



OHIO AUDITOR OF STATE
KEITH FABER



**JACKSON TOWNSHIP
STARK COUNTY
DECEMBER 31, 2020 AND 2019**

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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 Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Jackson Township, Stark County, Ohio (the Township).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Matters

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

The Schedule of Expenditures of Federal Awards (schedule) presents additional analysis 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 and is not a required part of the financial statements.

The schedule is management's responsibility, 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, 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 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2021, 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.



Keith Faber
Auditor of State
Columbus, Ohio

November 23, 2021

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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, 2020**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$869,757	\$23,384,382		\$24,254,139
Charges for Services	735,990	1,709,992		2,445,982
Licenses, Permits and Fees	153,330	2,686		156,016
Fines and Forfeitures	27,804	25,491		53,295
Intergovernmental	922,848	5,299,960	\$ 261,129	6,483,937
Special Assessments		140,394		140,394
Earnings on Investments	510,451	22,291		532,742
Miscellaneous	152,737	1,467,832		1,620,569
<i>Total Cash Receipts</i>	<i>3,372,917</i>	<i>32,053,028</i>	<i>261,129</i>	<i>35,687,074</i>
Cash Disbursements				
Current:				
General Government	2,311,731	1,135,292		3,447,023
Public Safety	173,247	18,297,250		18,470,497
Public Works	67,179	5,014,191		5,081,370
Health	360,189			360,189
Economic Development	201,611			201,611
Conservation-Recreation	165	851,998		852,163
Capital Outlay	731,397	3,372,432	794,037	4,897,866
<i>Total Cash Disbursements</i>	<i>3,845,519</i>	<i>28,671,163</i>	<i>794,037</i>	<i>33,310,719</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(472,602)</i>	<i>3,381,865</i>	<i>(532,908)</i>	<i>2,376,355</i>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets		52,200		52,200
Transfers In	1,343,668	1,019,004	1,246,488	3,609,160
Transfers Out	(1,465,575)	(899,917)	(1,243,668)	(3,609,160)
Advances In	110,292	110,292		220,584
Advances Out	(110,292)	(110,292)		(220,584)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(121,907)</i>	<i>171,287</i>	<i>2,820</i>	<i>52,200</i>
<i>Net Change in Fund Cash Balances</i>	<i>(594,509)</i>	<i>3,553,152</i>	<i>(530,088)</i>	<i>2,428,555</i>
<i>Fund Cash Balances, January 1</i>	<i>8,202,472</i>	<i>19,279,454</i>	<i>1,671,952</i>	<i>29,153,878</i>
<i>Fund Cash Balances, December 31</i>	<i>\$7,607,963</i>	<i>\$22,832,606</i>	<i>\$1,141,864</i>	<i>\$31,582,433</i>

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

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Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 Pool and Component Unit

The Township participates in joint ventures, jointly governed organizations, 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, 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, 2020

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

Coronavirus Relief Fund The coronavirus relief fund accounts for and reports proceeds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act restricted for expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

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.

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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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 2020 budgetary activity appears in Note 3.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 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.

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.

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*.

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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,399,329	\$4,826,877	(\$572,452)
Special Revenue	31,992,116	34,631,848	2,639,732
Capital Projects	1,243,668	1,507,617	263,949
Total	\$38,635,113	\$40,966,342	\$2,331,229

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$9,414,309	\$5,647,716	\$3,766,593
Special Revenue	46,514,903	32,300,849	14,214,054
Capital Projects	2,654,491	2,076,945	577,546
Total	\$58,583,703	\$40,025,510	\$18,558,193

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:

Cash Management Pool:

Demand deposits	\$279,080
Certificates of deposit	9,697,656
Total deposits	\$9,976,736

Federal Government Agency Securities	13,102,243
Money Market	29,291
U.S. Treasury Notes	584,898
Municipal Bonds	1,933,720
STAR Ohio	2,287,560
Commercial Paper	3,667,985
Total investments	\$21,605,698
Total deposits and investments	\$31,582,433

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

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 by, 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 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 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.

Public utilities are also taxed on personal and real property located within the Township.

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 Township's policy. The Pool covers the following risks:

-General liability and casualty

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

- 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:

2020

Cash and investments	\$36,348,066
Actuarial liabilities	10,894,146

Stark County Schools 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 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% of their gross salaries and the Township contributed an amount equaling 14% of participants' earnable salaries. OPERS members in law enforcement contributed 13% of their gross salaries and the Township contributed an amount equaling 18.1% of full-time police members' gross salaries. The Township has paid all contributions required through December 31, 2020.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2020.

