



Dave Yost • Auditor of State

**JACKSON TOWNSHIP
STARK COUNTY**

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STARK COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Jackson Township
Stark County
5735 Wales Avenue NW
Massillon, Ohio 44646

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jackson Township, Stark County, Ohio (the Township), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jackson Township, Stark County, Ohio, as of December 31, 2014 and 2013, and the respective changes in cash financial position and the respective budgetary comparison for the General, Road and Bridge (2014 only), Police District, Fire District, and Road Levy funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2013, the Township reclassified the Accumulated Benefits Fund from Other Governmental Funds to the General Fund. During 2014, the Road and Bridge Fund became a major fund and the Park Fund was reclassified from the General Fund to the Other Governmental Funds. The reclassifications are necessary to better align with the intent of Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, resulting in the restatements to beginning fund balances.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

We audited to opine on the Township's financial statements that collectively comprise its basic financial statements. We applied no procedures to the Management's Discussion & Analysis presented on pages 3-8 of the report, and accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2015, 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.



Dave Yost
Auditor of State
Columbus, Ohio

August 31, 2015

**Jackson Township
Stark County, Ohio**

Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited

This discussion and analysis of Jackson Township's (the Township) financial performance provides an overview of the Township's financial activities for the years ended December 31, 2014 and 2013, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2014 and 2013 are as follows:

Net position of governmental activities decreased \$465,534 or 1.9 percent in 2014. Net position of governmental activities increased \$1,288,492 or 5.6 percent in 2013. The funds most affected by the 2014 decrease were the Fire District, decreasing \$604,714 or 23.6 percent, and Road Levy Funds, decreasing \$504,226 or 10.4 percent. The fund most affected by the 2013 increase was the General Fund.

The Township's general receipts are primarily property taxes. These receipts represent \$17,018,892 or 65.1 percent in 2014 and \$15,298,018 or 58.3 percent in 2013 of the total cash received for governmental activities during the year. Property tax receipts for 2014 increased an average of 11.2 percent.

\$238,777 was received in inheritance tax in 2014 and \$1,849,899 was received in 2013.

In 2013, voters approved an additional tax of 1 mill for the Park Levy. 2014 was the first year of collections.

In 2013, voters approved a renewal of an existing tax of 3 mills for the Road Levy. 2014 was the first year of collections.

In 2014, voters approved a renewal of an existing tax of 4.5 mills and an increase of 1.25 mills for the Police District Levy. 2015 is the first year of collections.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Jackson Township
Stark County, Ohio**

Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related disbursements (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net position and the statement of activities reflect how the Township did financially during 2014 and 2013, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position are one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well, such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net position and the statement of activities, the Township's basic services are reported as governmental activities, including police, fire, streets and parks. Real estate and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money which is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into three categories: governmental, proprietary, and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements

**Jackson Township
Stark County, Ohio**

Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited

in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column.

The Township's major governmental funds are the General, Road and Bridge (2014 only), Police District, Fire District, and Road Levy Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Proprietary Funds – When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Township has no enterprise funds. When the services are provided to other departments of the Township, the service is reported as an internal service fund. The Township has one internal service fund to account for employee health-care claims.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs as a whole. The Township has one fiduciary fund to account for insurance proceeds held on behalf of a named insured.

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2014 compared to 2013 and 2012 on a cash basis.

(Table 1)
Net Position

	Governmental Activities		
	2014	2013	2012
Assets			
Cash and Cash Equivalents	\$23,968,867	\$24,434,401	\$23,145,909
Net Position			
Restricted for:			
Capital Projects	\$6,115,390	\$6,961,850	\$7,542,852
Other Purposes	8,877,342	9,322,066	9,222,077
Unrestricted	8,976,135	8,150,485	6,380,980
Total Net Position	\$23,968,867	\$24,434,401	\$23,145,909

Total net position decreased \$465,534 or 1.9 percent during 2014 due to an increase in the amount of Fire District and Road Levy disbursements.

**Jackson Township
Stark County, Ohio**

Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited

Table 2 reflects the changes in net position in 2014, 2013, and 2012.

(Table 2)
Changes in Net Position

	Governmental Activities 2014	Governmental Activities 2013	Governmental Activities 2012
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$5,505,382	\$5,190,663	\$5,287,843
Operating Grants and Contributions	660,898	626,587	607,489
Capital Grants and Contributions	63,533	409,079	63,240
Total Program Receipts	6,229,813	6,226,329	5,958,572
General Receipts:			
Property and Other Local Taxes	17,018,892	15,298,018	16,057,328
Grants and Entitlements Not Restricted to Specific Programs	2,659,441	4,101,071	4,306,674
Interest	129,672	154,490	151,974
Miscellaneous	114,029	443,199	109,987
Total General Receipts	19,922,034	19,996,778	20,625,963
Total Receipts	26,151,847	26,223,107	26,584,535
Disbursements:			
General Government	4,736,156	4,444,520	4,827,047
Public Safety	15,141,594	15,058,852	15,075,661
Public Works	3,918,805	3,248,526	3,231,956
Health	364,495	361,566	355,465
Conservation-Recreation	682,911	525,022	830,893
Capital Outlay	1,773,420	1,296,129	1,008,561
Total Disbursements	26,617,381	24,934,615	25,329,583
Increase (Decrease) in Net Position	(465,534)	1,288,492	1,254,952
Net Position Beginning of Year	24,434,401	23,145,909	21,890,957
Net Position End of Year	\$23,968,867	\$24,434,401	\$23,145,909

Program receipts represent only 23.8 percent of total receipts during 2014 and 23.7 percent of total receipts during 2013. Program receipts are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees, charges for ambulance and EMS, and charges for services provided by Township departments.

General receipts represent 76.2 percent in 2014 and 76.3 percent in 2013 of the Township's total receipts, and of this amount, 85.4 percent in 2014 and 76.5 percent in 2013 are property taxes. State and federal grants and entitlements make up 10.2 percent in 2014 and 15.6 percent in 2013 of the Township's total receipts. Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of Trustees, Fiscal Officer, and other general activities, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

**Jackson Township
Stark County, Ohio**

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Public Safety represents the costs of police and fire/EMS protection. Public Works are costs associated with maintaining Township roads. Health is the contribution to the County health department; and Conservation-Recreation are the costs of maintaining the parks and playing fields.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public safety, which account for 56.9 percent in 2014 and 60.4 percent in 2013 of all governmental disbursements. General government also represents a significant cost, 17.8 percent in 2014 and 17.8 percent in 2013. The next three columns of the Statement entitled Program Cash Receipts identify (1) amounts paid by people who are directly charged for the service in Column 1, and (2) grants received by the Township that must be used to provide a specific service in Columns 2 and 3. The net (Disbursements) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which is paid by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
General Government	\$4,736,156	\$966,404	\$4,444,520	\$873,892
Public Safety	15,141,594	13,660,889	15,058,852	13,637,319
Public Works	3,918,805	3,070,984	3,248,526	2,106,002
Health	364,495	364,495	361,566	361,566
Conservation-Recreation	682,911	551,376	525,022	433,378
Capital Outlay	1,773,420	1,773,420	1,296,129	1,296,129
Total Expenses	\$26,617,381	\$20,387,568	\$24,934,615	\$18,708,286

The dependence upon property tax receipts is apparent as over 76 percent in 2014 and 75 percent in 2013 of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$23,573,554 in 2014 and \$23,528,607 in 2013 and disbursements of \$23,912,509 in 2014 and \$22,477,915 in 2013. The greatest change for 2014 within governmental funds occurred within the Fire District and Road Levy Funds. In 2014, the fund balance of the Fire District Fund decreased \$604,714 due to an increase in expenditures. The fund balance of the Road Levy Fund decreased \$504,226 due to a decrease in receipts and an increase in expenditures. The greatest change for 2013 within governmental funds occurred within the General Fund. In 2013, the fund balance of the General Fund increased \$1,826,382 due to both an increase in receipts and a decrease in expenditures.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances (money earmarked for disbursement). The most significant budgeted fund is the General Fund.

