



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

JEFFERSON TOWNSHIP
FRANKLIN COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Trustees
Jefferson Township
6545 Havens Road
Blacklick, Ohio 43004

We have reviewed the *Independent Auditor's Report* of Jefferson Township, Franklin County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2021 through December 31, 2022. 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. Jefferson Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 17, 2023

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**Jefferson Township
Franklin County**

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For the Years Ended December 31, 2022 and 2021*

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INDEPENDENT AUDITOR'S REPORT

Jefferson Township
Franklin County
6545 Havens Road
Blacklick, Ohio 43004

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Jefferson Township, Franklin County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 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 and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 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, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by 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 16 to the financial statements, the financial impact of COVID-19 and the ensuing measure will impact subsequent periods of the Township. We did not modify our opinion 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 21, 2023, 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.



BHM CPA Group, Inc.
Piketon, Ohio
June 21, 2023

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**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 657,064	\$ 6,466,182	\$ -	\$ -	\$7,123,246
Licenses, Permits and Fees	756,902	278,986	-	-	1,035,888
Intergovernmental	210,027	1,374,383	-	133,413	1,717,823
Special Assessments	-	9,498	-	-	9,498
Earnings on Investments	208,811	12,145	-	-	220,956
Miscellaneous	12,482	2,431,855	-	-	2,444,337
Total Cash Receipts	<u>1,845,286</u>	<u>10,573,049</u>	<u>-</u>	<u>133,413</u>	<u>12,551,748</u>
Cash Disbursements:					
Current:					
General Government	1,178,270	835,037	-	-	2,013,307
Public Safety	-	4,676,665	-	-	4,676,665
Public Works	-	778,649	-	-	778,649
Health	209,096	4,791	-	-	213,887
Conservation-Recreation	148,072	-	-	231,697	379,769
Other	-	1,582,897	-	-	1,582,897
Capital Outlay	75,044	2,425,746	-	-	2,500,790
Debt Service:					
Principal Retirement	-	100,389	-	-	100,389
Interest and Fiscal Charges	-	7,490	-	-	7,490
Total Cash Disbursements	<u>1,610,482</u>	<u>10,411,664</u>	<u>-</u>	<u>231,697</u>	<u>12,253,843</u>
Excess of Receipts Over/ (Under) Disbursements	234,804	161,385	-	(98,284)	297,905
Other Financing Receipts/ (Disbursements):					
Sale of Capital Assets	-	18,984	-	-	18,984
Advances In	183,413	-	-	-	183,413
Advances Out	-	(50,000)	-	(133,413)	(183,413)
Other Financing Sources	16,430	31,523	-	-	47,953
Total Other Financing Receipts/ (Disbursements)	<u>199,843</u>	<u>507</u>	<u>-</u>	<u>(133,413)</u>	<u>66,937</u>
Net Change in Fund Cash Balances	434,647	161,892	-	(231,697)	364,842
Fund Cash Balances, January 1	<u>3,116,079</u>	<u>9,770,171</u>	<u>19,825</u>	<u>237,077</u>	<u>13,143,152</u>
Fund Cash Balances, December 31	<u>\$ 3,550,726</u>	<u>\$ 9,932,063</u>	<u>\$ 19,825</u>	<u>\$ 5,380</u>	<u>\$ 13,507,994</u>

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Other Custodial
Additions	
Deposits Received	\$ 100
Total Additions	100
Deductions	
Distribution of Deposits	1,600
Total Deductions	1,600
Net Change in Fund Cash Balances	(1,500)
Fund Cash Balances, January 1	1,500
Fund Cash Balances, December 31	\$ -

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Jefferson 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 general governmental services, road maintenance, cemetery maintenance, fire and emergency medical services.

The Township participates in one public entity risk pool, Ohio Township Association Risk Management Authority (OTARMA), a public risk pool that provides property and casualty coverage for its members. Note 6 to the financial statements provides additional information for the entity.

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 combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Road District Fund This fund is used to account for the tax revenue and expenditures for constructing, reconstructing, resurfacing, improving, repairing and maintaining the public roads within the Township.

Fire Fund This fund is used to account for revenue and expenditures that relate to the Township’s fire department.

