



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**VIOLET TOWNSHIP
FAIRFIELD COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2024 - 2023**



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Trustees
Violet Township
10190 Blacklick Eastern Road
Pickerington, Ohio 43147

We have reviewed the *Independent Auditor's Report* of Violet Township, Fairfield County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2024. 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. Violet Township is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 04, 2025

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VIOLET TOWNSHIP
FAIRFIELD COUNTY

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INDEPENDENT AUDITOR'S REPORT

Violet Township
Fairfield County
10190 Blacklick Eastern Road
Pickerington, Ohio 43147

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Violet Township, Fairfield County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2024 and 2023, 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 the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2025, 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.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C.".

Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 10, 2025

**VIOLET TOWNSHIP
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$ 1,022,885	\$ 15,011,487	\$ -	\$ -	\$ 16,034,372
Charges for Services	-	1,015,617	-	-	1,015,617
Licenses, Permits and Fees	269,025	509,755	-	-	778,780
Intergovernmental	322,274	2,838,831	-	2,100,000	5,261,105
Special Assessments	27,885	6,025	-	-	33,910
Earnings on Investments	738,262	82,610	-	-	820,872
Miscellaneous	315,396	104,802	-	-	420,198
<i>Total Cash Receipts</i>	<u>2,695,727</u>	<u>19,569,127</u>	<u>-</u>	<u>2,100,000</u>	<u>24,364,854</u>
Cash Disbursements					
Current:					
General Government	1,557,748	945,629	-	-	2,503,377
Public Safety	116,717	13,784,961	-	-	13,901,678
Public Works	-	2,608,234	-	-	2,608,234
Health	1,000	-	-	-	1,000
Conservation-Recreation	19,857	-	-	-	19,857
Capital Outlay	-	429,374	-	1,351,819	1,781,193
Debt Service:					
Principal Retirement	-	-	596,564	-	596,564
Interest and Fiscal Charges	-	-	175,038	-	175,038
<i>Total Cash Disbursements</i>	<u>1,695,322</u>	<u>17,768,198</u>	<u>771,602</u>	<u>1,351,819</u>	<u>21,586,941</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,000,405</u>	<u>1,800,929</u>	<u>(771,602)</u>	<u>748,181</u>	<u>2,777,913</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	3,010	-	-	-	3,010
Transfers In	-	85,000	692,259	837,200	1,614,459
Transfers Out	(765,200)	(849,259)	-	-	(1,614,459)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(762,190)</u>	<u>(764,259)</u>	<u>692,259</u>	<u>837,200</u>	<u>3,010</u>
<i>Net Change in Fund Cash Balances</i>	<u>238,215</u>	<u>1,036,670</u>	<u>(79,343)</u>	<u>1,585,381</u>	<u>2,780,923</u>
<i>Fund Cash Balances, January 1</i>	<u>6,413,000</u>	<u>13,957,948</u>	<u>230,702</u>	<u>1,253,943</u>	<u>21,855,593</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 6,651,215</u>	<u>\$ 14,994,618</u>	<u>\$ 151,359</u>	<u>\$ 2,839,324</u>	<u>\$ 24,636,516</u>

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 1 - Reporting Entity

Violet Township, Fairfield County, Ohio (the “Township”), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The primary government of the Township provides the following services to its citizens: general government services, maintenance of Township roads and bridges, and fire protection and emergency medical services.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in jointly governed organizations, joint ventures and a public entity risk pool and is associated with a related organization.

The Township participates in four jointly governed organizations, the Fairfield County Regional Planning Commission, the Metropolitan Emergency Communication Consortium (MECC) Regional Council of Governments, the Violet Township-City of Canal Winchester Joint Economic Development District and the Violet Township-City of Lancaster Joint Economic Development District. Note 13 to the financial statement provides additional information for these entities.

The Township participates in a Public Entity Risk Pool, the Ohio Township Association Risk Management Authority (OTARMA). Note 6 to the financial statement provides additional information for this entity.

The Township participates in a joint venture with the City of Canal Winchester. Note 12 to the financial statement provides additional information about this venture.

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 statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is all organized on a fund type basis.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies - (Continued)

Fund Accounting

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

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

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

Fire District Fund This fund receives property tax receipts to pay for the operation of the Township Fire Department.

Road and Bridge Fund This fund receives property tax receipts to pay for the maintenance of the Township's roads and bridges.

