

***JACKSON TOWNSHIP
FRANKLIN COUNTY***

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021 & 2020





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Columbus, Ohio 43215
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Board of Trustees
Jackson Township
3756 Hoover Road
Grove City, Ohio 43123

We have reviewed the *Independent Auditor's Report* of Jackson Township, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

August 05, 2022

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**JACKSON TOWNSHIP
FRANKLIN COUNTY
REGULAR AUDIT
For Years Ending December 31, 2021 and 2020**

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Independent Auditor’s Report - 2021	1-3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances (Regulatory Cash Basis) – Governmental Funds, For the Year Ended December 31, 2021	4
Notes to the Financial Statements- 2021	5-13
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters required By <i>Government Auditing Standard - 2021</i>	14-15
Independent Auditor’s Report - 2020	16-17
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances (Regulatory Cash Basis) – Governmental Funds, For the Year Ended December 31, 2020	18
Notes to the Financial Statements - 2020	19-27
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters required By <i>Government Auditing Standard - 2020</i>	28-29
Schedule of Findings	30
Prepared by Management:	
Schedule of Prior Audit Findings	31
Corrective Action Plan	32

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Jackson Township, Franklin County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2021, or the changes in financial position, thereof for the year then ended.

Basis for Opinion

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

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

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

Emphasis of Matter

As discussed in Note 11 to the financial statements the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinions regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

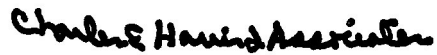
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.

June 22, 2022

**JACKSON TOWNSHIP
FRANKLIN COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES (REGULATORY CASH BASIS)
All Governmental Fund Types
For the Year Ended December 31, 2021**

	<u>Governmental Fund Types</u>			<u>Totals- (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Receipts:				
Property and Other Local Taxes	\$ 1,042,514	\$ 19,268,142	\$ -	\$ 20,310,656
Intergovernmental	194,326	2,081,984	205,824	2,482,134
Charges for Services	-	1,600,061	-	1,600,061
Licenses, Fines and Permits	366,854	21,791	-	388,645
Earning on Investments	69,379	3,545	-	72,924
Miscellaneous	56,536	334,683	-	391,219
Total Receipts	<u>1,729,609</u>	<u>23,310,206</u>	<u>205,824</u>	<u>25,245,639</u>
Cash Disbursements:				
Current:				
General Government	1,032,849	-	-	1,032,849
Public Safety	19,191	14,788,561	-	14,807,752
Public Works	23,604	763,320	-	786,924
Health	1,342	-	-	1,342
Capital Outlay	61,234	1,523,570	205,824	1,790,628
Debt Service:				
Principal Retirement	-	434,486	-	434,486
Interest	-	1,515	-	1,515
Total Disbursements	<u>1,138,220</u>	<u>17,511,452</u>	<u>205,824</u>	<u>18,855,496</u>
Total Receipts Over/(Under) Disbursements	591,389	5,798,754	-	6,390,143
Other Financing Sources/(Uses):				
Sale of Capital Assets	363	14,957	-	15,320
Transfers In	2,511	47,830	-	50,341
Transfers out	(47,830)	-	(2,511)	(50,341)
Total Other Financing Sources/(Uses)	<u>(44,956)</u>	<u>62,787</u>	<u>(2,511)</u>	<u>15,320</u>
Net Change in Fund Cash Balance	546,433	5,861,541	(2,511)	6,405,463
Fund Cash Balance, January 1, 2021, Restated	<u>2,789,914</u>	<u>4,264,638</u>	<u>2,511</u>	<u>7,057,063</u>
Fund Cash Balance, December 31, 2021	<u>\$ 3,336,347</u>	<u>\$ 10,126,179</u>	<u>\$ -</u>	<u>\$ 13,462,526</u>

See Accompanying Notes to the Financial Statements.

**JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF ENTITY

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

The Township participates in one public entity risk pool and one jointly governed organization and is associated with a related organization. Notes 8 and 10 to the financial statements provides additional information for these entities. These organizations are:

Public Entity Risk Pool:

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

Jointly Governed Organization:

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

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 it recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentation reports budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

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

C. Deposits and Investments

The Township’s accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. Money market mutual funds are recorded at share values the mutual funds report. The Township also held negotiable certificates of deposit during the fiscal year.

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

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

2. Special Revenue Funds

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

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

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

3. Capital Project Funds

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

OPWC Borrer Road Project Fund – This fund will receive funding from OPWC through Grove City that are used to complete the Borrer Road widening project.

E. Budgetary Process

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

1. Appropriations

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

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2021 budgetary activity appears in Note 3.

F. Fund Balance

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

1. Nonspendable

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

2. Restricted

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

3. Committed

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

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance – (Continued)

4. Assigned

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

5. Unassigned

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

G. Property, Plant, and Equipment

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

H. Accumulated Leave

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

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

Demand deposits	\$ <u>1,795,533</u>
Total deposits	1,795,533
Negotiable CD's & Bonds	6,766,484
Money Markets	<u>4,900,509</u>
Total Investments	<u>11,686,993</u>
Total deposits and Investments	<u>\$13,462,526</u>

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. The Township did not have any unremitted employee payroll withholdings at year end.

Deposits: Deposits are insured by the Federal Depository Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Township, 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: At December 31, 2021, the Township's investments were limited to negotiable certificates of deposits and money market mutual funds. Negotiable certificates of deposit are reported at cost. Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

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

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2021 follows:

Fund Type	2021 Budgeted vs. Actual Receipts		Variance
	Budgeted Receipts	Actual Receipts	
General	\$ 1,734,110	\$ 1,732,483	\$ (1,627)
Special Revenue	23,101,950	23,372,993	271,043
Capital Projects	1,219,040	205,824	(1,013,216)

Fund Type	2021 Budgeted vs. Actual Budgetary Basis Disbursements		Variance
	Budgeted Appropriation Authority	Actual Budgetary Disbursements	
General	\$ 4,387,212	\$ 1,438,696	\$2,948,516
Special Revenue	26,402,832	18,523,417	7,879,415
Capital Projects	781,125	208,335	527,790

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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.

5. DEBT

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission (OPWC) Loan	\$112,638	0%

In 2012, the Township entered into a note agreement with the OPWC in connection with White Road Reconstruction - Phase II. This note was issued at an interest rate of 0% and matures in 2038. During 2020, the Township made loan payments totaling \$6,794.

Amortization of the above debt is scheduled as follows:

Year ending December 31:

		<u>OPWC White Road Payment</u>
2022	\$	6,794
2023		6,794
2024		6,794
2025		6,794
2026		6,794
2027-2031		33,970
2032-2036		33,970
2037-2038		<u>10,728</u>
Total		<u>\$ 112,638</u>

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. For 2021, OP&F members contributed 12.25% of their gross salaries to OP&F. For 2021, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2021, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

7. 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 2021. OP&F contributes 0.5 percent to fund these benefits.

8. RISK MANAGEMENT

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
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

8. RISK MANAGEMENT (Continued)

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31: (Latest Information Available)

<u>2020</u>	
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

9. CONTINGENT LIABILITIES

The Township may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Township’s financial condition.

10. JOINTLY GOVERNED ORGANIZATION

The Township appoints a Trustee to serve as the Franklin County representative to the Solid Waste of Central Ohio (SWACO). During the year ended December 31, 2021, the Township made \$0 in payments to SWACO and received \$303,517 from SWACO for total disposal fees deposited as tipping fees.

11. COVID - 19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021, while the national state of emergency continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. 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.

12. FUND BALANCE

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 252,646	\$ 1,011,965	\$ 1,264,611
Total	\$ 252,646	\$ 1,011,965	\$ 1,264,611

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(Continued)

12. FUND BALANCE (continued)

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 and capital projects funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

13. FUND BALANCE RESTATEMENT

During 2021, the beginning fund balance increased in the General Fund by \$2,272, and in the Special Revenue Fund by \$1,534. Both increases were due to voided checks.

