



OHIO AUDITOR OF STATE  
**KEITH FABER**





JACKSON TOWNSHIP  
STARK COUNTY  
DECEMBER 31, 2023

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

### Report on the Audit of the Financial Statements

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Jackson Township, Stark County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2023, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023, or the changes in financial position or, where applicable, cashflows thereof for the year then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Supplementary Information***

Our audit was conducted to opine on the financial statements as a whole.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 30, 2024

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**JACKSON TOWNSHIP  
STARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 1,323,737	\$ 27,525,755	-	\$ 28,849,492
Charges for Services	1,226,628	1,728,155	-	2,954,783
Licenses, Permits and Fees	150,799	67,324	-	218,123
Fines and Forfeitures	19,730	25,133	-	44,863
Intergovernmental	1,336,647	3,419,012	269,792	5,025,451
Special Assessments	-	158,117	-	158,117
Earnings on Investments	914,733	20,067	-	934,800
Miscellaneous	179,428	346,540	-	525,968
<i>Total Cash Receipts</i>	<u>5,151,702</u>	<u>33,290,103</u>	<u>269,792</u>	<u>38,711,597</u>
<b>Cash Disbursements</b>				
Current:				
General Government	3,704,967	321,130	-	4,026,097
Public Safety	7,300	20,741,922	-	20,749,222
Public Works	20,232	6,955,025	-	6,975,257
Health	381,599	-	-	381,599
Economic Development	98,542	-	-	98,542
Conservation-Recreation	-	1,475,270	-	1,475,270
Capital Outlay	39,011	6,347,899	669,919	7,056,829
<i>Total Cash Disbursements</i>	<u>4,251,651</u>	<u>35,841,246</u>	<u>669,919</u>	<u>40,762,816</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>900,051</u>	<u>(2,551,143)</u>	<u>(400,127)</u>	<u>(2,051,219)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	71	100,872	-	100,943
Transfers In	400,000	1,844,086	272,966	2,517,052
Transfers Out	(467,052)	(2,050,000)	-	(2,517,052)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(66,981)</u>	<u>(105,042)</u>	<u>272,966</u>	<u>100,943</u>
<i>Net Change in Fund Cash Balances</i>	833,070	(2,656,185)	(127,161)	(1,950,276)
<i>Fund Cash Balances, January 1</i>	<u>7,707,114</u>	<u>31,362,362</u>	<u>1,341,212</u>	<u>40,410,688</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 8,540,184</u>	<u>\$ 28,706,177</u>	<u>\$ 1,214,051</u>	<u>\$ 38,460,412</u>

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

**JACKSON TOWNSHIP  
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (REGULATORY CASH BASIS)  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Proprietary Fund Type
	Internal Service
<b>Operating Cash Receipts</b>	
Charges for Services	\$219,937
Other	76
	<u>220,013</u>
<i>Total Operating Cash Receipts</i>	<u>220,013</u>
<b>Operating Cash Disbursements</b>	
Salaries	289,553
Employee Fringe Benefits	43,733
Other	15,057
	<u>348,343</u>
<i>Total Operating Cash Disbursements</i>	<u>348,343</u>
<i>Operating Income (Loss)</i>	<u>(128,330)</u>
 <i>Net Change in Fund Cash Balances</i>	 (128,330)
 <i>Fund Cash Balances, January 1</i>	 <u>181,064</u>
 <i>Fund Cash Balances, December 31</i>	 <u><u>\$52,734</u></u>

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

**JACKSON TOWNSHIP  
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE (REGULATORY CASH BASIS)  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Fiduciary Fund Type
	Other Custodial
<b>Additions</b>	
Deposits Received	\$ 382,438
Earnings on Investments	6,336
<i>Total Additions</i>	<i>388,774</i>
<b>Deductions</b>	
Distribution of Deposits	38,576
<i>Total Deductions</i>	<i>38,576</i>
<i>Net Change in Fund Cash Balances</i>	350,198
<i>Fund Cash Balances, January 1</i>	<i>30,214</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 380,412</i>

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

**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Jackson Township, Stark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, police and fire protection and emergency medical services, park and recreation and zoning services. On November 5, 1991, voters approved adoption of the “limited home rule” form of government as authorized by Chapter 504 of the revised code.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Component Unit***

The Township participates in joint ventures, jointly governed organizations, a public entity risk pool and is associated with a Component Unit. Notes 11, 12, 13, and 14 to the financial statements provide additional information for these entities. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

***Fire Levy Fund*** The fire levy fund accounts for and reports proceeds from property taxes restricted for fire department and life squad protection and emergency services.