American Rescue Plan Fund This fund is used to account for revenue and expenditures that relate to the Township’s Coronavirus State and Local Fiscal Recovery Funds allocation, a part of the American Rescue Plan Act. These emergency funds are provided by the Federal Government to support local governments’ response to and recovery from the COVID-19 public health emergency.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies - continued

TIF-PW/Parkwood III Fund This fund is used to account for revenue and expenditures that relate to the taxpayer increment financing between the Township and M/I Homes of Central Ohio, LLC. This is further described in Note 15.

TIF Jefferson Grove One Fund This fund is used to account for revenue and expenditures that relate to the taxpayer increment financing between the Township and Jefferson Grove One, LLC. This is further described in Note 15.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Bond Retirement Fund The bond retirement fund accounts for and reports resources restricted for the retirement of debt issued.

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:

JCP Trail/Facility Fund This fund is for the improvements at Jefferson Community Park including the driveway and asphalt multipurpose trail.

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

Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's custodial funds account for maintenance and construction bonds for real estate development and construction of multi and single-family homes.

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (C) permit.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies - continued

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of, 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 2022 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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Leases

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies - continued

Fund Balance

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,427,450	\$1,861,716	\$434,266
Special Revenue	10,635,284	10,623,556	(\$11,728)
Capital Projects	133,413	133,413	\$0
Custodial	3,000	100	(\$2,900)
Total	\$12,199,147	\$12,618,785	\$419,638

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,891,667	\$1,638,409	\$253,258
Special Revenue	13,840,016	12,615,939	1,224,077
Capital Projects	231,697	231,697	0
Custodial	3,000	1,600	1,400
Total	\$15,966,380	\$14,487,645	\$1,478,735

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:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$879,260
Total deposits	879,260
STAR Ohio	12,628,734
Total investments	12,628,734
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$13,507,994

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. All associated employee payroll withholdings were remitted as of December 31, 2022.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note 4 – Deposits and Investments-Continued

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

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note 6 – Risk Management-Continued

The Pool reported the following summary of actuarially measured liabilities and the assets available to pay those liabilities as of December 31 which is the latest fiscal year available:

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 19.5 percent of full-time police members’ wages and 24 percent of full-time fire fighters’ wages, respectively. The Township has paid all contributions required through December 31, 2022.

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 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. 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. Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
Ohio Public Works Commission	\$320,070	0.00%
2021 Freightliner Dump Truck	89,391	2.50%
Total	\$409,461	

In 2020, the Township received \$342,932 in loan proceeds from the Ohio Public Works Commission in order to make improvements to Mann Road.

In 2020, the Township received \$157,362 in loan proceeds from Heartland Bank in order to purchase a 2021 Freightliner Dump Truck. Annual principal payments are being paid from the Road District Fund beginning in 2021.

Financed Purchases

The Township has entered into financed purchases agreements for vehicles and other equipment where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$59,573 to pay these costs for the fiscal year ended June 30, 2022.

Amortization

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

Year Ending December 31:	Finance Purchases	Dump Truck Note	OPWC Loan
2023	\$59,573	\$36,875	\$11,431
2024	29,786	36,875	11,431
2025	0	18,438	11,431
2026	0	0	11,431
2027	0	0	11,431
2028-2032	0	0	57,155
2033-2037	0	0	57,155
2038-2042	0	0	57,155
2043-2047	0	0	57,155
2048-2050	0	0	34,295
Total	\$89,359	\$92,188	\$320,070

Note 10 – Interfund Balances

During 2022 the JCP Trail/Facility Improvements Fund and the TIF-Jefferson Grove One Fund repaid advances of \$133,413 and \$50,000, respectively to the General Fund.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note 11 – Public Entity Risk Pool

Franklin County Cooperative Health Improvement Program

The Township participates in the Franklin County Cooperative Health Benefits Program. This Program is administered by the Franklin County Board of Commissioners to provide a comprehensive benefits program including medical, behavioral, health, pharmacy, dental, vision and life insurance in addition to disability and flexible spending account options. Nearly 6,000 employees within the cooperative are offered coverage through the cooperative, whose principal offices are in Columbus, Ohio. Members include, Franklin County and other governmental agencies such as SWACO, MORPC, Metro Parks, Pickaway County, the City of Grandview Heights, Prairie Township and Jefferson Township. Coverage is extended to eligible dependents. The total enrollment is over 14,000 member lives.