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 Funds:

General Bond Retirement Fund - Fire This fund receives transfers from other funds to pay the bonds issued for Fire Department improvements.

General Bond Retirement Fund - Wigwam This fund receives transfers from other funds to pay the bonds issued for the purchase of the Wigwam Center.

General Bond Retirement Fund - R&B This fund receives transfers from other funds to pay the bonds issued for the construction of a Township service center.

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:

Capital Projects - Fire This fund is used to purchase fire equipment and vehicles for the Township.

135th GA HB2 Event Center This fund is used to account for a grant from the State of Ohio and transfers from the Township's General Fund for capital improvements to the Wigwam Event Center.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies - (Continued)

Basis of Accounting

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

This statement includes 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.

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. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township values negotiable certificate of deposits, commercial paper, U.S. Treasury Notes and federal securities at cost. Money market mutual funds are recorded at share value the mutual funds report. 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 approximated fair value.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies - (Continued)

Capital Assets

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

Accumulated Leave

Township employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2024, distributions of \$43,161 are reflected as miscellaneous revenue in the Opioid Settlement Fund (Special Revenue Fund Type) in the accompanying financial statements.

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies - (Continued)

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, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,371,612	\$ 2,698,737	\$ 327,125
Special Revenue	18,970,328	19,654,127	683,799
Debt Service	692,028	692,259	231
Capital Projects	3,182,000	2,937,200	(244,800)
Total	<u>\$ 25,215,968</u>	<u>\$ 25,982,323</u>	<u>\$ 766,355</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,890,700	\$ 2,498,203	\$ 1,392,497
Special Revenue	22,299,470	18,905,590	3,393,880
Debt Service	815,636	771,602	44,034
Capital Projects	4,185,000	1,420,985	2,764,015
Total	<u>\$ 31,190,806</u>	<u>\$ 23,596,380</u>	<u>\$ 7,594,426</u>

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 4 - Deposits and Investments

The Township maintains a deposits and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2024 was as follows:

	2024
Demand deposits	\$ 3,508,300
Total deposits	<u>3,508,300</u>
U.S. Treasury Notes	2,639,651
Commercial Paper	1,495,419
Federal Agency Securities	5,604,414
STAR Ohio	7,069,610
Money Markets	31,876
Negotiable CDs	<u>4,287,246</u>
Total investments	<u>21,128,216</u>
Total deposits and investments	<u><u>\$ 24,636,516</u></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. At December 31, 2024 the Township is holding \$142,960 in unremitted employee payroll withholdings.

Deposits

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

Investments

The Township utilizes negotiable certificates of deposits, commercial paper, and federal agency securities for investments. The Federal Reserve holds the Township's U.S. Treasury Notes in book-entry form by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

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

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

Note 6 - Risk Management

Workers' Compensation

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

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the 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, 2023 (the latest information available):

	2023
Cash and investments	\$ 33,494,457
Actuarial liabilities	\$ 10,885,549

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

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 postemployment 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, 2024.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24.00 percent of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2024.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participant's gross salaries. The Township has paid all contributions required through December 31, 2024.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0.0 percent for members in the traditional pension plan and 2.0 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 9 - Debt

Debt outstanding at December 31, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General obligation bonds, series 2015	\$ 955,000	2.44%
General obligation bonds, series 2019	3,135,000	2.45 - 4.00%
General obligation bonds, series 2021	3,350,000	0.211 - 2.182%
OPWC loan #CQ35S	200,610	0.00%
OPWC loan #CQ44R	623,470	0.00%
OPWC loan #CQ18V	<u>112,600</u>	0.00%
Total	<u>\$ 8,376,680</u>	

General Obligation Refunding Bonds - Series 2015 - On March 19, 2015, the Township issued \$2,495,000 in general obligation refunding bonds to advance refund \$2,290,000 of the Series 2006 General Obligation Bonds. The debt issue is comprised of current interest serial bonds (par value \$2,495,000). The interest rate on the serial bonds is 2.44%. Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity of the issue is December 1, 2029. The Series 2015 General Obligation Refunding Bonds are being retired from the General Bond Retirement Fund (Debt Service Fund Type). The net proceeds of the Series 2015 General Obligations Refunding Bonds related to the advance refunding portion have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds.

General Obligation Bonds - Series 2019 - On December 19, 2019, the Township issued capital facilities bonds in the amount of \$3,565,000. The bonds will mature on December 1, 2048 and carry an interest rate of 2.45 - 4.00%. The Capital Facilities Bonds are being retired from the General Bond Retirement Fund (Debt Service Fund Type).

