

**JACKSON TOWNSHIP**

**AUDIT REPORT**

**JANUARY 1, 2003 – DECEMBER 31, 2004**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Jackson Township  
43819 CR 58  
Coshocton, Ohio 43812

We have reviewed the Independent Auditor's Report of Jackson Township, Coshocton County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period January 1, 2003 through December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Jackson Township, Coshocton County is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

April 12, 2005

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**JACKSON TOWNSHIP  
COSHOCTON COUNTY**

**ELECTED OFFICIALS  
AS OF DECEMBER 31, 2004**

<u>NAME</u>	<u>TITLE</u>	<u>TERM</u>
Bill Bowen	Trustee	01/01/02-12/31/05
Rod Wasinger	Trustee	01/01/04-12/31/07
Rick D. Conkle	Trustee	01/01/02-12/31/05
Shelly Webb 43819 CR 58 Coshocton, OH 43812	Clerk	04/01/04-03/31/07

**STATUTORY LEGAL COUNSEL**

Robert Batchelor, Prosecutor  
Coshocton County  
318 Chestnut Street  
Coshocton, OH 43812

**JACKSON TOWNSHIP  
COSHOCOTON COUNTY**

**INDEX OF FUNDS**

**GOVERNMENTAL FUND TYPES:**

**General Fund Type:**

General Fund

**Special Revenue Fund Types:**

Motor Vehicle License Tax Fund

Gasoline Tax Fund

Road and Bridge Fund

Fire District Fund

Cemetery Fund

Permissive Tax Fund

**FIDUCIARY FUND TYPES:**

**Expendable Trust Fund Type:**

Taylor Fund

**Nonexpendable Trust Fund Types:**

Cemetery Bequest Fund

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
Jackson Township  
Coshocton, Ohio

We have audited the accompanying financial statements of Jackson Township as of and for the years ended December 31, 2004 and 2003. 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 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 discussed in Note 1, the Township prepares its financial statements on the cash basis, which is a comprehensive basis of accounting prescribed or permitted by the Auditor of State, other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jackson Township as of December 31, 2004 and 2003, 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 a report dated February 22, 2005, on our consideration of Jackson Township's internal control structure 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 officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
February 22, 2005

**JACKSON TOWNSHIP  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND CASH BALANCES -  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Type		Fiduciary Fund Type	(Memorandum Only) Totals
	General	Special Revenue	Expendable Trust	
<b>CASH RECEIPTS:</b>				
Local taxes	\$ 65,114	\$ 79,797	\$ -	\$ 144,911
Intergovernmental	46,461	97,917	-	144,378
Interest	2,480	2,114	60	4,654
Miscellaneous	29,169	-	-	29,169
<b>TOTAL CASH RECEIPTS</b>	<b>143,224</b>	<b>179,828</b>	<b>60</b>	<b>323,112</b>
<b>CASH DISBURSEMENTS:</b>				
Current:				
General government	79,903	-	-	79,903
Public safety services	12,000	42,950	-	54,950
Public work activities	25,947	163,351	-	189,298
Public health services	6,576	-	-	6,576
Capital outlay	40,766	201,975	-	242,741
Debt service:				
Principal	13,202	18,266	-	31,468
Interest	6,798	3,616	-	10,414
<b>TOTAL CASH DISBURSEMENTS</b>	<b>185,192</b>	<b>430,158</b>	<b>-</b>	<b>615,350</b>
<b>TOTAL CASH RECEIPTS OVER CASH DISBURSEMENTS</b>	<b>(41,968)</b>	<b>(250,330)</b>	<b>60</b>	<b>(292,238)</b>
<b>OTHER FINANCING RECEIPTS/(DISBURSEMENTS)</b>				
Other Financing Sources	-	11,000	-	11,000
Other Financing Uses	-	(11,000)	-	(11,000)
<b>TOTAL OTHER FINANCING RECEIPTS/ (DISBURSEMENTS)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF CASH RECEIPTS AND OTHER FINANCING RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS AND OTHER FINANCING DISBURSEMENTS</b>	<b>(41,968)</b>	<b>(250,330)</b>	<b>60</b>	<b>(292,238)</b>
<b>FUND CASH BALANCE - JANUARY 1</b>	<b>95,580</b>	<b>361,616</b>	<b>60</b>	<b>457,256</b>
<b>FUND CASH BALANCE - DECEMBER 31</b>	<b>53,612</b>	<b>111,286</b>	<b>120</b>	<b>165,018</b>

See notes to financial statements.