**Jackson Township
Stark County, Ohio**

Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited

During 2014 and 2013, the actual receipts were greater than budgeted receipts mainly due to a conservative estimate of estate/inheritance taxes, since these can be unpredictable sources of revenue.

During 2014, General Fund final disbursements were budgeted at \$3.87 million while actual disbursements were \$2.48 million. General Government is most of the difference. Final budgeted disbursements decreased \$38,299 or 1 percent from the original budgeted disbursements, due to a decrease of appropriations.

During 2013, General Fund final disbursements were budgeted at \$4.6 million while actual disbursements were \$2.9 million. General Government is most of the difference. Final budgeted disbursements decreased \$125,919 or 2.7 percent from the original budgeted disbursements, due to a decrease of appropriations.

Capital Assets and Debt Administration

Capital Assets

The Township does keep track of its capital assets for insurance purposes but not for financial reporting.

Debt

The Township has no outstanding debt.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. As indicated in the preceding financial information, the Township relies heavily on local taxes and intergovernmental receipts to operate at the current level of services.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Randy Gonzalez, Fiscal Officer, Jackson Township, Stark County, 5735 Wales Avenue N.W., Massillon, Ohio 44646, telephone 330-832-5886 or visit the Township's website at www.jacksonwp.com.

**Jackson Township
Stark County, Ohio**

*Statement of Net Position - Cash Basis
December 31, 2014*

	<u>Primary Government Governmental Activities</u>	<u>Component Unit</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	<u>\$23,968,867</u>	<u>\$252</u>
 Net Position		
Restricted for:		
Capital Projects	\$6,115,390	
Other Purposes	8,877,342	
Unrestricted	<u>8,976,135</u>	<u>\$252</u>
 <i>Total Net Position</i>	<u>\$23,968,867</u>	<u>\$252</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2014*

	Program Cash Receipts				Net (Disbursements) Receipts and Changes In Net Position	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit
Governmental Activities						
General Government	\$4,736,156	\$3,769,752			(\$966,404)	
Public Safety	15,141,594	1,403,007	\$77,698		(13,660,889)	
Public Works	3,918,805	209,997	574,291	\$63,533	(3,070,984)	
Health	364,495				(364,495)	
Conservation-Recreation	682,911	122,626	8,909		(551,376)	
Capital Outlay	1,773,420				(1,773,420)	
<i>Total Governmental Activities</i>	<u>26,617,381</u>	<u>5,505,382</u>	<u>660,898</u>	<u>63,533</u>	<u>(20,387,568)</u>	
<i>Total Primary Government</i>	<u>\$26,617,381</u>	<u>\$5,505,382</u>	<u>\$660,898</u>	<u>\$63,533</u>	<u>(20,387,568)</u>	
Component Unit	\$4,562					(\$4,562)
		General Receipts				
		Property Taxes Levied for:				
		General Purposes			343,424	
		Park Levy			1,089,299	
		Police District			5,042,211	
		Fire District			6,799,017	
		Road and Bridge			3,033,440	
		Other Taxes			711,501	
		Grants and Entitlements not Restricted to Specific Programs			2,659,441	
		Interest			129,672	
		Miscellaneous			114,029	
		<i>Total General Receipts</i>			<u>19,922,034</u>	<u>0</u>
		Change in Net Position			(465,534)	(4,562)
		<i>Net Position Beginning of Year</i>			<u>24,434,401</u>	<u>4,814</u>
		<i>Net Position End of Year</i>			<u>\$23,968,867</u>	<u>\$252</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2014*

	General	Road & Bridge	Police District	Fire District	Road Levy	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$7,700,175	\$1,532,546	\$3,907,969	\$1,952,793	\$4,341,112	\$3,806,869	\$23,241,464
Fund Balances							
Restricted		\$1,532,546	\$3,907,969	\$1,952,793	\$4,341,112	\$2,530,909	\$14,265,329
Committed	\$1,959,238						1,959,238
Assigned	1,014,309					1,275,960	2,290,269
Unassigned (Deficit)	4,726,628						4,726,628
<i>Total Fund Balances</i>	<u>\$7,700,175</u>	<u>\$1,532,546</u>	<u>\$3,907,969</u>	<u>\$1,952,793</u>	<u>\$4,341,112</u>	<u>\$3,806,869</u>	<u>\$23,241,464</u>
Governmental activities net position include the internal service fund's cash and cash equivalents.							<u>727,403</u>
The proprietary fund's statements include these assets.							<u>\$23,968,867</u>

See accompanying notes to the basic financial statements

Jackson Township, Stark County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2014

	General	Road & Bridge	Police District	Fire District	Road Levy	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$894,767	\$1,924,177	\$5,042,211	\$6,799,017	\$1,109,264	\$1,249,457	\$17,018,893
Charges for Services	844,673	42,153	85,985	8,308	63,533	1,329,209	2,373,861
Licenses, Permits and Fees	256,334	480		4,410		740	261,964
Fines and Forfeitures	25,840		746			19,878	46,464
Intergovernmental	713,058	245,316	693,953	871,005	138,800	726,705	3,388,837
Special Assessments						151,299	151,299
Interest	128,621					6,497	135,118
Other	115,701	4,064	8,961	7,587		60,805	197,118
Total Receipts	2,978,994	2,216,190	5,831,856	7,690,327	1,311,597	3,544,590	23,573,554
Disbursements							
Current:							
General Government	1,871,126					160,158	2,031,284
Public Safety	72,302		6,001,609	7,790,228		1,277,455	15,141,594
Public Works	22,065	2,183,292			1,389,373	324,075	3,918,805
Health	364,495						364,495
Conservation-Recreation						682,911	682,911
Capital Outlay	80,194	338,217	213,209	507,690	426,450	207,660	1,773,420
Total Disbursements	2,410,182	2,521,509	6,214,818	8,297,918	1,815,823	2,652,259	23,912,509
<i>Excess of Receipts Over (Under) Disbursements</i>	568,812	(305,319)	(382,962)	(607,591)	(504,226)	892,331	(338,955)
Other Financing Sources (Uses)							
Sale of Capital Assets	90	12,502	18,700	2,877		1,050	35,219
Transfers In	74,016						74,016
Transfers Out		(20,000)				(54,016)	(74,016)
Advances In	377,757						377,757
Advances Out						(377,757)	(377,757)
Total Other Financing Sources (Uses)	451,863	(7,498)	18,700	2,877	0	(430,723)	35,219
Net Change in Fund Balances	1,020,675	(312,817)	(364,262)	(604,714)	(504,226)	461,608	(303,736)
Fund Balances Beginning of Year <i>(See Note 3)</i>	6,679,500	1,845,363	4,272,231	2,557,507	4,845,338	3,345,261	23,545,200
Fund Balances End of Year	\$7,700,175	\$1,532,546	\$3,907,969	\$1,952,793	\$4,341,112	\$3,806,869	\$23,241,464

