budgetary spending limitations as set by the Board.

To improve controls over disbursements it is recommended that all Township disbursements, receive prior certification of the Clerk and that the Board periodically review the expenditures to ensure they are within appropriations adopted by the Board ,certified by the Clerk, and recorded against appropriations.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**JERSEY TOWNSHIP**

**LICKING 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  
JULY 12, 2001**