**JACKSON TOWNSHIP  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND CASH BALANCES -  
FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Nonexpendable Trust</u>
CASH RECEIPTS:	
Interest	<u>\$ -</u>
TOTAL CASH RECEIPTS	-
CASH DISBURSEMENTS:	
Supplies and materials	<u>-</u>
TOTAL CASH DISBURSEMENTS	-
TOTAL CASH RECEIPTS OVER CASH DISBURSEMENTS	-
FUND CASH BALANCE - JANUARY 1	<u>890</u>
FUND CASH BALANCE - DECEMBER 31	<u><u>\$ 890</u></u>

See notes to financial statements.

**JACKSON TOWNSHIP  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND CASH BALANCES -  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Governmental Fund Type		Fiduciary Fund Type	(Memorandum Only) Totals
	General	Special Revenue	Expendable Trust	
<b>CASH RECEIPTS:</b>				
Local taxes	\$ 57,986	\$ 76,692	\$ -	\$ 134,678
Intergovernmental	16,013	82,712	-	98,725
Interest	1,482	1,572	60	3,114
Miscellaneous	23,509	-	-	23,509
<b>TOTAL CASH RECEIPTS</b>	<b>98,990</b>	<b>160,976</b>	<b>60</b>	<b>260,026</b>
<b>CASH DISBURSEMENTS:</b>				
Current:				
General government	67,579	-	-	67,579
Public safety services	-	25,963	-	25,963
Public work activities	14,400	81,240	-	95,640
Public health services	6,903	-	-	6,903
Capital outlay	28,896	25,343	-	54,239
Debt service:				
Principal	8,000	-	-	8,000
Interest	473	-	-	473
<b>TOTAL CASH DISBURSEMENTS</b>	<b>126,251</b>	<b>132,546</b>	<b>-</b>	<b>258,797</b>
<b>TOTAL CASH RECEIPTS OVER CASH DISBURSEMENTS</b>	<b>(27,261)</b>	<b>28,430</b>	<b>60</b>	<b>1,229</b>
<b>OTHER FINANCING RECEIPTS/(DISBURSEMENTS)</b>				
Proceeds from Notes	62,614	208,965	-	271,579
Other Financing Uses	(16)	-	-	(16)
<b>TOTAL OTHER FINANCING RECEIPTS/ (DISBURSEMENTS)</b>	<b>62,598</b>	<b>208,965</b>	<b>-</b>	<b>271,563</b>
<b>EXCESS OF CASH RECEIPTS AND OTHER FINANCING RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS AND OTHER FINANCING DISBURSEMENTS</b>	<b>35,337</b>	<b>237,395</b>	<b>60</b>	<b>272,792</b>
<b>FUND CASH BALANCE - JANUARY 1</b>	<b>60,243</b>	<b>124,221</b>	<b>-</b>	<b>184,464</b>
<b>FUND CASH BALANCE - DECEMBER 31</b>	<b>95,580</b>	<b>361,616</b>	<b>60</b>	<b>457,256</b>

See notes to financial statements.

**JACKSON TOWNSHIP  
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND CASH BALANCES -  
FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Nonexpendable Trust</u>
CASH RECEIPTS:	
Interest	<u>\$ -</u>
TOTAL CASH RECEIPTS	-
CASH DISBURSEMENTS:	
Supplies and materials	<u>-</u>
TOTAL CASH DISBURSEMENTS	-
TOTAL CASH RECEIPTS OVER CASH DISBURSEMENTS	-
FUND CASH BALANCE - JANUARY 1	<u>890</u>
FUND CASH BALANCE - DECEMBER 31	<u><u>\$ 890</u></u>

See notes to financial statements.

**JACKSON TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

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

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 cash 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 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**

All cash is maintained in a pooled checking account.

**D. 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:

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**JACKSON TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**D. Fund Accounting (Continued)**

**Special Revenue Funds (Continued)**

**Motor Vehicle License Tax Fund** – This fund receives motor vehicle tax receipts for constructing, maintaining and repairing Township roads and bridges.