***Police District Fund*** The police district fund accounts for and reports proceeds from property taxes restricted for police department operations and protection services.

***Road and Bridge Fund*** The road and bridge fund accounts for and reports all disbursements committed to roads, including improvements, paving, snow removal, salt/sand, gravel, blacktop, maintenance, payroll, supplies, purchases, fuel, vehicle equipment and maintenance.

**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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***Park Fund*** The park fund accounts for and reports proceeds from property taxes restricted for park department operations and recreational services.

***Local Fiscal Recovery Fund*** The local fiscal recovery fund accounts for and reports proceeds from the American Rescue Plan Act of 2021 restricted for certain expenditures related to the continued impact of COVID-19 on the economy, public health and local governments.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

***General Capital Fund*** The Township uses this fund to save resources for future capital outlays and to make necessary capital improvements with transfers from the General Fund.

***Internal Service Fund*** This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

***Public Works Department Fund*** The Public Works Department fund accounts for the cost to provide management and support services to the Park, Highway and Central Maintenance divisions.

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for fire loss insurance proceeds.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

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

**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, department or personal services level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

A summary of 2023 budgetary activity appears in Note 3.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Treasury Notes and municipal bonds at cost. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

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

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Leases and SBITAs***

The Township is the lessor/lessee in various leases (as defined by GASB 87) related to buildings, land, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

The Township has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription disbursements are recognized when they are paid.

**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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***Settlement Monies***

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$53,185 are reflected as miscellaneous revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

***Fund Balance***

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

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 16.

**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,173,587	\$5,551,773	\$378,186
Special Revenue	40,534,473	35,235,061	(5,299,412)
Capital Projects	28,500	542,758	514,258
Internal Service	500,000	220,013	(279,987)
Fiduciary	48,800	388,774	339,974
Total	<u>\$46,285,360</u>	<u>\$41,938,379</u>	<u>(\$4,346,981)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,829,534	\$4,838,961	\$2,990,573
Special Revenue	58,469,724	40,115,743	18,353,981
Capital Projects	1,341,212	696,086	645,126
Internal Service	401,000	351,752	49,248
Fiduciary	79,014	46,476	32,538
Total	<u>\$68,120,484</u>	<u>\$46,049,018</u>	<u>\$22,071,466</u>



**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit and investment accounts are as follows:

	2023
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$311,324
Certificates of deposit	3,616,201
Total deposits	3,927,525
Federal Government Agency Securities	19,810,601
Money Market	475,945
U.S. Treasury Notes	12,784,642
Municipal Bonds	1,215,000
STAR Ohio	679,845
Total investments	34,966,033
Total deposits and investments	\$38,893,558

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

At year end, the Township had \$425 in petty cash and \$300 in change funds that are not deposited.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

The Federal Reserve holds the Township’s U.S. Treasury Notes in book-entry form, in the name of the Township’s financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead

**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

**Note 6 – Risk Management**

***Workers’ Compensation***

Workers’ Compensation coverage is provided by the State of Ohio. The Township pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity’s) policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2022 (the latest information available):

Cash and investments	\$32,288,098
Actuarial liabilities	9,146,434

***Stark County School Council of Governments Health Benefit Plan:***

The Township is a member of the Stark County Schools Council of Governments Health Benefit Plan (Council). The Council is a shared risk pool created pursuant to State statute for the purpose of carrying out a cooperative program for the provision and administration of health care benefits for member employees and to promote other cooperative programs. The Council Assembly is the legislative decision making body of the Council and is comprised of the superintendent or executive officer from each member. The Board of Directors is the advisory body of the Council and is comprised of five individuals, including the Superintendent of the Stark County Educational Service Center, who serves as Chairman. All Council revenues are generated from charges for services received from the participating members, based on the established premiums for the insurance plans. The Council Agreement can be terminated by a two-thirds vote of the participating members. Upon such termination, the net reserve balance will be transferred to

**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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the members in proportion to their fiscal year premium deposits divided by the total deposits of all members.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. OPERS members in law enforcement contributed 13 percent of their gross salaries and the Township contributed an amount equaling 18.1 percent of full-time police members' gross salaries. The Township has paid all contributions required through December 31, 2023.