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

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Jackson Township, Franklin County, (the Township) as of and for the year ended December 31, 2021, and the related notes to the financial statements and have issued our report thereon dated June 22, 2022, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

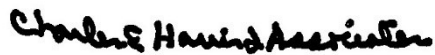
As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Township's Response to Finding

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

Purpose of This Report

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



Charles E. Harris & Associates, Inc.
June 22, 2022

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and related notes of Jackson Township, Franklin 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(C) 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(C), 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(C) 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 the respective changes in financial position thereof for the year 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 as of and for the year ended December 31, 2020 and related notes of Jackson Township, Franklin County in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Emphasis of Matters

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinions regarding this matter.

As discussed in Note 14 to the financial statements, the Township made several changes to its reporting model. We did not modify our opinions regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.

June 22, 2022

**JACKSON TOWNSHIP
FRANKLIN COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES (REGULATORY CASH BASIS)
All Governmental Fund Types
For the Year Ended December 31, 2020**

	Governmental Fund Types			Totals- (Memorandum Only)
	General	Special Revenue	Capital Projects	
Receipts:				
Property and Other Local Taxes	\$ 877,212	\$ 13,681,529	\$ -	\$ 14,558,741
Intergovernmental	175,284	1,486,678	4,831,850	6,493,812
Charges for Services	-	1,302,800	-	1,302,800
Licenses, Fines and Permits	345,456	17,191	-	362,647
Earning on Investments	103,053	5,017	-	108,070
Miscellaneous	770,035	698,746	-	1,468,781
Total Receipts	<u>2,271,040</u>	<u>17,191,961</u>	<u>4,831,850</u>	<u>24,294,851</u>
Cash Disbursements:				
Current:				
General Government	1,130,101	-	-	1,130,101
Public Safety	25,367	14,701,841	-	14,727,208
Public Works	24,889	539,754	-	564,643
Health	18,230	-	-	18,230
Capital Outlay	353,000	814,999	4,831,850	5,999,849
Debt Service:				
Principal Retirement	-	1,569,301	-	1,569,301
Interest	-	70,931	-	70,931
Total Disbursements	<u>1,551,587</u>	<u>17,696,826</u>	<u>4,831,850</u>	<u>24,080,263</u>
Total Receipts Over/(Under) Disbursements	719,453	(504,865)	-	214,588
Other Financing Sources/(Uses):				
Loan Proceeds	-	606,540	-	606,540
Sale of Capital Assets	604	34,510	-	35,114
Transfers In	-	92,148	-	92,148
Transfers out	(92,148)	-	-	(92,148)
Total Other Financing Sources/(Uses)	<u>(91,544)</u>	<u>733,198</u>	<u>-</u>	<u>641,654</u>
Net Change in Fund Cash Balance	627,909	228,333	-	856,242
Fund Cash Balance, January 1, 2020, Restated	<u>2,159,733</u>	<u>4,034,501</u>	<u>2,511</u>	<u>6,196,745</u>
Fund Cash Balance, December 31, 2020	<u>\$ 2,787,642</u>	<u>\$ 4,262,834</u>	<u>\$ 2,511</u>	<u>\$ 7,052,987</u>

See Accompanying Notes to the Financial Statements.

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF ENTITY

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

The Township participates in one public entity risk pool and one jointly governed organization and is associated with a related organization. Notes 8 and 10 to the financial statements provides additional information for these entities. These organizations are:

Public Entity Risk Pool:

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

Jointly Governed Organization:

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

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 it recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentation reports budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

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

C. Deposits and Investments

The Township’s accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. Money market mutual funds are recorded at share values the mutual funds report. The Township also held negotiable certificates of deposit during the fiscal year.

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

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

2. Special Revenue Funds

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

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

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

3. Capital Project Funds

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

OPWC Borrer Road Project Fund – This fund will receive funding from OPWC through Grove City that are used to complete the Borrer Road widening project.

E. Budgetary Process

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

1. Appropriations

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

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2020 budgetary activity appears in Note 3.

F. Fund Balance

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

1. Nonspendable

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

2. Restricted

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

3. Committed

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

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance – (Continued)

4. Assigned

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

5. Unassigned

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

G. Property, Plant, and Equipment

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

H. Accumulated Leave

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

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

Demand deposits	<u>\$ 641,807</u>
Total deposits	641,807
Negotiable CD's	3,340,296
Money Markets	<u>3,070,884</u>
Total Investments	<u>6,411,180</u>
Total deposits and Investments	<u>\$7,052,987</u>

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. The Township did not have any unremitted employee payroll withholdings at year end.

Deposits: Deposits are insured by the Federal Depository Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Township, 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: At December 31, 2020, the Township's investments were limited to negotiable certificates of deposits and money market mutual funds. Negotiable certificates of deposit are reported at cost. Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2020 follows:

Fund Type	2020 Budgeted vs. Actual Receipts		
	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$1,608,731	\$2,271,644	\$ 662,913
Special Revenue	17,808,129	17,925,159	117,030
Capital Projects	7,524,106	4,831,850	(2,692,256)

Fund Type	2020 Budgeted vs. Actual Budgetary Basis Disbursements		
	Budgeted	Actual	Variance
	Appropriation	Budgetary	
Authority	Disbursements		
General	\$3,678,781	\$1,777,569	\$1,901,212
Special Revenue	21,093,217	18,506,241	2,586,976
Capital Projects	7,524,106	5,272,275	2,251,831

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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.

5. DEBT

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission (OPWC) Loan	\$118,895	0%
Vinton County National Bank	360,985	2.00%
U.S. Bank Corp. Lease	67,304	2.65%

In 2012, the Township entered into a note agreement with the OPWC in connection with White Road Reconstruction - Phase II. This note was issued at an interest rate of 0% and matures in 2038. During 2020, the Township made loan payments totaling \$6,794.

During 2017, the Township entered into a note agreement with Vinton County Bank for the purpose of upgrading a recently purchased fire engine. The amount financed was \$788,534 at 2% for 7 years. The original loan with Vinton County Bank had a principal balance of \$597,046 that was repaid out of the loan proceeds of the 2017 loan. Monthly payments including interest are \$10,067. During 2020, the Township made principal payments of \$113,835 on the new loan.

During 2018, the Township entered into a lease agreement with U.S Bank Corp for the purpose of purchasing a Horton Medic. The amount financed was \$237,402 at 2.65% for 4 years. Monthly payments including interest are \$5,105. During 2020, the Township made principal payments of \$57,763 on the lease.

At the end of 2020, The Township paid off the current outstanding balance of \$1,154,573 including accrued interest for all three draws to Heartland Bank. The beginning Heartland Bank Balance was overstated by \$38,661.

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

5. DEBT (Continued)

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

Year ending December 31:

	<u>OPWC Loan White Road Payment</u>	<u>Vinton County National Bank</u>	<u>U.S. Banc Corp Master Lease</u>
2021	\$ 6,794	\$ 120,805	\$ 61,254
2022	6,794	120,805	10,343
2023	6,794	120,805	-
2024	6,794	-	-
2025	6,794	-	-
2025-2029	33,970	-	-
2030-2034	33,970	-	-
2035-2038	<u>16,985</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 118,895</u>	<u>\$ 362,415</u>	<u>\$ 71,597</u>

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. For 2020, OP&F members contributed 12.25% of their gross salaries to OP&F. For 2020, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2020, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

7. 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. OP&F contributes 0.5 percent to fund these benefits.

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

8. RISK MANAGEMENT

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
- 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:

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

9. CONTINGENT LIABILITIES

The Township may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Township's financial condition.

10. JOINTLY GOVERNED ORGANIZATION

The Township appoints a Trustee to serve as the Franklin County representative to the Solid Waste of Central Ohio (SWACO). During the year ended December 31, 2020, the Township made \$0 in payments to SWACO and received \$291,282 from SWACO for total disposal fees deposited as tipping fees.

JACKSON TOWNSHIP, FRANKLIN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

11. FUND BALANCE RESTATEMENT

During 2020, the Township restated the beginning fund balances due to a voided check in a prior year and the adjustment of incorrectly posted permit fee. Also, the Fiduciary Fund was reclassified to the new reporting model. Below are the restated fund amounts:

	<u>January 1, 2020</u>	<u>Balance Adjustment</u>	<u>Restated Balance</u>
Special Revenue Funds	\$ 4,034,322	\$ 179	\$ 4,034,501
General Fund	2,132,968	26,765	2,159,733
Fiduciary Fund	26,765	(26,765)	-

12. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

13. FUND BALANCE

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the balances of these amounts were as follows:

	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 133,834	\$ 809,415	\$ 440,425	\$ 1,383,674
Total	\$ 133,834	\$ 809,415	\$ 440,425	\$ 1,383,674

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 and capital projects funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

14. Change in Accounting Principle

For 2020, the Township has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types. There was no effect on the beginning fund balance.

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

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

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts and disbursements for each governmental fund type of Jackson Township, Franklin County, Ohio (the Township) as of and for the year ended December 31, 2020, and the related notes to the financial statements and have issued our report thereon dated June 22, 2022, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township and several changes to its reporting model.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

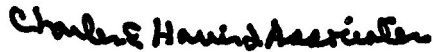
As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Township's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not subject the Township's response to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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.



Charles E. Harris & Associates, Inc.

June 22, 2022

JACKSON TOWNSHIP
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020

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

FINDING NUMBER 2021-001
Material Weakness

Audit Adjustments/Reclassifications and Notes to the Financial Statements

The Township's management is responsible for the fair presentation of the financial statements. Errors were noted in the financial statements which resulted in several audit adjustments. The more significant adjustments are as follows.

- In 2021 and 2020, we noted several transactions and payments for debt service that were incorrectly reported in the annual financial report as follows:
 - In 2021 and 2020 Debt service payments were recorded in Public Safety but should have been recorded in debt service principal and interest.
 - In 2021 an EPA grant for \$150,000 was recorded as miscellaneous revenue but should have been recorded in intergovernmental revenue.
- In 2021 the Township recorded \$627,396 of overpaid health insurance as miscellaneous revenue instead of offsetting against the current year expenditure.
- The notes to the financial statements included outdated information and excluded required disclosures.

The financial statements have been adjusted and reclassified to present the accounting information correctly and the Township has agreed with the required reclassifications.

We recommend that consideration be given to analyzing the nature of transactions occurring during the normal course of business to ensure that they are posted to the proper accounts. We recommend further that all reports be reviewed and approved by the Township Board monthly.

We also recommend the Fiscal Officer refer to Ohio Administrative Code and the Ohio Township Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting receipts and disbursements.

Managements' Response – See Corrective Action Plan.

JACKSON TOWNSHIP
FRANKLIN COUNTY
For the Years Ended December 31, 2021 and 2020

SCHEDULE OF PRIOR AUDIT FINDINGS – Prepared by Management

FINDING NUMBER	FINDING SUMMARY	STATUS	ADDITIONAL INFORMATION
2019-001	Audit Reclassifications and Notes to the Financial Statements	Not Corrected	

JACKSON TOWNSHIP
FRANKLIN COUNTY

CORRECTIVE ACTION PLAN – Prepared by Management
December 31, 2021 and 2020

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2021-001	The Fiscal Officer will closely review all loan transactions to ensure that each is properly recorded.	Immediately	Ron Grossman, Fiscal Officer

OHIO AUDITOR OF STATE KEITH FABER



JACKSON TOWNSHIP

FRANKLIN 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 8/18/2022

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
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