**Gasoline Tax Fund** – This fund receives gasoline tax receipts for constructing, maintaining and repairing Township roads and bridges.

**Road and Bridges Fund** – This fund receives real estate and personal property tax money for the construction, repair and maintenance of township roads and bridges.

**Permissive Motor Vehicle Fund** – This fund receives county motor vehicle license tax money for the construction, repair, and maintenance of township roads and bridges.

**Fire District Fund** – This fund receives real estate tax for the cost associated with the fire protection contract with the Township of Tuscarawas.

**Fiduciary Fund (Trust and Agency Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. The Township had the following significant fiduciary funds:

**Expendable Trust Fund** - This fund receives interest earned from monies kept in the nonexpendable trust fund.

**Non-Expendable Trust Fund** – This fund receives money from the bequests of individuals. The earnings of which are expended for the upkeep of cemeteries and the purchase of cemetery land.

**E. 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, function or 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.

**JACKSON TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**E. Budgetary Process (Continued)**

**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.

**Encumbrances**

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

A Summary of 2004 and 2003 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 in the accompanying financial statements.

**2. Equity in Pooled Cash**

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

	2004	2003
Demand Deposits	\$ 165,908	\$ 458,146

**Deposits:**

Deposits are collateralized by securities specifically pledged by the financial institution to the Township.

**3. Budgetary Activity**

Budgetary activity for the years ended December 31, 2004 and 2003 was as follows:

**2004 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 95,606	\$ 143,224	\$ 47,618
Special Revenue	182,367	190,828	8,461
Fiduciary	-	60	60
Total	\$ 277,973	\$ 334,112	\$ 56,139

**JACKSON TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. Budgetary Activity (continued)**

**2004 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 191,185	\$ 185,192	\$ 5,993
Special Revenue	438,554	441,158	102,828
Fiduciary	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 735,171</u>	<u>\$ 626,350</u>	<u>\$ 108,821</u>

**2003 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 152,637	\$ 161,604	\$ 8,967
Special Revenue	438,554	369,941	(68,613)
Fiduciary	<u>-</u>	<u>60</u>	<u>60</u>
Total	<u>\$ 591,191</u>	<u>\$ 531,605</u>	<u>\$ (59,586)</u>

**2003 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 210,859	\$ 126,267	\$ 84,592
Special Revenue	495,887	132,546	363,341
Fiduciary	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 706,746</u>	<u>\$ 258,813</u>	<u>\$ 447,933</u>

**4. Property Tax**

Real property taxes become a lien on January 1 proceeding 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 payments, 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.

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  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. Debt Service**

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
Ohio Heritage - Dump Truck	\$ 34,476	3.75%
Ohio Heritage - Firehouse	205,636	3.85%
Total	\$ 240,112	

The Ohio Heritage - Dump Truck loan relates to the purchase of a 2004 Ford F-350 dump truck. It will be repaid over five years with principal payments of \$8,619, annually.

The Ohio Heritage - Firehouse loan relates to the construction of a new township firehouse. It will be repaid over 10 years with principal payments of \$22,848, annually.

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

Year Ended <u>December 31</u>	Dump Truck	Firehouse
2005	\$ 10,235	\$ 30,765
2006	9,911	29,886
2007	9,266	29,006
2008	8,942	28,126
2009	-	27,247
Thereafter	-	100,190
Total	\$ 38,354	\$ 245,220

**6. Retirement Systems**

The Township's Trustees, Clerk and other employees of the Township belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement health care, 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 2004 and 2003, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

**7. Risk Management**

The Township maintains insurance coverage through Ohio Risk Management that provides the following coverages:

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

The Township also provides health and life insurance to the Township Trustees, Township Clerk, and full time employees through a private carrier.



**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENT PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**

Board of Trustees  
Jackson Township  
Coshocton, Ohio

We have audited the financial statements of Jackson Township as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated February 22, 2005. 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 Jackson Township's combined 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 the 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*. However, we noted immaterial instances of noncompliance that we have reported to the management of Jackson Township in a separate letter dated February 22, 2005.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Jackson Township internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the combined 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 weakness. 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 the 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.

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

*Wolfe, Wilson, & Phillips, Inc.*  
Zanesville, Ohio  
February 22, 2005





**Auditor of State  
Betty Montgomery**

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**

**COSHOCTON 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 5, 2005**