

***JACKSON TOWNSHIP
FRANKLIN COUNTY***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2015 & 2014





Dave Yost • Auditor of State

Board of Trustees
Jackson Township
3756 Hoover Road
PO Box 157
Grove City, Ohio 43123

We have reviewed the *Independent Auditor's Report* of the Jackson Township, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. 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. The Jackson Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 13, 2016

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**JACKSON TOWNSHIP
FRANKLIN COUNTY
AUDIT REPORT
For Years Ending December 31, 2015 and 2014**

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INDEPENDENT AUDITOR'S REPORT

Jackson Township
Franklin County
3756 Hoover Road
Grove City, Ohio 43123

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, Franklin County, (the Township) as of and for the years ended December 31, 2015 and 2014.

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 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 1 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

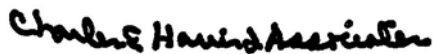
In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2015 and 2014, or changes in financial position thereof for the years 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 of Jackson Township, Franklin County as of December 31, 2015 and 2014, and its cash receipts and disbursements for the years 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 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2016, 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.



Charles E. Harris & Associates, Inc.

July 29, 2016

**JACKSON TOWNSHIP
FRANKLIN COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2015**

	Governmental Fund Types			Totals- (Memorandum Only)
	General	Special Revenue	Capital Projects	
Receipts:				
Property and Other Local Taxes	\$ 718,578	\$12,526,132	\$ -	\$ 13,244,710
Intergovernmental	148,136	1,328,955	190,544	1,667,635
Charges for Services	-	1,554,276	-	1,554,276
Licenses, Fines and Permits	305,523	19,697	-	325,220
Earning on Investments	33,849	2,031	-	35,880
Miscellaneous	34,966	14,147	-	49,113
Total Receipts	<u>1,241,052</u>	<u>15,445,238</u>	<u>190,544</u>	<u>16,876,834</u>
Cash Disbursements:				
Current:				
General Government	1,139,752	-	-	1,139,752
Public Safety	26,385	13,102,320	-	13,128,705
Public Works	25,250	867,774	-	893,024
Health	6,613	-	-	6,613
Capital Outlay	10,687	911,175	284,880	1,206,742
Debt Services:				
Principal Retirement	-	10,191	-	10,191
Total Disbursements	<u>1,208,687</u>	<u>14,891,460</u>	<u>284,880</u>	<u>16,385,027</u>
Total Receipts Over/(Under) Disbursements	32,365	553,778	(94,336)	491,807
Other Financing Sources/(Uses):				
Sale of Capital Assets	-	22,708	-	22,708
Total Other Financing Sources/(Uses)	<u>-</u>	<u>22,708</u>	<u>-</u>	<u>22,708</u>
Net Change in Fund Cash Balance	32,365	576,486	(94,336)	514,515
Fund Cash Balance, January 1, 2015	<u>1,650,324</u>	<u>1,538,101</u>	<u>97,622</u>	<u>3,286,047</u>
Fund Cash Balance:				
Restricted	-	2,114,587	3,286	2,117,873
Assigned	134,853	-	-	134,853
Unassigned	1,547,836	-	-	1,547,836
Fund Cash Balance, December 31, 2015	<u>\$ 1,682,689</u>	<u>\$ 2,114,587</u>	<u>\$ 3,286</u>	<u>\$ 3,800,562</u>

See Accompanying Notes to the Financial Statements.

**JACKSON TOWNSHIP
FRANKLIN COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FUND BALANCES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Agency
Non-Operating Cash Receipts/(Disbursements):	
Miscellaneous	\$ 72,770
Other Financing Uses	<u>(74,258)</u>
Total Non-Operating Receipts/(Disbursements):	(1,488)
Fund Cash Balance, January 1, 2015	20,778
Fund Cash Balance, December 31, 2015	<u>\$ 19,290</u>

See Accompanying Notes to the Financial Statements.