General Obligation Refunding Bonds - Series 2021 - On August 25, 2021, the Township issued \$3,800,000 in general obligation refunding bonds to advance refund \$3,375,000 of the Series 2016 General Obligation Bonds. The debt issue is comprised of current interest serial bonds (par value \$2,825,000) and current interest term bonds (par value \$975,000). The interest rate on the serial bonds ranges from 0.211% to 1.932%. The interest rate on the term bonds is 2.182%. Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity of the issue is December 1, 2035. The Series 2021 General Obligation Refunding Bonds are being retired from the Fire Bond Retirement Fund (Debt Service Fund Type). The net proceeds of the Series 2021 General Obligations Refunding Bonds related to the advance refunding portion were invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, was used to pay the principal and interest on the refunded bonds. The refunded bonds were redeemed on December 1, 2023.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 9 - Debt - (Continued)

Ohio Public Works Commission (OPWC) Loan (CQ35S) was issued in 2016 for street improvements along Stone Creek Drive. OPWC approved up to \$261,662 in a loan to the Township for this project. The Township repays the loan in semiannual installments of \$4,361 over 30 years. The interest-free loan will be retired from the Road and Bridge Fund (Special Revenue Fund Type), the Capital Projects Reserve Fund - R&B (Capital Projects Fund Type), and the General Bond Retirement Fund - R&B (Debt Service Fund Type). This loan will mature in January 2048.

Ohio Public Works Commission (OPWC) Loan (CQ44R) was issued in 2017 for Mingo Estates Infrastructure Improvements. OPWC approved up to \$850,187 in a loan to the Township for this project. The Township repays the loan in semiannual installments of \$14,170 over 30 years. The interest-free loan will be retired from the Road and Bridge Fund (Special Revenue Fund Type), the Capital Projects Reserve Fund - R&B (Capital Projects Fund Type), and the General Bond Retirement Fund - R&B (Debt Service Fund Type). This loan will mature in January 2047.

Ohio Public Works Commission (OPWC) Loan (CQ18V) was issued in 2018 for Subdivision Curb and Pavement Replacement. OPWC approved up to \$135,120 in a loan to the Township for this project. The Township repays the loan in semiannual installments of \$2,252 over 30 years. The interest-free loan will be retired from the Road and Bridge Fund (Special Revenue Fund Type), the Capital Projects Reserve Fund - R&B (Capital Projects Fund Type), and the General Bond Retirement Fund - R&B (Debt Service Fund Type). This loan will mature in January 2050.

Amortization

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

Year Ending December 31,	General Obligation Bonds		OPWC Loans
	Principal	Interest	Principal
2025	\$ 560,000	\$ 166,465	\$ 41,566
2026	575,000	156,832	41,566
2027	575,000	146,450	41,566
2028	595,000	134,189	41,566
2029	610,000	122,086	41,566
2030-2034	2,135,000	462,834	207,828
2035-2039	980,000	260,663	207,828
2040-2044	740,000	160,044	207,828
2045-2049	670,000	48,875	105,366
Total	<u>\$ 7,440,000</u>	<u>\$ 1,658,438</u>	<u>\$ 936,680</u>

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 10 - Interfund Transfers

During 2024, the following transfers were made:

Transfers to	Transfers from		Total
	General	Special Revenue	
Special Revenue	\$ -	\$ 85,000	\$ 85,000
Debt Service	100,000	592,259	692,259
Capital Projects	665,200	172,000	837,200
Total	<u>\$ 765,200</u>	<u>\$ 849,259</u>	<u>\$ 1,614,459</u>

\$85,000 Transfers From/ To were used to move restricted receipts for the Fire District Fund (Special Revenue Fund Type) to finance wages and benefits in the Wage and Benefits Stabilization Fund (Special Revenue Fund Type) for the fire department.

\$515,000 Transfers From/ To were used to move restricted receipts for the Fire District Fund (Special Revenue Fund Type) to other Debt Service (Debt Service Fund Type) and Capital Projects Funds (Capital Projects Fund Type) to make debt payments and to purchase capital assets for the fire department.

\$249,259 Transfers From/ To were used to move Road & Bridge (Special Revenue Fund Type) funds to the General Bond Retirement Fund - Road & Bridge (Debt Service Fund Type) to make debt payments.