Social Security

Several of the 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, 2020.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 9 – Construction and Contractual Commitments

As of December 31, 2020, the Township had contractual commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Amount Remaining on Contract</u>
Cavanaugh Building Corp	North Park Amphitheater	\$107,775
Southway Fence Company	North Park Amphitheater Fencing	226,000
United Earthworks LLC	Keck Park Circle	906,501

Note 10 – Contingent Liabilities

The Township has no pending lawsuits.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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, Perry Township, 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 2020, the Township made contributions of \$812,772, 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 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 2020 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

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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

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. On March 12, 2019, the Board 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-Canton JEDD TSG

In 2019, the Township and the City entered into an agreement to create the JEDD at the TSG Resources, Inc. /Renaissance Enterprise Leasing, Inc. on Keck Park Circle N.W. On May 17, 2019, the Board 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 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)

In 2019, the Township and the City entered into an agreement to create the JEDD 19-002 at the Tam O'Shanter Company. During 2020, the Board will authorize 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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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		0	
2016		0	
2017		32,703	
2018		71,347	
2019		91,399	
2020		<u>348,363</u>	
TOTAL		<u>\$550,705</u>	

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 2020. 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 \$360,189 to the Health District in 2020. Complete financial statements can be obtained from the Stark County Combined General Health District, 7235 Whipple Ave. NW, Canton, Ohio 44720.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

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 five 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

In 2020, 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. Jackson Township did not receive any PILOT revenue in 2020. 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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 \$152,227 in 2020. 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

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	\$ 226,330	\$ 2,744,449	\$0	\$ 2,970,779

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue fund includes 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 #18-240 on December 11, 2018. 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, 2020.

A stabilization arrangement within the Park fund as authorized under O.R.C. 5705.13(A)(1) was established or amended by Township resolution #20-210 on December 8, 2020. 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 \$183,788 as of December 31, 2020.

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 #19-290 on December 10, 2019. 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 \$783,869 as of December 31, 2020.

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 #20-209 on December 8, 2020. 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, 2020.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 18 – Transfers

During 2020 the following transfers were made:

	Transfers From	Transfers To			
		General Fund	Special Revenue Fund	Capital Fund	Total
General Fund	\$ 1,465,575	\$0	\$ 219,087	\$ 1,246,488	\$ 1,465,575
Special Revenue	899,917	100,000	799,917		899,917
Capital Projects Fund	1,243,668	1,243,668			1,243,668
	<u>\$ 3,609,160</u>	<u>\$ 1,343,668</u>	<u>\$ 1,019,004</u>	<u>\$ 1,246,488</u>	<u>\$ 3,609,160</u>

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 2020 to the police levy capital fund, fire levy capital fund, highway levy capital fund, and general capital fund, with each receiving amounts based on the distribution priority set in Resolution 20-205, dated December 8, 2020.

Note 19 – Change in Accounting Principle

For 2020, the Township has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

Note 20 – 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Township received CARES Act funding. Of the amounts received, \$160,000 was sub-granted to the Board of Education of Jackson Local School District, Stark County, Ohio. In addition, \$787,975 was awarded to Jackson Township businesses for personal protective equipment (PPE) and other COVID-19 related expenses as defined by the US Treasury and the State of Ohio. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

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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, 2019**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$1,164,565	\$22,517,927		\$23,682,492
Charges for Services	756,793	1,951,123		2,707,916
Licenses, Permits and Fees	185,534	6,428		191,962
Fines and Forfeitures	21,630	26,851		48,481
Intergovernmental	668,933	3,021,755	\$ 1,183,402	4,874,090
Special Assessments		149,599		149,599
Earnings on Investments	642,903	14,876		657,779
Miscellaneous	132,423	467,855		600,278
<i>Total Cash Receipts</i>	<i>3,572,781</i>	<i>28,156,414</i>	<i>1,183,402</i>	<i>32,912,597</i>
Cash Disbursements				
Current:				
General Government	2,615,044	153,248		2,768,292
Public Safety		17,218,756		17,218,756
Public Works	12,954	4,672,593		4,685,547
Health	366,882			366,882
Economic Development		6,887		6,887
Conservation-Recreation		977,609		977,609
Capital Outlay	665,543	4,121,748	2,353,065	7,140,356
<i>Total Cash Disbursements</i>	<i>3,667,310</i>	<i>27,143,954</i>	<i>2,353,065</i>	<i>33,164,329</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(94,529)</i>	<i>1,012,460</i>	<i>(1,169,663)</i>	<i>(251,732)</i>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	4,820	96,513		101,333
Transfers In	200,000	848,610		1,048,610
Transfers Out	(91,399)	(957,211)		(1,048,610)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>113,421</i>	<i>(12,088)</i>	<i>0</i>	<i>101,333</i>
<i>Net Change in Fund Cash Balances</i>	<i>18,892</i>	<i>1,000,371</i>	<i>(1,169,663)</i>	<i>(150,399)</i>
<i>Fund Cash Balances, January 1</i>	<i>8,183,580</i>	<i>18,279,082</i>	<i>2,841,615</i>	<i>29,304,277</i>
Fund Cash Balances, December 31				
Restricted		19,279,454		19,279,454
Committed	2,674,844			2,674,844
Assigned	2,994,596		1,671,952	4,666,548
Unassigned (Deficit)	2,533,032			2,533,032
<i>Fund Cash Balances, December 31</i>	<i>\$8,202,472</i>	<i>\$19,279,454</i>	<i>\$1,671,952</i>	<i>\$29,153,878</i>

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, 2019

<u>Proprietary Fund Type</u>	
<u>Internal Service</u>	
Operating Cash Receipts	
Charges for Services	<u>\$0</u>
 Operating Cash Disbursements	
Claims	1,698
Premiums	<u>500,008</u>
 <i>Total Operating Cash Disbursements</i>	<u>501,706</u>
 <i>Operating Income (Loss)</i>	<u>(501,706)</u>
 <i>Net Change in Fund Cash Balances</i>	<u>(501,706)</u>
 <i>Fund Cash Balances, January 1</i>	<u>501,706</u>
 <i>Fund Cash Balances, December 31</i>	<u>\$0</u>

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, 2019**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the 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, 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 Ohio Revised Code.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pool 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 10, 11, 12, and 13 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, and a statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary fund types which are 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.

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

**JACKSON TOWNSHIP
STARK COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 capital project fund:

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:

Self-funded Insurance Medical Fund The self-funded insurance medical fund accounts for insurance premium payments from other funds to pay premiums and medical claims of employees enrolled in the health insurance plan. At year ended December 31, 2019, the Township was no longer self-insured.

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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, 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 2019 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.

**JACKSON TOWNSHIP
STARK COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

The Township values U.S. Treasury Notes 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 a 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.

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.

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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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.

**JACKSON TOWNSHIP
STARK COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,215,643	\$3,777,601	\$561,958
Special Revenue	28,391,357	29,101,538	710,181
Capital Projects	490,000	1,183,402	693,402
Internal Service	0	0	0
Total	<u>\$32,097,000</u>	<u>\$34,062,541</u>	<u>\$1,965,541</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,094,944	\$4,138,030	\$1,956,914
Special Revenue	43,639,258	31,724,813	11,914,445
Capital Projects	3,331,615	3,146,986	184,629
Internal Service	501,706	501,706	0
Total	<u>\$53,567,523</u>	<u>\$39,511,535</u>	<u>\$14,055,988</u>

Note 4 – Deposits and Investments

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

	2019
Demand deposits	\$269,277
Certificates of deposit	<u>4,391,703</u>
Total deposits	<u>4,660,980</u>
Federal Government Agency Securities	20,271,636
U.S. Treasury Notes	584,898
STAR Ohio	3,615,536
Money Market	20,828
Total investments	<u>24,492,898</u>
Total deposits and investments	<u>\$29,153,878</u>

**JACKSON TOWNSHIP
STARK COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 by, 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 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 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.

Public utilities are also taxed on personal and real property located within the Township.

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

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 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.

Ohio Township Association Risk Management Authority

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 Township'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

**JACKSON TOWNSHIP
STARK COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

those liabilities as of December 31:

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	10,519,942

Stark County Schools 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 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 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% of their gross salaries, and the Township contributed an amount equaling 14% of participants' gross salaries. OPERS members in law enforcement contributed 13% of their gross salaries and the Township contributed an amount equaling 18.1% of full-time police members' gross salaries. The Township has paid all contributions required through December 31, 2019.

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% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2019.

Social Security

Several of the Township's 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, 2019.

**JACKSON TOWNSHIP
STARK COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 9 – Contingent Liabilities

The Township has one lawsuit with pending settlement. There is no potential loss or effect on the Township's financial condition due to the lawsuit involving law enforcement confiscated funds.

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – 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, Perry Township, Village of Waynesburg 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 2019, the Township made contributions of \$806,772, 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 2019 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

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

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. On March 12, 2019, the Board 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-Canton JEDD TSG

In 2019, the Township and the City entered into an agreement to create the JEDD at the TSG Resources, Inc. /Renaissance Enterprise Leasing, Inc. on Keck Park Circle N.W. On May 17, 2019, the Board authorized the levy of a 2.5% earnings tax for persons employed and on the net profits of businesses

**JACKSON TOWNSHIP
STARK COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 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)

In 2019, the Township and the City entered into an agreement to create the JEDD 19-002 at the Tam O'Shanter Company. During 2020, the Board will authorize 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 anticipates entering into a ten year Cooperative Agreement that includes tax increment financing (TIF). 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%.

Total JEDD Income Taxes		
Received by Jackson Township		
2012	\$	1,935
2013	\$	1,699
2014	\$	3,259
2015	\$	0
2016	\$	0
2017	\$	32,703
2018	\$	71,347
2019	\$	91,399
TOTAL	<hr/>	<hr/>
	\$	202,342

Note 11 – 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 2019. 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, and the City of North Canton. Of the seven Board Members, the Township has one appointed member. The Board is made up of various professionals who

**JACKSON TOWNSHIP
STARK COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 \$366,882 to the Health District in 2019. 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 12 – 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.

Note 13 – 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 five 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 14 – Tax Increment Financing District

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 \$153,247 in 2019. 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.

**JACKSON TOWNSHIP
STARK COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 15 – 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 #18-240 on December 11, 2018. 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, 2019.

A stabilization arrangement within the Park fund as authorized under O.R.C. 5705.13(A)(1) was established or amended by Township resolution #19-180 on July 9, 2019. 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 \$164,416 as of December 31, 2019.

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 #19-290 on December 10, 2019. 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 \$783,869 as of December 31, 2019.

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 #19-179 on July 9, 2019. 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 \$1,956,918 as of December 31, 2019.

Note 16 – Constructions and Contractual Commitments

As of December 31, 2019, the Township had contractual commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Amount Remaining on Contract</u>
Cavanaugh Building Corp	North Park Amphitheater	\$792,219
Eighth Day Sound Systems Inc.	North Park Amphitheater AV Equipment	222,364
Superior Paving & Materials	Resurfacing	97,833
United Earthworks LLC	Keck Park Circle	259,590
Wenger Excavating Inc.	Strip Ave. Extension	182,105

Note 17 – Transfer

During 2019 the following transfers were made:

	Transfers To			
			Special Revenue Fund	Total
	Transfers From	General Fund		
General Fund	\$91,399		\$91,399	\$91,399
Special Revenue	957,211	\$200,000	757,211	957,211
	<u>\$1,048,610</u>	<u>\$200,000</u>	<u>\$848,610</u>	<u>\$1,048,610</u>

**JACKSON TOWNSHIP
STARK COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 incomes taxes received in 2019 to the police levy capital fund, fire levy capital fund and highway levy capital fund, with each fund receiving funds based on the distribution priority set on Resolution 19-305.

Note 18 – Subsequent Events

On December 10, 2019, the Township approved a resolution to submit to voters at the primary election to be held on March 17, 2020, the question of the replacement of an existing tax of 7.5 mills for the purpose of fire department operations of Jackson Township for the five (5) years, first due in calendar year 2021. Township residents approved the levy.

JACKSON TOWNSHIP
STARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program/Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY				
<i>Passed Through Ohio Office of Budget and Management</i>				
COVID-19 Coronavirus Relief Fund	21.019	HB481-CRF-Local	\$ 160,000	\$ 1,764,424
Passed Through Stark County Commissioners				
COVID-19 Coronavirus Relief Fund	21.019	HB481-CRF-Local	-	110,292
Total U.S. Department of Treasury			\$ 160,000	\$ 1,874,716
Total Expenditures of Federal Awards			\$ 160,000	\$ 1,874,716

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, 2020**

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, 2020. 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 net position 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 – SUBRECIPIENTS

The Township passes certain federal awards received from the Ohio Office of Budget and Management to other governments or not-for-profit agencies (subrecipients). As Note B describes, the Township reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the Township has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

OHIO AUDITOR OF STATE

KEITH FABER



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6000 Frank Ave. NW
North Canton, OH 44720
EastRegion@ohioauditor.gov
(800) 443-9272

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 cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Jackson Township, Stark County, (the Township) and have issued our report thereon dated November 23, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, and wherein we noted the Township referred to the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or 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.

Jackson Township
Stark County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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 financial statements. 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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 23, 2021



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE 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 the Major Federal Program

We have audited Jackson Township's (the Township) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Jackson Township's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Township's major federal program.

Management's Responsibility

The Township's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Township's compliance for the Township's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Township's major program. However, our audit does not provide a legal determination of the Township's compliance.

Jackson Township

Summit County

Independent Auditor's Report On Compliance with Requirements

Applicable to the Major Federal Program and on Internal Control Over
Compliance Required by the Uniform Guidance

Page 2

Opinion on the Major Federal Program

In our opinion, Jackson Township complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Township's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber

Auditor of State

Columbus, Ohio

November 23, 2021

JACKSON TOWNSHIP
STARK COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse under GAAP Unmodified under the regulatory basis
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	COVID-19 Coronavirus Relief Fund – CFDA #21.019
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

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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 12/14/2021

88 East Broad 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