**JACKSON TOWNSHIP
FRANKLIN COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2014**

	Governmental Fund Types			Totals- (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property and Other Local Taxes	\$ 706,224	8,702,432	\$ -	\$ 9,408,656
Intergovernmental	236,595	1,228,833	1,402,906	2,868,334
Charges for Services	-	1,570,930	-	1,570,930
Licenses, Fines and Permits	296,158	23,536	-	319,694
Earning on Investments	37,251	2,820	-	40,071
Miscellaneous	169,325	71,504	-	240,829
Total Receipts	<u>1,445,553</u>	<u>11,600,055</u>	<u>1,402,906</u>	<u>14,448,514</u>
Cash Disbursements:				
Current:				
General Government	2,078,268	-	-	2,078,268
Public Safety	92,917	10,807,209	-	10,900,126
Public Works	26,435	823,896	-	850,331
Health	7,608	-	-	7,608
Capital Outlay	116,134	97,670	1,890,839	2,104,643
Debt Service:				
Principal Retirement	-	6,794	-	6,794
Total Cash Disbursements	<u>2,321,362</u>	<u>11,735,569</u>	<u>1,890,839</u>	<u>15,947,770</u>
Total Receipts Over/(Under) Disbursements	<u>(875,809)</u>	<u>(135,514)</u>	<u>(487,933)</u>	<u>(1,499,256)</u>
Other Financing Sources/(Uses):				
Sale of Capital Assets	45	45,732	-	45,777
Total Other Financing Sources/(Uses)	<u>45</u>	<u>45,732</u>	<u>-</u>	<u>45,777</u>
Net Change in Fund Cash Balance	(875,764)	(89,782)	(487,933)	(1,453,479)
Fund Cash Balance, January 1, 2014	<u>2,526,088</u>	<u>1,627,883</u>	<u>585,555</u>	<u>4,739,526</u>
Fund Cash Balance:				
Restricted	-	1,538,101	97,622	1,635,723
Assigned	186,196	-	-	186,196
Unassigned	<u>1,464,128</u>	<u>-</u>	<u>-</u>	<u>1,464,128</u>
Fund Cash Balance, December 31, 2014	<u>\$ 1,650,324</u>	<u>\$ 1,538,101</u>	<u>\$ 97,622</u>	<u>\$ 3,286,047</u>

See Accompanying Notes to the Financial Statements.

**JACKSON TOWNSHIP
FRANKLIN COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FUND BALANCES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Agency
Non-Operating Cash Receipts/(Disbursements):	
Miscellaneous	\$ 33,975
Other Financing Uses	<u>(33,900)</u>
Total Non-Operating Receipts/(Disbursements):	75
Fund Cash Balance, January 1, 2014	20,703
Fund Cash Balance, December 31, 2014	<u>\$ 20,778</u>

See Accompanying Notes to the Financial Statements.

**JACKSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Jackson Township, Franklin County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Grove City to provide police services.

The Township participates in one jointly governed organizations and one public entity risk pool. and is associated with a related organization. Notes 7 and 9 to the financial statements provides additional information for these entities. These organizations are:

Public Entity Risk Pool:

Ohio Township Association Risk Management Authority ("OTARMA") is a risk-sharing pool available to Ohio Townships which provides property and casualty coverage for its members.

Jointly Governed Organizations:

Solid Waste Authority of Central Ohio ("SWACO") serves Franklin County and neighboring areas with solutions for solid waste.

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

B. Accounting Basis

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.

C. 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. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report. The Township also held negotiable certificates of deposit during the fiscal year.

**JACKSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 accounts for and reports all financial resources not accounted for and reported in another fund.

2. 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 District Fund - This fund receives property tax money from a special levy for covering the cost of fire protection.

EMS Billing Fund - This fund accounts for money received for providing EMS service as well as for the expenses related to the EMS services.

3. 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 funds:

TIF Fund – This fund received funding through payments in lieu of taxes for the construction and maintenance of the Grove City fire station.

OPWC White Road Fund – This fund received funding from OPWC through Grove City that are used to complete the White Road project.

4. Fiduciary Funds

Fiduciary funds include agency funds. 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 Township's Internal Revenue Code Section 125 Flexible Spending Account.

**JACKSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. 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. 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 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 reappropriated.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

F. 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:

1. Nonspendable

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

2. 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.

3. 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.

**JACKSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance

4. 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.