\$100,000 Transfers From/ To were used to move General Fund monies to the General Bond Retirement Fund – Wigman (Debt Service Fund Type) to make debt payments.

\$100,000 Transfers From/ To were used to move General Fund monies to a Capital Projects fund (Capital Projects Fund Type) for the ODOT Brice Road project.

\$504,000 Transfers From/ To were used to move General Fund monies to the 135th GA HB2 Event Center (Capital Projects Fund Type) for the Wigwam Event Center improvement project.

\$61,200 Transfers From/ To were used to move General Fund monies to the 135th GA HB2 Performing Arts Center (Capital Projects Fund Type) for the Performing Arts Center improvement project.

All transfers above were made in compliance with Ohio Revised Code Section 5705.14, 5705.15, and 5705.16.

Note 11 - Contingent Liabilities

At December 31, 2024, the Township was not involved in any lawsuits that would have a material adverse effect on the Township's financial position.

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 12 - Joint Ventures

A Cooperative Economic Development Agreement (CEDA) exists between Violet Township and the City of Canal Winchester that provides a percentage of revenue based on income tax collection for this area. The agreement was established in February 2004, and is in effect until 2040, at which time without prior notice, renews for a period of 25 years.

Note 13 - Jointly Governed Organizations

Metropolitan Emergency Communications Consortium (MECC) Regional Council of Governments

Violet Township joined the newly formed MECC Regional Council of Governments as a founding member in 2015 to effectively manage shared services and programs that include public safety dispatch operation, technology services and to promote cooperative services and agreements between its members and other governmental agencies.

Fairfield County Regional Planning Commission

The Township appoints two members to represent the Township on the 47 member board of the Fairfield County Regional Planning Commission. The Township pays a small membership fee annually based on the per capita of the Township. There is no ongoing financial responsibility by the Township.

Violet Township-City of Canal Winchester Joint Economic Development District (JEDD)

The Violet Township-City of Canal Winchester Joint Economic Development District (the District), Fairfield County, Ohio, contract was entered into as of July 20, 2023, under the authority of Ohio Revised Code Sections 715.72 through 715.82. The District is comprised of Violet Township (the Township) and the City of Canal Winchester (the City). The District currently operates under an appointed three-member Board of Trustees. Upon establishment of the first business located in the District, the Board of Trustees will be expanded to an appointed five-member board in accordance with said Ohio Revised Code Sections. The District was formed for the purpose of facilitating economic development and redevelopment to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the Township, the City, and the State of Ohio. Pursuant to Ohio Revised Code Section 715.74, the Board adopted a resolution to levy an income tax in the District at a rate of 2.0%, effective January 1, 2024.

Employers within the District withhold income tax on employee compensation and remit the tax to the District via the Regional Income Tax Agency (RITA) in accordance with City of Canal Winchester's contract with RITA. Additionally, employers within the District are also subject to net profit tax on earnings from business activities within the District. Net profit taxes may be remitted to the District via RITA or via the State of Ohio Department of Taxation for those employers who have opted in with the Ohio Tax Commissioner. Income tax receipts are then distributed monthly as follows:

- One percent (1%) of gross revenues to the Board to pay the District's administrative costs.
- Three percent (3%) of gross revenues to the City of Canal Winchester for tax collection and administration services.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

Note 13 - Jointly Governed Organizations - (Continued)

- During the period of any Community Reinvestment Area Exemption as defined in any applicable Development Agreement entered into by the Township, the City, the County, or other entity for parcels located within the District, an aggregate amount of ten percent (10%) of gross revenues are to be distributed to the local school district(s) and vocational school.
- Ten percent (10%) of net revenues to the City of Canal Winchester to be used by the City for any lawful purpose.
- Remaining net revenues to Violet Township to be used by the Township for any lawful purpose.

Violet Township-City of Lancaster Joint Economic Development District (JEDD)

The Violet Township-City of Lancaster Joint Economic Development District (the District), Fairfield County, Ohio, contract was entered into as of December 3, 2023, under the authority of Ohio Revised Code Sections 715.72 through 715.82. The District is comprised of Violet Township (the Township) and the City of Lancaster (the City). The District currently operates under an appointed three-member Board of Trustees. Upon establishment of the first business located in the District, the Board of Trustees will be expanded to an appointed five-member board in accordance with said Ohio Revised Code Sections. The District was formed for the purpose of facilitating economic development and redevelopment to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the Township, the City, and the State of Ohio. Pursuant to Ohio Revised Code Section 715.74, the Board adopted a resolution to levy an income tax in the District at a rate of 2.3%, effective January 1, 2024.