***Ohio Police and Fire Retirement System***

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2023.

***Social Security***

Several Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent;

**Jackson Township**  
*Stark County*  
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however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

**Note 9 – Construction and Contractual Commitments**

<u>Company</u>	<u>Project</u>	<u>Amount Remaining on Contract</u>
AVI,SPL, LLC	Amphitheater Video Wall	\$194,900
Beaver Excavating Inc.	Schuring Park Soccer Complex	287,333
Gledhill Road Machinery	Plow Trucks	193,900
Pfund Superior Sales Co.	Ambulance	296,912
United Earthworks, LLC	Keck Park Circle	497,901

**Note 10 – Contingent Liabilities**

The Township is defendant in three lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township’s financial condition.

**Note 11 – Joint Ventures**

*Local Organized Governments in Cooperation*

The Township participates in the Local Organized Governments in Cooperation (L.O.G.I.C.), a statutorily created political subdivision of the State formed in 1986 under Chapter 167 of the Ohio Revised Code to provide safety dispatching services. L.O.G.I.C. is a joint venture among the following entities: Jackson Township, Village of Beach City, Bethlehem Township, Village of Brewster, City of Canal Fulton, Village of Hills and Dales, Lawrence Township, City of Massillon, Village of Navarre, and the Village of Wilmot, 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 L.O.G.I.C., including budgeting, appropriating, contracting, and designating management. Continued existence of L.O.G.I.C. is dependent on the Township’s continued participation. L.O.G.I.C. does not provide specific financial benefits or impose specific financial burdens on the Township. During 2023, the Township made contributions of \$993,360, but does not have an equity interest in L.O.G.I.C. Financial statements of L.O.G.I.C. may be obtained from Local Organized Governments in Cooperation, 5735 Wales Avenue NW, Massillon, Ohio, 44646.

*Joint Economic Development Districts*

The Township participates in six Joint Economic Development Districts (JEDD) with the City of Canton. The JEDDs are located entirely within Jackson Township, Stark County. The purpose of a 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. At the same time, the JEDD prevents annexation of Township property by a city and maintains the Township’s property tax base. The JEDD creates a Board of Directors and is permitted to collect income tax. The proceeds of the JEDDs are used to provide public services such as police and fire protection as well as to provide for improvements

**Jackson Township**  
*Stark County*  
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that benefit the JEDDs. The City of Canton administers and collects income tax for the JEDDs and reports quarterly to the Township.

The District agreements in place during 2023 were as follows:

Jackson-Canton JEDD Timken/Stark State

In 2012, the Township and the City entered into an agreement to create the JEDD at the Wind Research facility at 8252 Frank Avenue. The agreement authorized the levy of a 2% (2.5% effective July 1, 2018) earnings tax for persons employed within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 50% to the Township and 50% to the City through June 30, 2018. Effective July 1, 2018, the distribution is 40% to the Township and 60% to the City because 0.5% of the income tax collected is dedicated to specific purposes by law and shall not be subject to division.

Jackson-Canton JEDD SM-Stolle Machinery

In 2016, the Township and the City entered into an agreement to create the JEDD at the Stolle Machinery Company at 4337 Excel Street, N.W. The agreement authorized the levy of a 2% (2.5% effective July 1, 2018) earnings tax for persons employed within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is an amount equal to 1.0% of the full 2.0% income tax collected from Stolle Machinery within District SM in the first nineteen (19) months shall be refunded to Stolle Machinery on an annual basis, pursuant to the City's Economic Growth Initiative Agreement with Stolle Machinery. The City shall retain 0.5% and pay 0.5% to the Township. Effective July 1, 2018 until December 1, 2026, an amount equal to 1.5% of the full 2.5% income tax collected from Stolle Machinery shall be refunded to Stolle on an annual basis. The City shall retain 0.5% and pay 0.5% to the Township. Effective January 1, 2027, the full income tax revenue shall not be subject to a refund to Stolle Machinery. The City shall retain 1.25% and shall pay the Township 1.25%.

Jackson-Canton JEDD FP-Fitzpatrick

In 2017, the Township and the City entered into an agreement to create the JEDD at Dressler Properties, Inc., land north of BJ's and Home Depot. The agreement authorized the levy of a 2% (2.5% effective July 1, 2018) earnings tax for persons employed within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 50% to the Township and 50% to the City through June 30, 2018. Effective July 1, 2018, the distribution is 40% to the Township and 60% to the City because 0.5% of the income tax collected is dedicated to specific purposes by law and shall not be subject to division.

Jackson-Canton JEDD ComDoc

In 2018, the Township and the City entered into an agreement to create the JEDD at the ComDoc Company on Pittsburg Avenue N.W. The agreement authorized the levy of a 2.5% earnings tax for persons employed and on the net profits of businesses operating within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 1.0% to the Township and 1.5% to the City. For a period of ten (10) years, an amount equal to one half of 1.0% (0.5%) of income tax revenues received by the City shall be refunded to ComDoc. Effective the eleventh (11th) year and thereafter, the full income tax revenue shall not be subject to a refund to ComDoc. The City shall retain 1.5% and shall pay the Township 1.0% because 0.5% of the income tax collected is dedicated to specific purposes by law and shall not be subject to division.

**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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Jackson-Canton JEDD TSG-The Schroer Group

In 2019, the Township and the City entered into an agreement to create the JEDD at The Schroer Group (TSG) Resources, Inc. /Renaissance Enterprise Leasing, Inc. on Keck Park Circle N.W. The agreement authorized the levy of a 2.5% earnings tax for persons employed and on the net profits of businesses operating within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 1.5% to the Township and 1.0% to the City. In 2023, the City paid the Township in full for the expanded infrastructure, pursuant to the Joint Economic Development District 19-001 Tax Agreement. Therefore subsequent distribution of revenue generated from this JEDD, net of operating expenses is 1.0% to the Township and 1.5% to the City. For a period of ten (10) years, an amount equal to one half of 1.0% (0.5%) of income tax revenues received by the City shall be refunded to TSG. Effective the eleventh (11th) year and thereafter, the full income tax revenue shall not be subject to a refund to TSG.

Jackson-Canton JEDD TOC (TIF)-Tam O’Shanter Company

In 2019, the Township and the City entered into an agreement to create the JEDD 19-002 at the Tam O’Shanter Company (TOC). The agreement authorized the levy of a 2.5% earnings tax for persons employed and on the net profits of businesses operating within the JEDD boundaries. The income tax shall be divided with the Township receiving 1.0% of the income and net profits of businesses earned within the District and with the City receiving 1.5% of the income and net profits of businesses earned with the District. In addition, the Township has entered into a ten year Cooperative Agreement that includes tax increment financing. The Township will return 0.25% of the 1% and the City will return 0.75% of its 1.5% to the TIF as part of the Agreement, with both entities receiving a net of 0.75%. For more information on the TIF, see Note 15.

**Total JEDD Income Taxes  
Received by Jackson Township**

2012	\$	1,935
2013		1,699
2014		3,259
2015		-
2016		-
2017		32,703
2018		71,347
2019		91,399
2020		348,363
2021		464,442
2022		527,884
2023		565,595
<b>TOTAL</b>	<b>\$</b>	<b>2,108,626</b>

**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 12 – Jointly Governed Organizations**

*Stark Council of Governments*

The Township participates in the Stark Council of Governments (the “Council”) which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County and its municipalities and townships, which direct the operations of the Stark County Metropolitan Narcotics Unit and S.W.A.T. Unit and the Stark County Crime Laboratory. Of the 27 Board Members, the Township has one appointed member. Each member’s control over the operation of the Council is limited to its representation on the Board. The Board exercises total authority over the operation of the Council including budgeting, appropriation, contracting, and designating management. The Township does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit to or burden on the Township. The Township did not contribute any funds to the Council in 2023. Financial statements of the Council can be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio, 44701-1451.

*Stark County Combined General Health District*

The Township participates in the Stark County Combined General Health District (the “Health District”) which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Louisville, the City of Canal Fulton and the City of North Canton. Of the eight Board Members, the Township has one appointed member. The Board is made up of various professionals who are equally representative of the general health district. The Board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The Township does not have an equity interest in the Health District. The Health District is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit to or burden on the Township. The Township contributed \$381,599 to the Health District in 2023. Complete financial statements can be obtained from the Stark County Combined General Health District, 7235 Whipple Ave. NW, Canton, Ohio 44720.

*Stark County Regional Planning Commission*

The Stark County Regional Planning Commission (SCRPC) is a statutorily created political subdivision of Ohio for the purpose of formulating and renewing plans affecting long and short term social, economic, and governmental development within the region. The Commission is jointly governed among Stark County and other cities, villages and townships. The principal aim of the Commission is to provide comprehensive planning, both long and short term, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. This includes budgeting, appropriating, contracting and designating management. The Township has no financial responsibility for any of the Commission’s liabilities. Complete financial statements can be obtained from the Stark County Regional Planning Commission, 201 3rd Street NE, Suite 201, Canton, Ohio 44702.

**Note 13 – Public Entity Risk Pool**

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA) and the Stark County Schools Council of Governments Health Benefit Plan (Council). Both are risk-sharing pools. For more information on OTARMA and the Council, see Note 6.

**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 14 – Component Unit**

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 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 Statement No. 14. 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. Separately issued financial statements can be obtained from the CIC, 5735 Wales Avenue NW, Massillon, Ohio 44646.

**Note 15 – Tax Increment Financing District**

*Tax Increment Financing District (TIF) ABC TGAB, LLC*

The Township, pursuant to the Ohio Revised Code, 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 as outlined in Exhibit A of the Joint Economic Development District 19-002 Tax Agreement, 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 \$208,386 in 2023. The TIF has a longevity of 10 years, with 2033 being the final year of PILOT collections. The property tax exemptions then ceases; the PILOT will cease and property taxes then apply to the increased property values.

*Tax Increment Financing District (TIF) Sam’s Club*

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 \$112,744 in 2023. The TIF has a longevity of 30 years, with 2033 being the final year of PILOT collections. The property tax exemptions then ceases; the PILOT will cease and property taxes then apply to the increased property values.

**Note 16 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.



**Jackson Township**  
*Stark County*  
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*For the Year Ended December 31, 2023*

At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Internal Service	Fiduciary	Total
Outstanding Encumbrances	\$ 120,258	\$ 2,224,497	\$ 26,167	\$ 3,409	\$ 7,900	\$ 2,382,231

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 17 – Stabilization Fund Balances**

Stabilization arrangements within the General fund as authorized under O.R.C. 5705.13(A)(1) and 5705.132 were established or amended by Township resolutions #15-085 on December 8, 2015 and #22-203 on December 6, 2022. 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 \$1,838,300 as of December 31, 2023.

A stabilization arrangement within the Park fund as authorized under O.R.C. 5705.13(A)(1) was established or amended by Township resolution #23-247 on December 12, 2023. The Township Board of Trustees approves additions to the fund as needed. The fund is used to stabilize budgets against cyclical changes in revenues and expenditures. The fund balance is \$258,788 as of December 31, 2023.

A stabilization arrangement within the Fire Levy fund as authorized under O.R.C. 5705.13(A)(1) was established or amended by Township resolution #23-243 on December 12, 2023. The Township Board of Trustees approves additions to the fund as needed. The fund is used to stabilize budgets against cyclical changes in revenues and expenditures. The fund balance is \$1,683,869 as of December 31, 2023.

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 #17-037 on March 14, 2017 and #23-125 on June 13, 2023. 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 \$2,137,954 as of December 31, 2023.

**Jackson Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

**Note 18 – Transfers**

During 2023 the following transfers were made:

	Transfers From	Transfers To			Total
		General Fund	Special Revenue Fund	Capital Fund	
General Fund	\$ 467,052	\$ -	\$ -	\$ 272,966	\$ 272,966
Special Revenue	2,050,000	400,000	1,844,086	-	2,244,086
	\$ 2,517,052	\$ 400,000	\$ 1,844,086	\$ 272,966	\$ 2,517,052

The above-mentioned transfers were used to move funds into reserve balance accounts established in accordance with Chapter 5705.13 of the Ohio Revised Code. Also, the General Fund transferred JEDD income taxes received in 2023 to the police district capital fund, fire levy capital fund, highway levy capital fund, park levy fund and general capital fund, with each receiving amounts based on the distribution priority set in Resolution 22-080, dated March 8, 2022.

**Note 19 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the State and Local Fiscal Recovery Fund guidelines. The 2023 activity includes expenditures of \$2,953,108 which are reflected as capital outlay expenditures in the applicable Special Revenue Fund on the accompanying financial statements.

**JACKSON TOWNSHIP  
STARK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>FEDERAL GRANTOR Pass Through Grantor Program/Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Passed Through the Federal Emergency Management Agency</i>			
Assistance to Firefighters Grant - Defibrillators	97.044	EMW-2021-FG-05402	\$ 340,478
Assistance to Firefighters Grant - Tanker Truck	97.044	EMW-2021-FG-05407	416,029
Total Assistance to Firefighters Grants			<u>756,507</u>
<b>Total U.S. Department of Homeland Security</b>			<b><u>756,507</u></b>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through Ohio Office of Budget and Management</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	2,953,108
Coronavirus State and Local Fiscal Recovery Funds - Ohio Ambulance Transportation Program	21.027	N/A	20,170
Total Coronavirus State and Local Fiscal Recovery Funds			<u>2,973,278</u>
<b>Total U.S. Department of Treasury</b>			<b><u>2,973,278</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 3,729,785</u></b>

*The accompanying notes are an integral part of this schedule.*

**JACKSON TOWNSHIP  
STARK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Jackson Township (the Township) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position or changes in fund balance of the Township.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The Township has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - MATCHING REQUIREMENTS**

Certain Federal programs require the Township to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Township has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

# OHIO AUDITOR OF STATE KEITH FABER



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## 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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2023 and the related notes to the financial statements of the Jackson Township, Stark County (the Township) and have issued our report thereon dated September 30, 2024, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Township's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Township's response to the finding identified in our audit and described in the accompanying schedule of findings and corrective action plan. The Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 30, 2024

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Trustees:

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Jackson Township's, Stark County, (the Township) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Jackson Township's major federal programs for the year ended December 31, 2023. Jackson Township's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Jackson Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

The Township's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Township's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 30, 2024

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**JACKSON TOWNSHIP  
STARK COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2023**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Adverse under GAAP Unmodified under the regulatory basis
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Coronavirus State and Local Fiscal Recovery Funds – AL #21.027 Assistance to Firefighters Grant – AL #97.044
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**1. Material Weakness - Financial Reporting**

**FINDING NUMBER 2023-001**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following exceptions were noted indicating a deficiency in the design, implementation and maintenance of internal control relevant to preparing and fairly presenting financial statements.

Due to errors in compiling information from the Township's accounting system, Budgetary Activity Footnote (Note 3), Special Revenue Fund - Actual Receipts were overstated by \$3,765,525 and Budgetary Expenditures were overstated by \$2,984,487. The Budgetary Activity Footnote has been corrected for final presentation.

Additional misclassifications were identified; however, they are not material so the Financial Statements were not adjusted to correct for them.

The Township should develop procedures to help ensure receipts and disbursements are accurately captured and reported in the financial statements and related footnotes.

**Official's Response:** See Corrective Action Plan

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None noted.



# Kody Gonzalez

## Jackson Township Fiscal Officer

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## **CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) DECEMBER 31, 2023**

**Finding Number:** 2023-001

**Planned Corrective Action:** Additional steps will be put in place to verify that all transfers have been accurately accounted for when preparing financial statements.

**Anticipated Completion Date:** 09/01/2024

**Responsible Contact Person:** Kody Gonzalez

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# OHIO AUDITOR OF STATE KEITH FABER



**JACKSON TOWNSHIP**

**STARK COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 11/21/2024**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)