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

G. Property, Plant, and Equipment

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

H. 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.

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Township maintains a deposit and investments pool 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:

	2015	2014
Demand deposits	\$1,021,372	\$146,963
Certificates of deposit	175,000	175,000
Total deposits	<u>1,196,372</u>	<u>321,963</u>
Negotiable CD's	2,588,988	2,976,451
STAR Ohio	1,267	0
Money markets	33,225	8,411
Total investments	<u>2,623,480</u>	<u>2,984,862</u>
Total deposits and investments	<u><u>\$3,819,852</u></u>	<u><u>\$3,306,825</u></u>

**JACKSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS (Continued)

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

Investments: At December 31, 2015 and 2014, the Township's investments were limited to negotiable certificates of deposits. Negotiable certificates of deposit are reported at cost. Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,235,883	\$1,241,052	\$5,169
Special Revenue	14,712,590	15,467,946	755,356
Capital Projects	478,407	190,544	(287,863)

Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$2,699,984	\$1,343,540	\$1,356,444
Special Revenue	15,663,432	15,529,649	133,783
Capital Projects	576,029	286,069	289,960

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,218,594	\$1,445,598	\$227,004
Special Revenue	11,512,700	11,645,787	133,087
Capital Projects	2,284,204	1,402,906	(881,298)

Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$3,460,866	\$2,507,558	\$953,308
Special Revenue	12,499,837	12,144,223	355,614
Capital Projects	2,567,715	2,385,414	182,301

4. PROPERTY TAX

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.

**JACKSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

4. PROPERTY TAX (Continued)

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, 2015 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission (OPWC) Loan	\$149,469	0%

In 2012, the Township entered into a note agreement with the OPWC in connection with White Road Reconstruction - Phase II. This note was issued at an interest rate of 0% and matures in 2038. During 2015 and 2014, the Township made principal loan payments totaling \$16,985.

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

Year ending December 31:	OPWC Loan Payments
2016	\$3,397
2017	6,794
2018	6,794
2019	6,794
2020	6,794
2021-2025	33,970
2026-2030	33,970
2031-2035	33,970
2036-2038	16,986
Total	\$149,469

6. RETIREMENT SYSTEMS

The District's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. From January 1, 2014 through June 30, 2014 OP&F participants contributed 10.75% of their wages. From July 1, 2014 through June 30, 2015 OP&F participants contributed 11.50% of their wages. From July 1, 2015 through December 31, 2015 OP&F participants contributed 12.25% of their wages. For 2015 and 2014, the District contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2015 and 2014, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14%, of participants' gross salaries. The District has paid all contributions required through December 31, 2015.

**JACKSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

7. 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.

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), 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, 2015, 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.

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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Assets	\$37,313,311	\$35,970,263
Liabilities	8,418,518	8,912,432
Net Position	\$28,894,793	\$27,057,831

At December 31, 2015 and 2014, respectively, the liabilities above include approximately \$7.8 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.7 and \$7.2 million of unpaid claims to be billed to approximately 989 members and 957 member governments in the future, as of December 31, 2015 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the Township's share of these unpaid claims collectible in future years is approximately \$55,000.

**JACKSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

7. RISK MANAGEMENT (Continued)

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>Contributions to OTARMA</u>	
<u>2015</u>	<u>2014</u>
\$104,954	\$93,045

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.

8. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the Ohio Public Works Commission. 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.

9. JOINTLY GOVERNED ORGANIZATIONS

The Township appoints a Trustee to serve as the Franklin County representative to the Solid Waste of Central Ohio (SWACO).

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Jackson Township
Franklin County
3756 Hoover Road
Grove City, Ohio 43123

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, Franklin County, (the Township) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated July 29, 2016, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permits.

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 opinions 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 a 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.

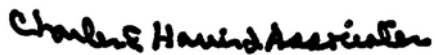
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies 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.



Charles E. Harris & Associates, Inc.
July 29, 2016

**JACKSON TOWNSHIP
FRANKLIN COUNTY**

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, for the year ending December 31, 2013, reported no material citations or recommendations.

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Dave Yost • Auditor of State

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
OCTOBER 25, 2016