Employers within the District withhold income tax on employee compensation and remit the tax to the District via the City of Lancaster. Additionally, employers within the District are also subject to net profit tax on earnings from business activities within the District. Net profit taxes may be remitted to the District via the City or via the State of Ohio Department of Taxation for those employers who have opted in with the Ohio Tax Commissioner. Income tax receipts are then distributed monthly as follows:

- One percent (1%) of gross revenues to the Board to pay the District's administrative costs.
- Three percent (3%) of gross revenues to the City of Lancaster for tax collection and administration services.
- During the period of any Community Reinvestment Area Exemption as defined in any applicable Development Agreement entered into by the Township, the City, the County, or other entity for parcels located within the District, an aggregate amount of ten percent (10%) of gross revenues are to be distributed to the local school district(s) and vocational school.
- Ten percent (10%) of net revenues to the City of Lancaster to be used by the City for any lawful purpose.
- Remaining net revenues to Violet Township to be used by the Township for any lawful purpose.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2024

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:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$ 37,681</u>	<u>\$ 288,133</u>	<u>\$ 69,166</u>	<u>\$ 394,980</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 - Miscellaneous Receipts

In the Township's General Fund, miscellaneous receipts were primarily made up of rental receipts.

**VIOLET TOWNSHIP
FAIRFIELD COUNTY**

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

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$ 981,734	\$ 14,622,496	\$ -	\$ -	\$ 15,604,230
Charges for Services	-	1,149,251	-	-	1,149,251
Licenses, Permits and Fees	295,662	566,902	-	-	862,564
Fines and Forfeitures	909	-	-	-	909
Intergovernmental	325,436	2,937,356	-	-	3,262,792
Special Assessments	16,542	6,279	-	-	22,821
Earnings on Investments	451,992	53,925	-	-	505,917
Miscellaneous	2,436,540	24,164	-	-	2,460,704
<i>Total Cash Receipts</i>	<u>4,508,815</u>	<u>19,360,373</u>	<u>-</u>	<u>-</u>	<u>23,869,188</u>
Cash Disbursements					
Current:					
General Government	1,399,880	3,039,137	-	-	4,439,017
Public Safety	111,630	13,258,303	-	-	13,369,933
Public Works	-	2,313,084	-	-	2,313,084
Health	143,094	-	-	-	143,094
Conservation-Recreation	14,977	-	-	-	14,977
Capital Outlay	4,779	174,504	-	614,813	794,096
Debt Service:					
Principal Retirement	-	-	576,565	-	576,565
Interest and Fiscal Charges	-	-	190,827	-	190,827
<i>Total Cash Disbursements</i>	<u>1,674,360</u>	<u>18,785,028</u>	<u>767,392</u>	<u>614,813</u>	<u>21,841,593</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,834,455</u>	<u>575,345</u>	<u>(767,392)</u>	<u>(614,813)</u>	<u>2,027,595</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	216,503	-	-	-	216,503
Transfers In	-	200,643	683,529	449,357	1,333,529
Transfers Out	(150,000)	(1,183,529)	-	-	(1,333,529)
Other Financing Sources	50,000	-	-	-	50,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>116,503</u>	<u>(982,886)</u>	<u>683,529</u>	<u>449,357</u>	<u>266,503</u>
<i>Net Change in Fund Cash Balances</i>	<u>2,950,958</u>	<u>(407,541)</u>	<u>(83,863)</u>	<u>(165,456)</u>	<u>2,294,098</u>
<i>Fund Cash Balances, January 1 (Restated, See Note 17)</i>	<u>3,462,042</u>	<u>14,365,489</u>	<u>314,565</u>	<u>1,419,399</u>	<u>19,561,495</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 6,413,000</u>	<u>\$ 13,957,948</u>	<u>\$ 230,702</u>	<u>\$ 1,253,943</u>	<u>\$ 21,855,593</u>

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 1 - Reporting Entity

Violet Township, Fairfield County, Ohio (the “Township”), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The primary government of the Township provides the following services to its citizens: general government services, maintenance of Township roads and bridges, and fire protection and emergency medical services.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in jointly governed organizations, joint ventures and a public entity risk pool and is associated with a related organization.

The Township participates in two jointly governed organizations, the Fairfield County Regional Planning Commission and the Metropolitan Emergency Communication Consortium (MECC) Regional Council of Governments. Note 13 to the financial statement provides additional information for these entities.