Net Change in Fund Balances Governmental Funds (\$303,736)

Internal Service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements). (161,798)

Change in net position of (\$465,534)

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$765,152	\$765,152	\$894,767	\$129,615
Charges for Services	795,859	795,859	844,673	48,814
Licenses, Permits and Fees	120,000	120,000	256,334	136,334
Fines and Forfeitures	29,000	29,000	25,840	(3,160)
Intergovernmental	465,241	465,241	713,058	247,817
Interest	150,000	150,000	128,621	(21,379)
Other	24,571	24,571	115,701	91,130
<i>Total Receipts</i>	<u>2,349,823</u>	<u>2,349,823</u>	<u>2,978,994</u>	<u>629,171</u>
Disbursements				
Current:				
General Government	2,902,443	2,893,499	1,939,216	954,283
Public Safety	300,000	300,000	72,302	227,698
Public Works	187,734	188,009	22,065	165,944
Health	376,000	375,402	364,495	10,907
Conservation-Recreation	10,000	10,000	0	10,000
Capital Outlay	130,244	101,212	85,329	15,883
<i>Total Disbursements</i>	<u>3,906,421</u>	<u>3,868,122</u>	<u>2,483,407</u>	<u>1,384,715</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(1,556,598)</u>	<u>(1,518,299)</u>	<u>495,587</u>	<u>2,013,886</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	90	90
Transfers In (Out)	74,016	74,016	74,016	0
Advances In (Out)	377,757	377,757	377,757	0
<i>Total Other Financing Sources (Uses)</i>	<u>451,773</u>	<u>451,773</u>	<u>451,863</u>	<u>90</u>
<i>Net Change in Fund Balance</i>	<u>(1,104,825)</u>	<u>(1,066,526)</u>	<u>947,450</u>	<u>2,013,976</u>
<i>Unencumbered Fund Balance Beginning of Year (See Note 3)</i>	6,590,908	6,590,908	6,590,908	0
Prior Year Encumbrances Appropriated	<u>88,592</u>	<u>88,592</u>	<u>88,592</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$5,574,675</u></u>	<u><u>\$5,612,974</u></u>	<u><u>\$7,626,950</u></u>	<u><u>\$2,013,976</u></u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$1,866,188	\$1,866,188	\$1,924,177	\$57,989
Charges for Services	18,600	18,600	42,153	23,553
Licenses, Permits and Fees	900	900	480	(420)
Intergovernmental	243,427	243,427	245,316	1,889
Other	5,411	5,411	4,064	(1,347)
<i>Total Receipts</i>	<u>2,134,526</u>	<u>2,134,526</u>	<u>2,216,190</u>	<u>81,664</u>
Disbursements				
Current:				
Public Works	3,510,167	3,510,167	2,196,128	1,314,039
Capital Outlay	453,164	453,164	338,677	114,487
<i>Total Disbursements</i>	<u>3,963,331</u>	<u>3,963,331</u>	<u>2,534,805</u>	<u>1,428,526</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(1,828,805)</u>	<u>(1,828,805)</u>	<u>(318,615)</u>	<u>1,510,190</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	6,000	6,000	12,502	6,502
Transfers In (Out)	(20,000)	(20,000)	(20,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(14,000)</u>	<u>(14,000)</u>	<u>(7,498)</u>	<u>6,502</u>
<i>Net Change in Fund Balance</i>	<u>(1,842,805)</u>	<u>(1,842,805)</u>	<u>(326,113)</u>	<u>1,516,692</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	1,444,807	1,444,807	1,444,807	0
Prior Year Encumbrances Appropriated	400,556	400,556	400,556	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$2,558</u>	<u>\$2,558</u>	<u>\$1,519,250</u>	<u>\$1,516,692</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police District Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$4,939,466	\$4,939,466	\$5,042,211	\$102,745
Charges for Services	99,803	99,803	85,985	(13,818)
Fines and Forfeitures	2,200	2,200	746	(1,454)
Intergovernmental	701,210	701,210	693,953	(7,257)
Other	27,500	27,500	8,961	(18,539)
<i>Total Receipts</i>	<u>5,770,179</u>	<u>5,770,179</u>	<u>5,831,856</u>	<u>61,677</u>
Disbursements				
Current:				
Public Safety	7,089,522	6,572,606	6,057,655	514,951
Capital Outlay	335,000	330,760	213,209	117,551
<i>Total Disbursements</i>	<u>7,424,522</u>	<u>6,903,366</u>	<u>6,270,864</u>	<u>632,502</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(1,654,343)</u>	<u>(1,133,187)</u>	<u>(439,008)</u>	<u>694,179</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	3,000	3,000	18,700	15,700
<i>Net Change in Fund Balance</i>	(1,651,343)	(1,130,187)	(420,308)	709,879
<i>Unencumbered Fund Balance Beginning of Year</i>	4,243,554	4,243,554	4,243,554	0
Prior Year Encumbrances Appropriated	28,677	28,677	28,677	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$2,620,888</u>	<u>\$3,142,044</u>	<u>\$3,851,923</u>	<u>\$709,879</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire District Fund
For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$6,667,495	\$6,667,495	\$6,799,017	\$131,522
Charges for Services	11,152	11,152	8,308	(2,844)
Licenses, Permits and Fees	3,000	3,000	4,410	1,410
Intergovernmental	861,853	861,853	871,005	9,152
Other	4,700	4,700	7,587	2,887
<i>Total Receipts</i>	<u>7,548,200</u>	<u>7,548,200</u>	<u>7,690,327</u>	<u>142,127</u>
Disbursements				
Current:				
Public Safety	8,322,760	8,322,760	7,800,064	522,696
Capital Outlay	920,486	920,486	519,225	401,261
<i>Total Disbursements</i>	<u>9,243,246</u>	<u>9,243,246</u>	<u>8,319,289</u>	<u>923,957</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(1,695,046)</u>	<u>(1,695,046)</u>	<u>(628,962)</u>	<u>1,066,084</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	3,000	3,000	2,877	(123)
<i>Net Change in Fund Balance</i>	<u>(1,692,046)</u>	<u>(1,692,046)</u>	<u>(626,085)</u>	<u>1,065,961</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	2,107,216	2,107,216	2,107,216	0
Prior Year Encumbrances Appropriated	450,291	450,291	450,291	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$865,461</u>	<u>\$865,461</u>	<u>\$1,931,422</u>	<u>\$1,065,961</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road Levy Fund
For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$1,078,854	\$1,078,854	\$1,109,264	\$30,410
Charges for Services	64,000	64,000	63,533	(467)
Intergovernmental	138,519	138,519	138,800	281
<i>Total Receipts</i>	<u>1,281,373</u>	<u>1,281,373</u>	<u>1,311,597</u>	<u>30,224</u>
Disbursements				
Current:				
Public Works	1,901,499	1,901,499	1,499,057	402,442
Capital Outlay	3,578,140	3,578,140	703,916	2,874,224
<i>Total Disbursements</i>	<u>5,479,639</u>	<u>5,479,639</u>	<u>2,202,973</u>	<u>3,276,666</u>
<i>Net Change in Fund Balance</i>	<u>(4,198,266)</u>	<u>(4,198,266)</u>	<u>(891,376)</u>	<u>3,306,890</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	4,539,736	4,539,736	4,539,736	0
Prior Year Encumbrances Appropriated	305,602	305,602	305,602	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$647,072</u>	<u>\$647,072</u>	<u>\$3,953,962</u>	<u>\$3,306,890</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Fund Net Position - Cash Basis
Internal Service Fund
December 31, 2014*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$727,403</u>
Net Position	
Restricted	<u>\$727,403</u>
<i>Total Net Position</i>	<u>\$727,403</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes in Fund Net Position
Cash Basis
Internal Service Fund
For the Year Ended December 31, 2014*

	Governmental Activities Internal Service
Operating Receipts	
Charges for Services	\$2,543,074
Operating Disbursements	
Administrative Fees	506,770
Claims	2,198,102
<i>Total Operating Disbursements</i>	2,704,872
<i>Change in Net Position</i>	(161,798)
<i>Net Position Beginning of Year</i>	889,201
<i>Net Position End of Year</i>	\$727,403

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Fiduciary Net Position - Cash Basis
Agency Fund
December 31, 2014*

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$22,740</u>
Net Position	
Held on Behalf of Named Insured	<u>\$22,740</u>
<i>Total Net Position</i>	<u>\$22,740</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Net Position - Cash Basis
December 31, 2013*

	Primary Government Governmental Activities	Component Unit
Assets		
Equity in Pooled Cash and Cash Equivalents	\$24,434,401	\$4,814
Net Position		
Restricted for:		
Capital Projects	\$6,961,850	
Other Purposes	9,322,066	
Unrestricted	8,150,485	\$4,814
<i>Total Net Position</i>	\$24,434,401	\$4,814

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2013*

	<u>General</u>	<u>Police District</u>	<u>Fire District</u>	<u>Road Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	<u>\$6,874,524</u>	<u>\$4,272,231</u>	<u>\$2,557,507</u>	<u>\$4,845,338</u>	<u>\$4,995,600</u>	<u>\$23,545,200</u>
Fund Balances						
Restricted		\$4,272,231	\$2,557,507	\$4,845,338	\$3,719,639	\$15,394,715
Committed	\$1,932,524					1,932,524
Assigned	455,635				1,275,961	1,731,596
Unassigned (Deficit)	<u>4,486,365</u>					<u>4,486,365</u>
<i>Total Fund Balances</i>	<u>\$6,874,524</u>	<u>\$4,272,231</u>	<u>\$2,557,507</u>	<u>\$4,845,338</u>	<u>\$4,995,600</u>	<u>\$23,545,200</u>
Governmental activities net position include the internal service fund's cash and cash equivalents.						<u>889,201</u>
The proprietary fund's statements include these assets.						<u>\$24,434,401</u>

See accompanying notes to the basic financial statements

Jackson Township, Stark County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2013

	General	Police District	Fire District	Road Levy	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$861,320	\$4,845,593	\$6,541,945	\$1,056,633	\$1,992,528	\$15,298,019
Charges for Services	487,940	35,445	11,631	259,079	1,278,745	2,072,840
Licenses, Permits and Fees	332,131		3,172		634	335,937
Fines and Forfeitures	28,466	2,610			9,015	40,091
Intergovernmental	2,327,571	666,660	875,532	136,315	947,055	4,953,133
Special Assessments					157,291	157,291
Interest	153,018				5,282	158,300
Other	337,837	74,296	82,082		18,781	512,996
<i>Total Receipts</i>	<u>4,528,283</u>	<u>5,624,604</u>	<u>7,514,362</u>	<u>1,452,027</u>	<u>4,409,331</u>	<u>23,528,607</u>
Disbursements						
Current:						
General Government	1,827,553				160,267	1,987,820
Public Safety	31,458	6,196,045	7,351,103		1,480,246	15,058,852
Public Works	21,601			1,118,629	2,108,296	3,248,526
Health	361,566					361,566
Conservation-Recreation	525,022					525,022
Capital Outlay	11,578	207,303	191,312	661,988	223,948	1,296,129
<i>Total Disbursements</i>	<u>2,778,778</u>	<u>6,403,348</u>	<u>7,542,415</u>	<u>1,780,617</u>	<u>3,972,757</u>	<u>22,477,915</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,749,505</u>	<u>(778,744)</u>	<u>(28,053)</u>	<u>(328,590)</u>	<u>436,574</u>	<u>1,050,692</u>
Other Financing Sources (Uses)						
Sale of Capital Assets		30,000				30,000
Transfers In	76,877		36,000			112,877
Transfers Out					(112,877)	(112,877)
<i>Total Other Financing Sources (Uses)</i>	<u>76,877</u>	<u>30,000</u>	<u>36,000</u>	<u>0</u>	<u>(112,877)</u>	<u>30,000</u>
<i>Net Change in Fund Balances</i>	<u>1,826,382</u>	<u>(748,744)</u>	<u>7,947</u>	<u>(328,590)</u>	<u>323,697</u>	<u>1,080,692</u>
<i>Fund Balances Beginning of Year (See Note 3)</i>	<u>5,048,142</u>	<u>5,020,975</u>	<u>2,549,560</u>	<u>5,173,928</u>	<u>4,671,903</u>	<u>22,464,508</u>
<i>Fund Balances End of Year</i>	<u>\$6,874,524</u>	<u>\$4,272,231</u>	<u>\$2,557,507</u>	<u>\$4,845,338</u>	<u>\$4,995,600</u>	<u>\$23,545,200</u>

Net Change in Fund Balances Governmental Funds \$1,080,692

Internal Service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements). 207,800