The Comprehensive Omnibus Budget Reconciliation Act of 1986 requires the Township to offer terminated or retired employees continued participation in the Township’s employee health care benefits program, provided that the employees pay the rate established by the plan administrator.

Note 12 – Construction and Contractual Commitments

Vendor	Contract	Amount Remitted	Balance
Johnson-Laux Construction Ohio, LLC	\$ 1,202,850	\$ 642,495	\$560,355
Johnson-Laux Construction Ohio, LLC	611,400	95,350	516,050
Johnson-Laux Construction Ohio, LLC	34,850	4,500	30,350
Johnson-Laux Construction Ohio, LLC	16,127	-	16,127
Johnson-Laux Construction Ohio, LLC	31,291	-	31,291

Note 13– Contingent Liabilities

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.

The Township previously participated in the Ohio Public Entity Consortium Healthcare Cooperative (OPEC-HC), a regional council of governments. Jefferson Health Plan, another regional council of governments, served as plan administrator. The plan offered medical, dental, vision, and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. Due to the bankruptcy of OPEC-HC, the Township may incur a contingent liability related to any insurance claims and outstanding deficits.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note 14 – Fund Balances

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$27,927	\$2,204,275	\$2,232,202
Total	\$27,927	\$2,204,275	\$2,232,202

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – Tax Increment Financing (TIF) Agreements

The Township has entered into several TIF agreements with various organizations over the past several years. TIF agreements with a financial impact on fiscal year 2022 are listed below:

TIF agreement between the Township and Jefferson Grove One, LLC: under this agreement the Township, the Licking Heights Local School District, and the Career and Technology Education Centers of Licking County receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2022, there was \$55,317 in the TIF special revenue fund, belonging to the developer, that had been drawn down for construction.

TIF agreement between the Township and Parkwood Weldon I, LLC: under this agreement the Township, the Gahanna Jefferson Public School District, and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2022, there was \$120,988 in the TIF special revenue fund, belonging to the developer, that had been drawn down for construction.

TIF agreement between the Township and Parkwood Weldon III, LLC: under this agreement the Township, the Gahanna Jefferson Public School District, and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2022, there was \$129,839 in the TIF special revenue fund, belonging to the developer, that had been drawn down for construction.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note 15 – Tax Increment Financing (TIF) Agreements-Continued

TIF agreement between the Township and Barton Hall II, LLC: under this agreement the Township, , and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2022, \$68,406 in the TIF special revenue fund, available to the developer, had been drawn down for construction.

TIF agreement between the Township and M/I Homes of Central Ohio, LLC (Parkwood Weldon II): under this agreement the Township, the Gahanna Jefferson Public School District, and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2022, there was \$84,755 in the TIF special revenue fund, belonging to the developer, that had been drawn down for construction.

TIF agreement between the Township and M/I Homes of Central Ohio, LLC (Farms at Jefferson 1): under this agreement the Township, the Gahanna Jefferson Public School District, and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2022, there was \$124,585 in the TIF special revenue fund, belonging to the developer, that had been drawn down for construction.

TIF agreement between the Township and M/I Homes of Central Ohio, LLC (Farms at Jefferson 2): under this agreement the Township, the Gahanna Jefferson Public School District, and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2022, there was \$114,515 in the TIF special revenue fund, belonging to the developer, that had been drawn down for construction.

TIF agreement between the Township and Gray’s Point at Blacklick Station, LLC: under this agreement the Township, the Gahanna Jefferson Public School District, and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2022, there were \$0- in the TIF special revenue fund, belonging to the developer, that had been drawn down for construction.

Note 16 – 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 2022, 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 funding, either federal or state, cannot be estimated.

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**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 633,898	\$ 6,340,183	\$ 80,883	\$ -	\$ 7,054,964
Licenses, Permits and Fees	979,316	282,561	-	-	1,261,877
Intergovernmental	198,308	1,306,197	10,199	-	1,514,704
Special Assessments	-	9,939	-	-	9,939
Earnings on Investments	9,030	555	-	-	9,585
Miscellaneous	15,975	1,627,276	-	-	1,643,251
Total Cash Receipts	<u>1,836,527</u>	<u>9,566,711</u>	<u>91,082</u>	<u>-</u>	<u>11,494,320</u>
Cash Disbursements:					
Current:					
General Government	1,122,016	803,891	-	-	1,925,907
Public Safety	-	4,360,085	-	-	4,360,085
Public Works	-	796,776	-	-	796,776
Health	187,802	21,934	-	-	209,736
Conservation-Recreation	178,365	-	-	29,749	208,114
Other	-	1,068,407	-	-	1,068,407
Capital Outlay	-	1,095,785	1,037	-	1,096,822
Debt Service:					
Principal Retirement	-	99,084	125,500	-	224,584
Interest and Fiscal Charges	-	8,795	2,071	-	10,866
Total Cash Disbursements	<u>1,488,183</u>	<u>8,254,757</u>	<u>128,608</u>	<u>29,749</u>	<u>9,901,297</u>
Excess of Receipts Over/ (Under) Disbursements	348,344	1,311,954	(37,526)	(29,749)	1,593,023
Other Financing Receipts/ (Disbursements):					
Sale of Capital Assets	472	566	-	-	1,038
Transfers In	72,056	-	-	-	72,056
Transfers Out	-	-	-	(5,652)	(5,652)
Advances In	-	50,000	-	-	50,000
Advances Out	(50,000)	-	-	-	(50,000)
Other Financing Sources	2,136	43,415	-	-	45,551
Total Other Financing Receipts/ (Disbursements)	<u>24,664</u>	<u>93,981</u>	<u>-</u>	<u>(5,652)</u>	<u>112,993</u>
Net Change in Fund Cash Balances	373,008	1,405,935	(37,526)	(35,401)	1,706,016
Fund Cash Balances, January 1	<u>2,743,071</u>	<u>8,364,236</u>	<u>57,351</u>	<u>272,478</u>	<u>11,437,136</u>
Fund Cash Balances, December 31	<u>\$ 3,116,079</u>	<u>\$ 9,770,171</u>	<u>\$ 19,825</u>	<u>\$ 237,077</u>	<u>\$ 13,143,152</u>

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Other Custodial</u>
Additions:	
Deposits Received	\$ 1,500
Total Additions	<u>1,500</u>
Deductions:	
Distributions of Deposits	1,400
Other Distributions	<u>66,404</u>
Total Deductions	<u>67,804</u>
Net Change in Fund Cash Balances	(66,304)
Fund Cash Balances, January 1	<u>67,804</u>
Fund Cash Balances, December 31	<u><u>\$ 1,500</u></u>

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Jefferson Township, Franklin County, Ohio (the Township), as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general governmental services, road maintenance, cemetery maintenance, and fire and emergency medical services.

The Township participates in one public entity risk pool, Ohio Township Association Risk Management Authority (OTARMA), a public risk pool that provides property and casualty coverage for its members. Note 10 to the financial statements provides additional information for the entity.

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 combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Road District Fund This fund is used to account for the tax revenue and expenditures for constructing, reconstructing, resurfacing, improving, repairing and maintaining the public roads within the Township.

Fire Fund This fund is used to account for revenue and expenditures that relate to the Township’s fire department.

American Rescue Plan Fund This fund is used to account for revenue and expenditures that relate to the Township’s Coronavirus State and Local Fiscal Recovery Funds allocation, a part of the American Rescue Plan Act. These emergency funds are provided by the Federal Government to support local governments’ response to and recovery from the COVID-19 public health emergency.

TIF-PW/Parkwood III Fund This fund is used to account for revenue and expenditures that relate to the taxpayer increment financing between the Township and M/I Homes of Central Ohio, LLC. This is further described in Note 15.

TIF Jefferson Grove One Fund This fund is used to account for revenue and expenditures that relate to the taxpayer increment financing between the Township and Jefferson Grove One, LLC. This is further described in Note 15.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 2 – Summary of Significant Accounting Policies - continued

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Bond Retirement Fund The bond retirement fund accounts for and reports resources restricted for the retirement of debt issued.

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:

JCP Trail/Facility Fund This fund is for the improvements at Jefferson Community Park including the driveway and asphalt multipurpose trail.

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

Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's custodial funds account for maintenance and construction bonds for real estate development and construction of multi and single-family homes.

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (C) 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, 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.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 2 – Summary of Significant Accounting Policies - continued

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 2021 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.

Investments in STAR Ohio are 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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 2 – Summary of Significant Accounting Policies - continued

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 14.

Note 3 – Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,489,415	\$1,911,191	\$421,776
Special Revenue	9,417,834	9,610,692	192,858
Debt Service	92,232	91,082	(1,150)
Capital Projects	133,413	0	(133,413)
Custodial	1,000	1,500	500
Total	\$11,133,894	\$11,614,465	\$480,571

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,839,492	\$1,497,203	\$342,289
Special Revenue	10,899,902	9,357,372	1,542,530
Debt Service	129,271	128,608	663
Capital Projects	272,478	272,478	0
Custodial	68,604	67,804	800
Total	\$13,209,747	\$11,323,465	\$1,886,282

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:

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 4 – Deposits and Investments - continued

	2021
Cash Management Pool:	
Demand deposits	\$936,875
Total deposits	936,875
STAR Ohio	12,207,777
Total investments	12,207,777
Total carrying amount of deposits and investments held in the Pool	\$13,144,652

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. All associated employee payroll withholdings were remitted as of December 31, 2021.

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

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 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 property owner elects to pay semiannually, the first half is due January 20. The second half payment is due the following June 21.

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 – Debt

Debt outstanding at December 31, 2021 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission	\$331,501	0.00%
Total	\$331,501	

In 2020, the Township received \$342,932 in loan proceeds from the Ohio Public Works Commission in order to make improvements to Mann Road. Annual principal payments are to be paid from the Road District Fund beginning in 2021.

	Principal	Interest Rate
2021 Freightliner Dump Truck	\$123,369	2.50%
Total	\$123,369	

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 6 – Debt - continued

In 2020, the Township received \$157,362 in loan proceeds from Heartland Bank in order to purchase a 2021 Freightliner Dump Truck. Annual principal payments are being paid from the Road District Fund beginning in 2021.

Leases

The Township leases vehicles and other equipment under noncancelable leases. The Township disbursed \$59,573 to pay lease costs for the year ended December 31, 2021.

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

Year Ending December 31:	Fire Engine Lease	Dump Truck Note	OPWC Loan
2022	59,573	36,875	11,431
2023	59,573	36,875	11,431
2024	29,786	36,875	11,431
2025	0	18,438	11,431
2026	0	0	11,431
2027-2031	0	0	57,155
2032-2036	0	0	57,155
2037-2041	0	0	57,155
2042-2046	0	0	57,157
2047-2050	0	0	45,724
Total	<u>\$148,932</u>	<u>\$129,063</u>	<u>\$331,501</u>

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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 plans’ benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. 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.

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 plans’ benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2021, OP&F participants contributed 12.25% of their wages. The Township contributed an amount equal to 24% of full-time fire fighters’ wages. The Township has paid all contributions required through December 31, 2021.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. 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 – Interfund Balances

Advance of \$133,413 from the General Fund to the JCP Trail/Facility Improvements Fund, to provide working capital for operations or projects, was not repaid due to delays in the project’s completion. This will be repaid in FY 2022.

Advance of \$50,000 from the General Fund to the TIF-Jefferson Grove One Fund, to provide working capital for assistance with the JCP Trail/Facility Improvement project. This will be repaid in FY 2022.

Note 10 – 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
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

The Township provides workers’ compensation coverage on all employees through the State of Ohio workers’ compensation fund. Coverage is currently in effect through December 31, 2021.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 11 – Public Entity Risk Pool

Franklin County Cooperative Health Improvement Program

The Township participates in the Franklin County Cooperative Health Benefits Program. This Program is administered by the Franklin County Board of Commissioners to provide a comprehensive benefits program including medical, behavioral, health, pharmacy, dental, vision and life insurance in addition to disability and flexible spending account options. Nearly 6,000 employees within the cooperative are offered coverage through the cooperative, whose principal offices are in Columbus, Ohio. Members include, Franklin County and other governmental agencies such as SWACO, MORPC, Metro Parks, Pickaway County, the City of Grandview Heights, Prairie Township and Jefferson Township. Coverage is extended to eligible dependents. The total enrollment is over 14,000 member lives.

The Comprehensive Omnibus Budget Reconciliation Act of 1986 requires the Township to offer terminated or retired employees continued participation in the Township’s employee health care benefits program, provided that the employees pay the rate established by the plan administrator.

Note 12 – Construction and Contractual Commitments

The Township had the following outstanding significant contractual commitments at December 31, 2021.

Vendor	Contract	Amount Remitted	Balance
Franklin County Engineer's Office	\$ 675,500	\$ -	\$675,500
KORDA/NEMETH Engineering, Inc	40,000	29,749	10,251
Riley Brother Enterprises, LLC	13,600	11,100	2,500
Johnson-Laux Construction Ohio, LLC	70,000	27,567	42,433
Columbus Asphalt Paving, Inc.	298,865	-	298,865
Columbus Asphalt Paving, Inc.	12,961	-	12,961

Note 13 – Contingent Liabilities

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.

The Township previously participated in the Ohio Public Entity Consortium Healthcare Cooperative (OPEC-HC), a regional council of governments. Jefferson Health Plan, another regional council of governments, served as plan administrator. The plan offered medical, dental, vision, and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. Due to the bankruptcy of OPEC-HC, the Township may incur a contingent liability related to any insurance claims and outstanding deficits.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 14 – Fund Balances

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	Capital Projects	Total
Outstanding Encumbrances	\$ 9,020	\$ 1,102,615	\$ 237,077	\$ 1,348,712
Total	<u>\$ 9,020</u>	<u>\$ 1,102,615</u>	<u>\$ 237,077</u>	<u>\$ 1,348,712</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – Tax Increment Financing (TIF) Agreements

The Township has entered into several TIF agreements with various organizations over the past several years. TIF agreements with a financial impact on fiscal year 2021 are listed below:

TIF agreement between the Township and Jefferson Grove One, LLC: under this agreement the Township, the Licking Heights Local School District, and the Career and Technology Education Centers of Licking County receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2021, there was \$403,794 in the TIF special revenue fund, belonging to the developer, that had been drawn down for construction.

TIF agreement between the Township and Parkwood Weldon I, LLC: under this agreement the Township, the Gahanna Jefferson Public School District, and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2021, there was \$140,122 in the TIF special revenue fund, belonging to the developer, that had been drawn down for construction.

TIF agreement between the Township and Parkwood Weldon III, LLC: under this agreement the Township, the Gahanna Jefferson Public School District, and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2021, there was \$197,017 in the TIF special revenue fund, belonging to the developer, that had been drawn down for construction.

TIF agreement between the Township and Barton Hall II, LLC: under this agreement the Township, , and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2021, \$67,308 in the TIF special revenue fund, available to the developer, had been drawn down for construction.

TIF agreement between the Township and Parkwood Weldon II, LLC: under this agreement the Township, the Gahanna Jefferson Public School District, and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. For the year ended December 31, 2021, there was \$76,656 in the TIF special revenue fund, belonging to the developer, that had been drawn down for construction.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 16 – 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. 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.

During 2021, the Township received funds from the Franklin County Auditor which were placed in the American Rescue Plan Fund. The Township did not receive any other funds on behalf of a grant from another government.



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

Jefferson Township
Franklin County
6545 Havens Road
Blacklick, Ohio 43004

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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Jefferson Township, Franklin County, (the Township) and have issued our report thereon dated June 21, 2023, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 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.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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.



BHM CPA Group, Inc.
Piketon, Ohio
June 21, 2023

OHIO AUDITOR OF STATE KEITH FABER



JEFFERSON 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 7/27/2023

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