The Township participates in a Public Entity Risk Pool, the Ohio Township Association Risk Management Authority (OTARMA). Note 6 to the financial statement provides additional information for this entity.

The Township participates in a joint venture with the City of Canal Winchester. Note 12 to the financial statement provides additional information about this venture.

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 statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is all organized on a fund type basis.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Accounting

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

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

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

Fire District Fund This fund receives property tax receipts to pay for the operation of the Township Fire Department.

Road and Bridge Fund This fund receives property tax receipts to pay for the maintenance of the Township's roads and bridges.

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 Funds:

General Bond Retirement Fund - Fire This fund receives transfers from other funds to pay the bonds issued for Fire Department improvements.

General Bond Retirement Fund - Wigwam This fund receives transfers from other funds to pay the bonds issued for the purchase of the Wigwam Center.

General Bond Retirement Fund - R&B This fund receives transfers from other funds to pay the bonds issued for the construction of a Township service center.

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:

Capital Projects - Fire This fund is used to purchase fire equipment and vehicles for the Township.

Basis of Accounting

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

This statement includes 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.

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. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township values negotiable certificate of deposits, commercial paper, U.S. Treasury Notes and federal securities at cost. Money market mutual funds are recorded at share value the mutual funds report. 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 approximated fair value.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does 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 statement does not include a liability for unpaid leave.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$14,052 are reflected as miscellaneous revenue in the Opioid Settlement Fund (Special Revenue Fund Type) in the accompanying financial statements.

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 4,083,925	\$ 4,775,318	\$ 691,393
Special Revenue	17,955,651	19,561,016	1,605,365
Debt Service	683,529	683,529	-
Capital Projects	450,000	449,357	(643)
Total	<u>\$ 23,173,105</u>	<u>\$ 25,469,220</u>	<u>\$ 2,296,115</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,413,834	\$ 1,824,360	\$ 589,474
Special Revenue	22,370,527	19,969,607	2,400,920
Debt Service	767,392	767,392	-
Capital Projects	965,000	614,813	350,187
Total	<u>\$ 26,516,753</u>	<u>\$ 23,176,172</u>	<u>\$ 3,340,581</u>

Note 4 - Deposits and Investments

The Township maintains a deposits and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2023 was as follows:

	2023
Demand deposits	<u>\$ 3,038,348</u>
Total deposits	<u>3,038,348</u>
U.S. Treasury Notes	157,938
Commercial Paper	3,767,328
Federal Agency Securities	5,503,716
STAR Ohio	5,247,190
Money Markets	47,244
Negotiable CDs	<u>4,092,506</u>
Total investments	<u>18,815,922</u>
Total deposits and investments	<u>\$ 21,855,593</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. At December 31, 2023 the Township is holding \$123,620 in unremitted employee payroll withholdings.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

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

The Township utilizes negotiable certificates of deposits, commercial paper, and federal agency securities for investments. The Federal Reserve holds the Township's U.S. Treasury Notes in book-entry form by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 - Property Taxes

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

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

Note 6 - Risk Management

Workers' Compensation

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 6 - Risk Management (Continued)

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, 2023:

	<u>2023</u>
Cash and investments	\$ 33,494,457
Actuarial liabilities	\$ 10,885,549

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 postemployment 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, 2023.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24.00 percent of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2023.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 7 - Defined Benefit Pension Plans (Continued)

Social Security

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

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

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 - Debt

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General obligation bonds, series 2015	\$ 1,135,000	2.44%
General obligation bonds, series 2019	3,225,000	2.45 - 4.00%
General obligation bonds, series 2021	3,635,000	0.211 - 2.182%
OPWC loan #CQ35S	209,330	0.00%
OPWC loan #CQ44R	651,810	0.00%
OPWC loan #CQ18V	117,104	0.00%
Total	<u>\$ 8,973,244</u>	

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 9 - Debt (Continued)

General Obligation Refunding Bonds - Series 2015 - On March 19, 2015, the Township issued \$2,495,000 in general obligation refunding bonds to advance refund \$2,290,000 of the Series 2006 General Obligation Bonds. The debt issue is comprised of current interest serial bonds (par value \$2,495,000). The interest rate on the serial bonds is 2.44%. Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity of the issue is December 1, 2029. The Series 2015 General Obligation Refunding Bonds are being retired from the General Bond Retirement Fund (Debt Service Fund Type). The net proceeds of the Series 2015 General Obligations Refunding Bonds related to the advance refunding portion have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds.