Change in net position of \$1,288,492

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$736,840	\$736,840	\$861,320	\$124,480
Charges for Services	391,088	391,088	487,940	96,852
Licenses, Permits and Fees	134,345	134,345	332,131	197,786
Fines and Forfeitures	31,400	31,400	28,466	(2,934)
Intergovernmental	479,193	479,193	2,327,571	1,848,378
Interest	177,000	177,000	153,018	(23,982)
Other	109,493	109,493	337,837	228,344
<i>Total Receipts</i>	<u>2,059,359</u>	<u>2,059,359</u>	<u>4,528,283</u>	<u>2,468,924</u>
Disbursements				
Current:				
General Government	3,077,014	3,061,174	1,900,902	1,160,272
Public Safety	300,000	300,000	31,458	268,542
Public Works	176,973	177,473	21,601	155,872
Health	370,000	369,842	361,566	8,276
Conservation-Recreation	767,042	664,351	558,156	106,195
Capital Outlay	41,528	33,798	26,822	6,976
<i>Total Disbursements</i>	<u>4,732,557</u>	<u>4,606,638</u>	<u>2,900,505</u>	<u>1,706,133</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(2,673,198)</u>	<u>(2,547,279)</u>	<u>1,627,778</u>	<u>4,175,057</u>
Other Financing Sources (Uses)				
Transfers In (Out)	76,877	76,877	76,877	0
<i>Net Change in Fund Balance</i>	(2,596,321)	(2,470,402)	1,704,655	4,175,057
<i>Unencumbered Fund Balance Beginning of Year (See Note 3)</i>	4,948,431	4,948,431	4,948,431	0
Prior Year Encumbrances Appropriated	99,711	99,711	99,711	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$2,451,821</u>	<u>\$2,577,740</u>	<u>\$6,752,797</u>	<u>\$4,175,057</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police District Fund
For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$5,000,435	\$5,000,435	\$4,845,593	(\$154,842)
Charges for Services	6,000	6,000	35,445	29,445
Fines and Forfeitures	4,400	4,400	2,610	(1,790)
Intergovernmental	652,231	652,231	666,660	14,429
Other	27,643	27,643	74,296	46,653
<i>Total Receipts</i>	<u>5,690,709</u>	<u>5,690,709</u>	<u>5,624,604</u>	<u>(66,105)</u>
Disbursements				
Current:				
Public Safety	7,181,274	7,176,679	6,224,722	951,957
Capital Outlay	363,200	257,795	207,303	50,492
<i>Total Disbursements</i>	<u>7,544,474</u>	<u>7,434,474</u>	<u>6,432,025</u>	<u>1,002,449</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(1,853,765)</u>	<u>(1,743,765)</u>	<u>(807,421)</u>	<u>936,344</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	8,800	8,800	30,000	21,200
<i>Net Change in Fund Balance</i>	<u>(1,844,965)</u>	<u>(1,734,965)</u>	<u>(777,421)</u>	<u>957,544</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	4,953,314	4,953,314	4,953,314	0
Prior Year Encumbrances Appropriated	67,661	67,661	67,661	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$3,176,010</u>	<u>\$3,286,010</u>	<u>\$4,243,554</u>	<u>\$957,544</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire District Fund
For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$6,738,845	\$6,738,845	\$6,541,945	(\$196,900)
Charges for Services	11,152	11,152	11,631	479
Licenses, Permits and Fees	3,000	3,000	3,172	172
Intergovernmental	867,346	867,346	875,532	8,186
Other	3,000	3,000	82,082	79,082
<i>Total Receipts</i>	<u>7,623,343</u>	<u>7,623,343</u>	<u>7,514,362</u>	<u>(108,981)</u>
Disbursements				
Current:				
Public Safety	7,811,515	7,822,015	7,362,908	459,107
Capital Outlay	699,926	689,426	629,798	59,628
<i>Total Disbursements</i>	<u>8,511,441</u>	<u>8,511,441</u>	<u>7,992,706</u>	<u>518,735</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(888,098)</u>	<u>(888,098)</u>	<u>(478,344)</u>	<u>409,754</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	5,000	5,000	0	(5,000)
Transfers In (Out)	36,000	36,000	36,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>41,000</u>	<u>41,000</u>	<u>36,000</u>	<u>(5,000)</u>
<i>Net Change in Fund Balance</i>	(847,098)	(847,098)	(442,344)	404,754
<i>Unencumbered Fund Balance Beginning of Year</i>	2,530,173	2,530,173	2,530,173	0
Prior Year Encumbrances Appropriated	19,387	19,387	19,387	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$1,702,462</u>	<u>\$1,702,462</u>	<u>\$2,107,216</u>	<u>\$404,754</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road Levy Fund
For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$1,063,557	\$1,063,557	\$1,056,633	(\$6,924)
Charges for Services	63,000	63,000	259,079	196,079
Intergovernmental	147,109	147,109	136,315	(10,794)
<i>Total Receipts</i>	<u>1,273,666</u>	<u>1,273,666</u>	<u>1,452,027</u>	<u>178,361</u>
Disbursements				
Current:				
Public Works	1,686,072	1,686,072	1,136,968	549,104
Capital Outlay	4,239,674	4,239,674	949,251	3,290,423
<i>Total Disbursements</i>	<u>5,925,746</u>	<u>5,925,746</u>	<u>2,086,219</u>	<u>3,839,527</u>
<i>Net Change in Fund Balance</i>	<u>(4,652,080)</u>	<u>(4,652,080)</u>	<u>(634,192)</u>	<u>4,017,888</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	4,246,396	4,246,396	4,246,396	0
Prior Year Encumbrances Appropriated	927,532	927,532	927,532	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$521,848</u>	<u>\$521,848</u>	<u>\$4,539,736</u>	<u>\$4,017,888</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Fund Net Position - Cash Basis
Internal Service Fund
December 31, 2013*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$889,201</u>
Net Position	
Restricted	<u>\$889,201</u>
<i>Total Net Position</i>	<u>\$889,201</u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County, Ohio**

*Statement of Cash Receipts, Disbursements and Changes in Fund Net Position
Cash Basis
Internal Service Fund
For the Year Ended December 31, 2013*

	<u>Governmental Activities Internal Service</u>
Operating Receipts	
Charges for Services	<u>\$2,664,500</u>
Operating Disbursements	
Administrative Fees	340,816
Claims	<u>2,115,884</u>
<i>Total Operating Disbursements</i>	<u>2,456,700</u>
<i>Change in Net Position</i>	207,800
<i>Net Position Beginning of Year</i>	<u>681,401</u>
<i>Net Position End of Year</i>	<u><u>\$889,201</u></u>

See accompanying notes to the basic financial statements

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 1 – Reporting Entity

Jackson Township, Stark County, Ohio (the Township), is a body politic and corporate established in 1815 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government and a component unit that was included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, park operations, and fire and police service.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Jackson Township Community Improvement Corporation (CIC) is a not-for-profit corporation created under Chapter 1724 of the Ohio Revised Code. The purpose of the CIC is to advance, encourage and promote industrial, economic, commercial and civic development of the Township. The Township appoints four of the nine CIC Board of Trustee members and presently, a majority of the CIC funding is received from the Township. The CIC is a component unit of the Township, as the Township is financially accountable for the CIC under the criteria of Governmental Accounting Standards Board Statements No. 14, 39 and No. 61. The Township will report the financial status of the Community Improvement Corporation as a discretely presented component unit in its basic financial statements. Separately issued financial statements can be obtained from the CIC, 5735 Wales Avenue NW, Massillon, Ohio 44646.

C. Joint Ventures and Jointly Governed Organizations

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

Joint Venture

The Township participates in the Local Organized Governments in Cooperation (LOGIC), a statutorily created political subdivision of the State formed in 1986 under Chapter 167 of the Ohio Revised Code to provide safety dispatching services. LOGIC is a joint venture among the Township, the City of Massillon,

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 1 – Reporting Entity (Continued)

the City of Canal Fulton, Lawrence Township, and the Village of Hills and Dales, with each participant providing one representative. Each representative has a membership share based on the percentage of contractual financial contributions to the total funding, and each participant is entitled to vote its percentage share. The board has total authority over the operation of LOGIC, including budgeting, appropriating, contracting, and designating management. Continued existence of LOGIC is dependent on the Township's continued participation. LOGIC does not provide specific financial benefits or impose specific financial burdens on the Township. During 2014 and 2013, the Township made contributions of \$647,473 and \$624,123, respectively, but does not have an equity interest in LOGIC. Financial statements of LOGIC may be obtained from Local Organized Governments in Cooperation, 5735 Wales Avenue NW, Massillon, Ohio, 44646.

The Township participates in the Jackson Township – City of Canton Joint Economic Development District (JEDD), which is a statutorily created subdivision of the State. The purpose of the JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the Township and the City. The JEDD is permitted to collect income tax. At the same time, the JEDD prevents annexation of Township property by a city and maintains the Township's property tax base.

Jointly Governed Organizations

The Township participates in the Stark Council of Governments (the SCOG), which is established by its member political subdivisions as a regional council under Chapter 167 of the Ohio Revised Code for the purpose of providing a permanent forum for discussion and study of concerns of the county, cities, villages, and townships for development of policies and programs for implementation by one or more of the local governing bodies. The SCOG operates under the direction of a nine member Executive Committee, which is elected by the General Membership of the SCOG. The General Membership consists of one representative designated by each political subdivision. The SCOG's current functions include but are not limited to the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. Continued existence of the Council is not dependent on the Township's continued participation. The Council does not provide specific financial benefits or impose specific financial burdens on the Township. The Township did not make any contributions during the year and does not have an equity interest in the council. Financial statements of the Council can be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio, 44701-1451.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements. The statements usually distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business-type activities.

The statement of net position presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into three categories, governmental, proprietary, and fiduciary.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township has the following major governmental funds:

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

General Fund – This fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Road & Bridge Fund (Major fund in 2014 only) – This fund receives tax levy money for the purpose of providing and maintaining roads, ditches, and bridges, related apparatus, appliances, buildings, and the payment of highway laborers.

Police District Fund – This fund receives tax levy money for the purpose of providing and maintaining police apparatus, equipment, and payment of police officers.

Fire District Fund – This fund receives tax levy money for the purpose of providing and maintaining fire apparatus, appliances, buildings, sources of water supply and materials, and the payment of firefighters/paramedics and to provide ambulance or emergency medical services.

Road Levy Fund – This fund receives tax levy money for the purpose of construction and/or performance of engineering services for various road improvement projects.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

The Township classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service. The Township has no enterprise funds. Internal service funds account for services provided by one department of the Township to another on a cost-reimbursement basis.

Internal Service Fund - The Township's internal service fund accounts for a self-insurance program for employee health, vision, prescription drug and dental benefits.

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's agency funds account for insurance proceeds to be held until required repairs to damaged property are made and approved by the Township.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternate tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The alternate tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriation resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the personal services and other object level within each department for the General Fund and at the personal services and other object level for all other funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2014 and 2013, the Township invested in Federal Farm Credit Bank Notes, Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, STAR Ohio, commercial paper and a money market fund.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

Interest earnings are allocated to Township funds according to State statutes or grant requirements. Interest receipts credited to the General Fund during 2014 was \$128,621 which includes \$100,202 assigned from other Township funds. Interest receipts credited to the General Fund during 2013 was \$153,018 which includes \$122,716 assigned from other Township funds.

F. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

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

H. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. The Township General Fund advanced \$377,757 to the Park Fund in 2013 when the Park Fund was reported as part of the General Fund. In 2014, the Park Fund repaid the full amount of \$377,757 to the General Fund.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits. Beyond annual contributions, pensions are the liability of the State or Federal Programs and are not liabilities of Jackson Township.

K. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for fire, police, and highway services.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as 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.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not 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.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

M. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Restatement/Presentation of Fund Balances

To better align with GASB Statement No. 54, in 2013 the Township reclassified the Accumulated Benefits Fund from Other Governmental Funds to the General Fund. The reclassification had the following effect on fund balances as previously reported on the *Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances*:

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 3 – Restatement/Presentation of Fund Balances (Continued)

	General	Other Governmental Funds	Total
Fund Balance at December 31, 2012	\$ 3,105,151	\$ 6,614,894	\$ 9,720,045
GASB 54 Change in Fund Structure	1,942,991	(1,942,991)	-
Adjusted Fund Balance at December 31, 2012	\$ 5,048,142	\$ 4,671,903	\$ 9,720,045

The reclassification had the following effect on fund balances as previously reported on the *Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balance-Budget and Actual-Budget Basis*:

	General
Fund Balance at December 31, 2012	\$ 3,005,439
GASB 54 Change in Fund Structure	(1,942,992)
Adjusted Fund Balance at December 31, 2012	\$4,948,431

In addition, to better align with GASB Statement No. 54, in 2014 the Township reclassified the Park Fund from the General Fund to the Other Governmental Funds due to the passage of the park levy in 2013 and the full year of collection in 2014 which became the new revenue source. In addition, the Road & Bridge Fund became a Major Fund during 2014 due to the activity within the fund and was reclassified from the Other Governmental Funds to the Road & Bridge Fund. The reclassification had the following effect on fund balances as previously reported on the *Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances*:

	General	Road & Bridge	Other Governmental Funds
Fund Balance at December 31, 2013	\$ 6,874,524	\$0	\$ 4,995,600
Road & Bridge Fund Major Fund		1,845,363	(1,845,363)
GASB 54 Change in Fund Structure	(195,024)		195,024
Adjusted Fund Balance at December 31, 2013	\$6,679,500	1,845,363	\$ 3,345,261

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 3 – Restatement/Presentation of Fund Balances (Continued)

The reclassification had the following effect on fund balances as previously reported on the *Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balance-Budget and Actual-Budget Basis*:

	General
Fund Balance at December 31, 2013	\$ 6,752,797
GASB 54 Change in Fund Structure	(161,889)
Adjusted Fund Balance at December 31, 2013	\$6,590,908

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Road and Bridge Fund (2014 only), Police District Fund, Fire District Fund, and Road Levy Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) were as follows:

	2014 Year-End Encumbrances	2013 Year-End Encumbrances
General Fund	\$73,224	\$88,592
Road & Bridge Fund	13,296	
Police District Fund	56,046	28,677
Fire District Fund	21,371	450,291
Road Levy Fund	387,150	305,602

Note 5 – Deposits and Investments

State statutes classify monies held by the Township into three categories.

Active deposits are public deposits necessary to meet current demands on the Township treasury. Such monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Township has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 5 – Deposits and Investments (Continued)

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

The Township's policy for custodial risk contains the requirements of the Ohio Revised Code. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. On December 31, 2014,

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 5 – Deposits and Investments (Continued)

\$658,319 of the Township’s bank balance of \$908,319 and on December 31, 2013, \$731,733 of the Township’s bank balance of \$981,733 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent in a pool of eligible securities, but not in the Township’s name. The amount covered by the Federal Deposit Insurance Corporation on December 31, 2014 and December 31, 2013, was \$250,000.

Investments

All investments are an internal investment pool. As of December 31, 2014, the Township had the following investments:

<u>Investment Type</u>	Carrying Value	<u>Investment Maturities</u>				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Federal Farm Credit Bank Notes	\$3,545,101	\$499,450	\$499,205	\$0	\$800,000	\$1,746,446
Federal Home Loan Bank Notes	4,586,381	496,760	0	1,047,293	249,500	2,792,828
Fed Home Loan Mortgage Corp. Notes	5,809,604	0	500,000	0	499,900	4,809,704
Federal Nat’l Mortgage Assoc. Notes	6,234,987	0	0	1,499,700	0	4,735,287
Money Market	42,542	42,542	0	0	0	0
STAR Ohio	2,924,328	2,924,328	0	0	0	0
Total Investments	\$23,142,943	\$3,963,080	\$999,205	\$2,546,993	\$1,549,400	\$14,084,265

All investments are an internal investment pool. As of December 31, 2013, the Township had the following investments:

<u>Investment Type</u>	Carrying Value	<u>Investment Maturities</u>				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Federal Farm Credit Bank Notes	\$5,471,787	\$0	\$1,424,752	\$749,345	\$1,498,440	\$1,799,250
Federal Home Loan Bank Notes	1,793,553	0	0	496,760	0	1,296,793
Fed Home Loan Mortgage Corp. Notes	5,243,890	0	0	498,875	999,950	3,745,065
Federal Nat’l Mortgage Assoc. Notes	6,746,560	499,185	499,575	499,575	0	5,248,225
Commercial Paper – GE Capital Corp.	499,550	499,550	0	0	0	0
Money Market	362,517	362,517	0	0	0	0
STAR Ohio	3,377,500	3,377,500	0	0	0	0
Total Investments	\$23,495,357	\$4,738,752	\$1,924,327	\$2,244,555	\$2,498,390	\$12,089,333

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township’s investment policy addresses interest rate risk by requiring that the Township’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

The Federal Farm Credit Bank Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, and Federal National Mortgage Association Notes carry a AA+ rating by Standard and Poor’s and Aaa by Moody’s. The Money Market Fund is comprised of primarily U.S. Treasury and federal agency securities. Both the Money Market Fund (GOIXX) and STAR Ohio carry the AAAM rating from

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 5 – Deposits and Investments (Continued)

Standard and Poor's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Farm Credit Bank Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, and Federal National Mortgage Association Notes are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Township's name. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of Credit Risk The Township's investment policy places no limit on the amount it may invest in any one issuer. The following is the Township's allocation as of December 31, 2014:

<u>Investment Type</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank Notes	15.32 %
Federal Home Loan Bank Notes	19.82
Federal Home Loan Mortgage Corporation Notes	25.10
Federal National Mortgage Association Notes	26.94
Money Market	0.18
STAR Ohio	12.64
Total	<u>100.00 %</u>

Note 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reevaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 6 – Property Taxes (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including Jackson Township. The County Auditor periodically remits to the Township its portion of the taxes collected. The full tax rate for all Township operations for the year ended December 31, 2014, was \$16.50 per \$1,000 of assessed value and \$15.50 per \$1,000 of assessed value for the year ended December 31, 2013. The assessed values of real property and public utility tangible property upon which 2014 and 2013 property tax receipts were based are as follows:

	<u>2014</u>	<u>2013</u>
<i><u>Real Property</u></i>		
Residential & Agriculture	\$ 858,966,100	\$ 847,634,620
Other	340,055,960	322,193,270
<i><u>Public Utility Personal Property</u></i>	<u>46,157,020</u>	<u>43,531,450</u>
Total Assessed Value	<u>\$ 1,245,179,080</u>	<u>\$ 1,213,359,340</u>

Note 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.

A. Property and Casualty Coverage

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 or Management), 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 judgements, 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, 2013, 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, 2013 and 2014 (the latest information available):

	<u>2013</u>	<u>2014</u>
Assets	\$34,954,286	\$35,970,263
Liabilities	<u>8,486,363</u>	<u>8,912,432</u>
Net Position	<u>\$26,467,923</u>	<u>\$27,057,831</u>

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 7 – Risk Management (Continued)

At December 31, 2013 and 2014, respectively, the liabilities above include approximately \$7.9 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.2 million of unpaid claims to be billed to approximately 957 member governments in the future, as of December 31, 2013 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, 2014, the Township's share of these unpaid claims collectible in future years is approximately \$99,000.

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.

Township Contributions to OTARMA:

2012	\$178,382
2013	182,760
2014	190,468

After one year of membership, a member may withdraw on each 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.

B. Workers' Compensation

For fiscal years 2014 and 2013, the Township participated in the Ohio Township Association Workers' Compensation Group-Retrospective-Rating Program. Employers pay experience- or base-rated premiums under the same terms as if they were not in a retro group. The total premium for the entire group is the standard premium of the group. The standard premium serves as the benchmark that is adjusted up and down retroactively.

The group retrospective premium is recalculated 12 months after the end of the policy year, based on developed incurred claim losses, including reserves, for the whole group during the original policy year. The new premium is compared to the standard premium and if the retrospective premium is lower than the standard premium, a refund is distributed to employers in the group. If the retrospective premium is higher, then each employer in the group is charged an assessment. The premium is recalculated again at 24 and 36 months and refunds are issued or assessments are charged based on the percentage of total group standard premium paid by an employer. A maximum premium ratio (MPR) is applied to all retro groups, which caps the amount of additional premium a retro group could pay for the policy year.

The group sponsor chooses the maximum premium ratio for the retro group. A higher MPR would be eligible for higher refunds. The higher potential return is offset by the possibility of a greater assessment.

The firm of Avizent/Frank Gates Service Company provides administrative, cost control and actuarial services to the Township.

C. Employee Medical Benefits

The Township is partially self insured for employee health insurance. The Self Insurance Fund pays

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 7 – Risk Management (Continued)

covered claims to the Third Party Administrators (TPA) and recovers these costs from charges to other funds based on an actuarial method or historical cost information and adjusted over a reasonable period of time so the internal service fund receipts and disbursements are approximately equal. Employees enrolled in the plan are required to remit, through payroll deduction, 50 percent of the excess monthly amount over an annually agreed upon base amount, up to an established cap. A comparison of Self Insurance Fund cash and investments to the actuarially-measured liability as of December 31 follows:

	<u>2014</u>	<u>2013</u>
Cash and investments	\$727,403	\$889,201
Actuarial liabilities	\$299,432	\$285,871

Note 8 – Pension Plans

A. Ohio Public Employees Retirement System

All Township employees, other than Firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

1. **The Traditional Pension Plan** - a cost-sharing, multiple-employer defined benefit pension plan.
2. **The Member-Directed Plan** - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.
3. **The Combined Plan** - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <http://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014 and 2013, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety officers participate in only the Traditional Pension Plan.

The 2014 and 2013 member contribution rates were 10.00% of earnable salary for members in state and local classifications. In 2014, public safety and law enforcement members contributed 12.00% and 13.00% respectively and, in 2013, 12.00% and 12.60% respectively.

The 2014 and 2013 employer contribution rate for state and local employers was 14.00% of earnable salary. The law enforcement and public safety division employer contribution rate was 18.10% of

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 8 – Pension Plans (Continued)

earnable salary.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013, and 2012 were \$844,487, \$849,191, and \$888,585 respectively. The Township has paid all contributions required through December 31, 2014.

B. Ohio Police and Fire Pension Fund

Only full-time Township Firefighters are members of the Ohio Police and Fire Pension Fund (OP&F). The Township contributes to the OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

Plan members were required by Ohio Revised Code to contribute a percentage of their annual covered salary as follows:

1/1/13 – 7/1/13	10.00%
7/2/13 – 7/1/14	10.75%
7/2/14 – 12/31/14	11.50%

The Township was required to contribute 24% of the full-time firefighters' annual covered salary. The Township's contributions to OP&F for the years ending December 31, 2014, 2013, and 2012 were \$1,040,531, \$1,050,336 and \$1,086,479, respectively. The Township has paid all contributions required through December 31, 2014.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 9 - Postemployment Benefits (Continued)

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 432125-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2014 and 2013, state and local employers contributed at a rate of 14.00% of earnable salary, and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care.

The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2014 and 1.0% during calendar year 2013. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2.0% for both plans, as recommended by OPERS' Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's actual contributions that were used to fund post employment benefits were approximately \$105,162, \$52,262, and \$220,452 for 2014, 2013 and 2012, respectively. The Township has paid all contributions required through December 31, 2014.

OPERS Board of Trustees Adopt Changes to the Health Care Plan. Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0% of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

Plan Description. Jackson Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 9 - Postemployment Benefits (Continued)

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

Funding policy. The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24% percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was a percentage of covered payroll, as follows:

1/1/13 – 5/31/13	4.69%
6/1/13 – 12/31/13	2.85%
1/1/14 – 12/31/14	.50%

The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Jackson Township's contributions to OP&F for the years ending December 31, 2014, 2013, and 2012 were \$1,040,531, \$1,050,336 and \$1,086,479, respectively, of which \$21,851, \$156,933 and \$305,301 respectively, was allocated to the healthcare plan. The Township has paid all contributions required through December 31, 2014.

Note 10 – Interfund Transfers

During 2014 the following transfers were made:

	Transfers Out	Transfers In General Fund
Road & Bridge Fund	\$20,000	\$20,000
Other Governmental Funds	54,016	54,016
	\$74,016	\$74,016

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 10 – Interfund Transfers (Continued)

During 2013 the following transfers were made:

	Transfers Out	Transfer In		Total
		General Fund	Fire District Fund	
Other Governmental Funds	\$112,877	\$76,877	\$36,000	\$112,877
	\$112,877	\$76,877	\$36,000	\$112,877

Interfund transfers represent transfers to or from reserve balance accounts established in accordance with Chapter 5705.13 of the Ohio Revised Code.

Note 11 – Tax Increment Financing District (TIF)

The Township, pursuant to the Ohio Revised Code, has established a TIF. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as “payments in lieu of taxes (PILOT)”, as though the TIF had not been established. These “PILOTS” are then dedicated to the payments for various public improvements within or adjacent to the TIF area. Property values existing before commencement date of a TIF continue to be subjected to property taxes. PILOT revenue was \$160,158 and \$160,267 in 2014 and 2013 respectively. The TIF has a longevity of 30 years. The property tax exemption then ceases; PILOT’s cease and property taxes then apply to the increased property values.

Note 12 – Stabilization Fund Balances

A stabilization arrangement within the General fund as authorized under O.R.C. 5705.132 was established by Township resolution #14-104 on December 18, 2014. The Township Board of Trustees approves additions to the funds as needed. The funds are used to accumulate currently available resources for the cost of future employees’ salaries, benefits and other related costs. The fund balance is \$1,038,300 as of December 31, 2014.

Stabilization arrangements within the Fire District fund as authorized under O.R.C. 5705.13(A)(1) and 5705.132 were established, amended, or rescinded by Township resolutions #14-097 and #14-098 on December 9, 2014 and #11-144 on December 12, 2011. The Township Board of Trustees approves additions to the funds as needed. The funds are used to stabilize budgets against cyclical changes in revenues and expenditures and to accumulate currently available resources for the cost of future employees’ salaries, benefits and other related costs. The fund balances are \$330,754 as of December 31, 2014 and \$716,878 as of December 31, 2013.

Stabilization arrangements within the Police District fund as authorized under O.R.C. 5705.13(A)(1) and 5705.132 were established or amended by Township resolutions #14-099 on December 9, 2014 and #13-092 on December 10, 2013. The Township Board of Trustees approves additions to the funds as needed. The funds are used to stabilize budgets against cyclical changes in revenues and expenditures and to accumulate currently available resources for the cost of future employees’ salaries, benefits and other related costs. The fund balances are \$1,236,800 as of December 31, 2014 and \$1,442,537 as of December 31, 2013.

Note 13 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor.

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 13 – Contingent Liabilities (Continued)

Grantors 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.

Management believes there are no pending claims or lawsuits.

Note 14 - Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

For the Year Ended December 31, 2014		Road and Bridge Fund	Police District	Fire District	Road Levy	Other Governmental Funds	Total
Fund Balances	General						
Restricted for:							
Road and Bridge Maint. and Improvement	\$ -	\$ 1,532,546	\$ -	\$ -	\$ 576,685	\$ 1,429,052	\$ 3,538,283
Police Operations	-	-	1,089,551	-	-	304,173	1,393,724
Fire Operations	-	-	-	852,694	-	-	852,694
Emergency Medical Services	-	-	-	-	-	454,461	454,461
Parks and Recreation	-	-	-	-	-	253,818	253,818
Street Lighting	-	-	-	-	-	89,405	89,405
Capital Improvements	-	-	1,581,618	769,345	3,764,427	-	6,115,390
Budget Stabilization	-	-	1,236,800	330,754	-	-	1,567,554
<i>Total Restricted</i>	-	1,532,546	3,907,969	1,952,793	4,341,112	2,530,909	14,265,329
Committed to:							
Accumulated Benefits	1,959,238	-	-	-	-	-	1,959,238
<i>Total Committed</i>	1,959,238	-	-	-	-	-	1,959,238
Assigned to:							
Encumbrances	73,224	-	-	-	-	-	73,224
Future Appropriations	941,085	-	-	-	-	-	941,085
Capital Improvements	-	-	-	-	-	1,275,960	1,275,960
<i>Total Assigned</i>	1,014,309	-	-	-	-	1,275,960	2,290,269
Unassigned	4,726,628	-	-	-	-	-	4,726,628
<i>Total Fund Cash Balances</i>	\$ 7,700,175	\$ 1,532,546	\$ 3,907,969	\$ 1,952,793	\$ 4,341,112	\$ 3,806,869	\$ 23,241,464

**Jackson Township
Stark County**

Notes to the Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 14 - Fund Balance (Continued)

For the Year Ended December 31, 2013

Fund Balances	General	Police District	Fire District	Road Levy	Other Governmental Funds	Total
Restricted for:						
Road and Bridge Maint. and Improvement	\$ -	\$ -	\$ -	\$ 654,461	\$ 2,866,025	\$ 3,520,486
Police Operations	-	1,248,076	-	-	336,179	1,584,255
Fire Operations	-	-	651,274	-	-	651,274
Emergency Medical Services	-	-	-	-	420,655	420,655
Street Lighting	-	-	-	-	96,780	96,780
Capital Improvements	-	1,581,618	1,189,355	4,190,877	-	6,961,850
Budget Stabilization	-	1,442,537	716,878	-	-	2,159,415
<i>Total Restricted</i>	-	4,272,231	2,557,507	4,845,338	3,719,639	15,394,715
Committed to:						
Accumulated Benefits	1,932,524	-	-	-	-	1,932,524
<i>Total Committed</i>	1,932,524	-	-	-	-	1,932,524
Assigned to:						
Encumbrances	121,727	-	-	-	-	121,727
Future Appropriations	333,908	-	-	-	-	333,908
Capital Improvements	-	-	-	-	1,275,961	1,275,961
<i>Total Assigned</i>	455,635	-	-	-	1,275,961	1,731,596
Unassigned	4,486,365	-	-	-	-	4,486,365
<i>Total Fund Cash Balances</i>	<u>\$ 6,874,524</u>	<u>\$ 4,272,231</u>	<u>\$ 2,557,507</u>	<u>\$ 4,845,338</u>	<u>\$ 4,995,600</u>	<u>\$ 23,545,200</u>

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Dave Yost • Auditor of State

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

Jackson Township
Stark County
5735 Wales Avenue NW
Massillon, Ohio 44646

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 governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jackson Township, Stark County, Ohio (the Township) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 31, 2015, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the Township reclassified the Accumulated Benefits Fund in 2013 and the Park Fund and Road and Bridge Fund in 2014 to better align with the Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* resulting in restatements.

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 opinion 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 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

August 31, 2015



Dave Yost • Auditor of State

JACKSON TOWNSHIP

STARK 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
SEPTEMBER 22, 2015**