General Obligation Bonds - Series 2019 - On December 19, 2019, the Township entered into capital facilities bonds in the amount of \$3,565,000. The bonds will mature on December 1, 2048 and carry an interest rate of 2.45 - 4.00%. The Capital Facilities Bonds are being retired from the General Bond Retirement Fund (Debt Service Fund Type).

General Obligation Refunding Bonds - Series 2021 - On August 25, 2021, the Township issued \$3,800,000 in general obligation refunding bonds to advance refund \$3,375,000 of the Series 2016 General Obligation Bonds. The debt issue is comprised of current interest serial bonds (par value \$2,825,000) and current interest term bonds (par value \$975,000). The interest rate on the serial bonds ranges from 0.211% to 1.932%. The interest rate on the term bonds is 2.182%. Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity of the issue is December 1, 2035. The Series 2021 General Obligation Refunding Bonds are being retired from the Fire Bond Retirement Fund (Debt Service Fund Type). The net proceeds of the Series 2021 General Obligations Refunding Bonds related to the advance refunding portion were invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, was used to pay the principal and interest on the refunded bonds. The refunded bonds were redeemed on December 1, 2023.

Ohio Public Works Commission (OPWC) Loan (CQ35S) was issued in 2016 for street improvements along Stone Creek Drive. OPWC approved up to \$261,662 in a loan to the Township for this project. The Township repays the loan in semiannual installments of \$4,361 over 30 years. The interest-free loan will be retired from the Road and Bridge Fund (Special Revenue Fund Type), the Capital Projects Reserve Fund - R&B (Capital Projects Fund Type), and the General Bond Retirement Fund - R&B (Debt Service Fund Type). This loan will mature in January 2048.

Ohio Public Works Commission (OPWC) Loan (CQ44R) was issued in 2017 for Mingo Estates Infrastructure Improvements. OPWC approved up to \$850,187 in a loan to the Township for this project. The Township repays the loan in semiannual installments of \$14,170 over 30 years. The interest-free loan will be retired from the Road and Bridge Fund (Special Revenue Fund Type), the Capital Projects Reserve Fund - R&B (Capital Projects Fund Type), and the General Bond Retirement Fund - R&B (Debt Service Fund Type). This loan will mature in January 2047.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 9 - Debt (Continued)

Ohio Public Works Commission (OPWC) Loan (CQ18V) was issued in 2018 for Subdivision Curb and Pavement Replacement. OPWC approved up to \$135,120 in a loan to the Township for this project. The Township repays the loan in semiannual installments of \$2,252 over 30 years. The interest-free loan will be retired from the Road and Bridge Fund (Special Revenue Fund Type), the Capital Projects Reserve Fund - R&B (Capital Projects Fund Type), and the General Bond Retirement Fund - R&B (Debt Service Fund Type). This loan will mature in January 2050.

Amortization

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

Year Ending December 31,	General Obligation Bonds		OPWC Loans
	Principal	Interest	Principal
2024	\$ 555,000	\$ 175,142	\$ 41,565
2025	560,000	166,465	41,566
2026	575,000	156,832	41,566
2027	575,000	146,450	41,566
2028	595,000	134,188	41,565
2029-2033	2,300,000	510,294	207,828
2034-2038	1,290,000	291,583	207,828
2039-2043	720,000	180,031	207,828
2044-2048	825,000	72,594	142,427
2049	-	-	4,505
Total	<u>\$ 7,995,000</u>	<u>\$ 1,833,579</u>	<u>\$ 978,244</u>

Note 10 - Interfund Transfers

During 2023, the following transfers were made:

Transfers to	Transfers from		Total
	General	Special Revenue	
Special Revenue	\$ -	\$ 200,643	\$ 200,643
Debt Service	100,000	583,529	683,529
Capital Projects	50,000	399,357	449,357
Total	<u>\$ 150,000</u>	<u>\$ 1,183,529</u>	<u>\$ 1,333,529</u>

\$200,000 Transfers From/ To were used to move restricted receipts for the Fire District Fund (Special Revenue Fund Type) to finance wages and benefits in the Wage and Benefits Stabilization Fund (Special Revenue Fund Type) for the fire department.

\$734,357 Transfers From/ To were used to move restricted receipts for the Fire District Fund (Special Revenue Fund Type) to other Debt Service (Debt Service Fund Type) and Capital Projects Funds (Capital Projects Fund Type) to make debt payments and to purchase capital assets for the fire department.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 10 - Interfund Transfers (Continued)

\$248,529 Transfers From/ To were used to move Road & Bridge (Special Revenue Fund Type) funds to the General Bond Retirement Fund - Road & Bridge (Debt Service Fund Type) to make debt payments.

\$643 Transfers From/ To were used to move Fire District Fund (Special Revenue Fund Type) funds to the Road & Bridge Fund (Special Revenue Fund Type) for a refund of a credit.

\$100,000 Transfers From/ To were used to move General Fund monies to the General Bond Retirement Fund – Wigman (Debt Service Fund Type) to make debt payments.

\$50,000 Transfers From/ To were used to move General Fund monies to a Capital Projects fund (Capital Projects Fund Type) for the ODOT Brice Road project.

All transfers above were made in compliance with Ohio Revised Code Section 5705.14, 5705.15, and 5705.16.

Note 11 - Contingent Liabilities

At December 31, 2023, the Township was not involved in any lawsuits that would have a material adverse effect on the Township's financial position.

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

Note 12 - Joint Ventures

A Cooperative Economic Development Agreement (CEDA) exists between Violet Township and the City of Canal Winchester that provides a percentage of revenue based on income tax collection for this area. The agreement was established in February 2004, and is in effect until 2040, at which time without prior notice, renews for a period of 25 years.

Note 13 - Jointly Governed Organizations

Violet Township joined the newly formed MECC Regional Council of Governments (COG) as a founding member in 2015 to effectively manage shared services and programs that include public safety dispatch operation, technology services and to promote cooperative services and agreements between its members and other governmental agencies.

The Township appoints two members to represent the Township on the 47 member board of the Fairfield County Regional Planning Commission. The Township pays a small membership fee annually based on the per capita of the Township. There is no ongoing financial responsibility by the Township.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

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:

<u>Fund Balances</u>	<u>Special Revenue</u>
Outstanding Encumbrances	<u>\$ 1,050</u>

The fund balance of special revenue funds, debt service funds, and capital projects funds is restricted. These restricted amounts in the special revenue funds, debt service funds, and capital projects funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned. The General Fund had no outstanding encumbrances at December 31, 2023.

Note 15 - Miscellaneous Receipts

In the Township's General Fund, \$2,084,179 is reported in miscellaneous receipts for revenue loss associated with the American Recovery Plan Act (ARPA) and corresponding disbursements are reported in the Township's ARPA - Coronavirus Recovery Fund (Special Revenue Fund Type). Other Township miscellaneous receipts were primarily made up of rental receipts.

Note 16 - Receipt of Loan Repayment

In 2016, the Violet Township Port Authority (Port Authority) was formed. The Port Authority is a separate legal entity. The Township loaned the Port Authority \$50,000 for start-up costs. This loan was due back to the Township if the Port Authority dissolved. During 2023, the Port Authority dissolved, and the money was paid back to the Township. This payment to the Township is reported as Other Financing Sources in the General Fund.

Note 17 – Restatement of Beginning Fund Balance

The Township increased their beginning fund cash position at January 1, 2023 in the amount of \$11,015 due to voided checks and accounting errors. The effect of the adjustment on beginning fund cash balance is reflected in the chart below.

	12/31/2022 As Previously Reported	Adjustments	1/1/2023 As Restated
Governmental Funds			
General Fund	\$ 3,463,501	\$ (1,459)	\$ 3,462,042
Special Revenue Funds	14,353,015	12,474	14,365,489
Debt Service Funds	314,565	-	314,565
Capital Projects Funds	1,419,399	-	1,419,399
Total Governmental Funds	<u>\$ 19,550,480</u>	<u>\$ 11,015</u>	<u>\$ 19,561,495</u>



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

Violet Township
Fairfield County
10190 Blacklick Eastern Road
Pickerington, Ohio 43147

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of Violet Township, Fairfield County, Ohio (the Township) and have issued our report thereon dated June 10, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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*.

Marietta, OH

St. Clairsville, OH

Cambridge, OH

Wheeling, WV

Vienna, WV

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.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 10, 2025

**VIOLET TOWNSHIP
FAIRFIELD COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	Material Weakness / Noncompliance Budgetary Legal Level of Control	Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



VIOLET TOWNSHIP

FAIRFIELD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/16/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov