



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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BLENDON TOWNSHIP  
FRANKLIN COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021



OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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(800) 282-0370

Board of Trustees  
Blendon Township  
6350 Hempstead Road  
Westerville, Ohio 43081

We have reviewed the *Independent Auditor's Report* of Blendon 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. Blendon Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

December 16, 2024

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**Blendon Township  
Franklin County**

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For the Years Ended December 31, 2022 and 2021*

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**INDEPENDENT AUDITOR'S REPORT**

Blendon Township  
Franklin County  
6350 South Hempstead Road  
Westerville, Ohio 43081

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

***Emphasis of Matter***

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures 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 January 30, 2024, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



BHM CPA Group, Inc.  
Piketon, Ohio  
January 30, 2024

**BLENDON 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>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 1,838,536	\$ 5,054,978	\$ 30,779	\$ 18,414	\$6,942,707
Licenses, Permits and Fees	78,914	233,259	-	-	312,173
Fines and Forfeitures	2,944	7,241	-	-	10,185
Intergovernmental	268,824	699,249	3,743	-	971,816
Special Assessments	-	73,187	-	-	73,187
Earnings on Investments	85,535	965	-	-	86,500
Miscellaneous	33,946	260,617	-	-	294,563
<b>Total Cash Receipts</b>	<u>2,308,699</u>	<u>6,329,496</u>	<u>34,522</u>	<u>18,414</u>	<u>8,691,131</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	1,155,935	172,418	215	20,000	1,348,568
Public Safety	-	4,701,366	-	-	4,701,366
Public Works	-	559,415	-	18,411	577,826
Health	-	237,591	-	-	237,591
Conservation-Recreation	210,527	34,532	-	-	245,059
Capital Outlay	-	1,000	-	211,958	212,958
Debt Service:					
Principal Retirement	-	-	10,275,000	-	10,275,000
Interest and Fiscal Charges	-	-	263,450	-	263,450
<b>Total Cash Disbursements</b>	<u>1,366,462</u>	<u>5,706,322</u>	<u>10,538,665</u>	<u>250,369</u>	<u>17,861,818</u>
Excess of Receipts Over/ (Under) Disbursements	942,237	623,174	(10,504,143)	(231,955)	(9,170,687)
<b>Other Financing Receipts/ (Disbursements):</b>					
Sale of Notes	-	-	5,900,000	-	5,900,000
Premium and Accrued Interest on Debt	-	-	32,453	-	32,453
Transfers In	-	210,000	4,636,619	-	4,846,619
Transfers Out	(500,900)	-	-	(4,345,719)	(4,846,619)
<b>Total Other Financing Receipts/ (Disbursements)</b>	<u>(500,900)</u>	<u>210,000</u>	<u>10,569,072</u>	<u>(4,345,719)</u>	<u>5,932,453</u>
<b>Net Change in Fund Cash Balances</b>	441,337	833,174	64,929	(4,577,674)	(3,238,234)
Fund Cash Balances, January 1	3,819,982	5,111,718	63,524	4,675,170	13,670,394
<b>Fund Cash Balances, December 31</b>	<u>\$ 4,261,319</u>	<u>\$ 5,944,892</u>	<u>\$ 128,453</u>	<u>\$ 97,496</u>	<u>\$ 10,432,160</u>

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

**BLENDON 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 Blendon Township, Franklin County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and police protection. The Township contracts with the City of Westerville to provide to provide fire and services.

***Jointly Governed Organizations and Public Entity Risk Pools***

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is the Ohio Township Association Risk Management Authority (OTARMA). OTARMA is a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members.

The Township participates in two jointly governed organizations. Note 10 to the financial statements provides additional information for these entities. These organizations are:

Blendon-Westerville Joint Economic Development Zone (JEDZ) – the Township Trustees approved the formation of this JEDZ with the City of Westerville in November of 2012. The parties have entered into a contract to create and provide for the operation of the JEDZ in accordance with Sections 715.691 of the Ohio Revised Code. See Note 10 for further information.

Blendon-Westerville Cooperative Economic Development Agreement (CEDA) – the Township Trustees approved an agreement with the City of Westerville to cooperate in creating and preserving jobs and employment opportunities and to cooperate in including and fostering economic development. See Note 10 for further information.

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 both 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.

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

**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:

**Police District Fund** This fund receives property tax money to pay for police services.

**Fire Levy Fund** This fund receives property tax money to pay for providing fire protection to Township residents.

**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** Receives resources from other funds for the retirement of various purpose bonds outstanding.

**Fire Bond Retirement Fund** Receives property taxes for the repayment of bonds issued by the City of Westerville for a new fire station. These payments represent the townships proportionate share of the bonds outstanding.

**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:

**Facilities Capital Projects Fund** This fund accounts for receives debt proceeds for the acquisition, construction, or improvement of Township facilities.

***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.

**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.

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

**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.

The Township values U.S. Treasury Notes and common stock at cost or fair value when donated. Money market mutual funds are recorded at share values the mutual funds report.

**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.

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

**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 13.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,242,639	\$2,308,699	\$66,060
Special Revenue	6,912,014	6,539,496	(372,518)
Debt Service	10,488,672	10,603,594	114,922
Capital Projects	478,542	18,414	(460,128)
<b>Total</b>	<b>\$20,121,867</b>	<b>\$19,470,203</b>	<b>(\$651,664)</b>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,518,831	\$2,029,555	\$489,276
Special Revenue	6,924,233	5,985,567	938,666
Debt Service	10,528,622	10,538,665	(10,043)
Capital Projects	4,805,951	4,683,584	122,367
<b>Total</b>	<b>\$24,777,637</b>	<b>\$23,237,371</b>	<b>\$1,540,266</b>

**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:

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

	<u>2022</u>
<b><i>Cash Management Pool:</i></b>	
Demand deposits	<u>\$4,437,163</u>
Total deposits	<u>4,437,163</u>
Money Market	<u>5,994,997</u>
Total investments	<u>5,994,997</u>
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$10,432,160</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.

***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 money market mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Property Taxes**

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

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

***Risk Pool Membership***

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

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

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

	<u>2022</u>
Cash and Investments	\$32,288,098
Actuarial Liabilities	\$9,146,434

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. OPERS Law Enforcement members contributed 13% of their gross salaries and the Township contributed an amount equaling 18.1% of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which includes 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.

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.



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

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.

**Note 9 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
Various Purpose Bonds	\$4,020,000	2.86%
Capital Facilities Notes	5,900,000	5.00%
City of Westerville	<u>30,000</u>	3.30%
Total	<u>\$9,950,000</u>	

On November 16, 2016, the Township issued \$5,505,000 of Various Purpose Bonds. The Bonds through a negotiated sale were purchased by Fifth Third Securities, Inc. at a combined true interest cost of 2.86% for the purpose of:

Paying the costs of improving the Township cemetery by repairing and replacing the existing roadways by grading, paving and installing drainage and landscaping.

Paying the costs of improving the Township’s public safety services by acquiring and equipping two police cruisers.

Along with other available monies, retiring the Township’s outstanding \$5,280,000 Various Purpose Notes, Series 2016, dated February 9, 2016 and maturing February 9, 2017 originally issued for the purposes of paying the costs of improving the Township’s roadway infrastructure, the Township’s complex and the Township’s park facilities.

The Township levied tax monies to be remitted to the City of Westerville as the Township’s portion of the fire station improvements. The Township receives tax monies which are then remitted to the City of Westerville has principal and interest payments recorded in the Debt Service Fund. In 2012, the Township refinanced their outstanding debt that included their interest rate decreasing from 5.5% to 3.3% annually. The payments are due in semi-annual installments of varying amounts through 2023.

In 2021 the Township issued \$10,000,000 bond anticipation notes for the purpose of acquiring, constructing, renovating, equipping, and furnishing and existing facility to be used for Township administrative, public safety, and senior center services. The Notes matured and were repaid in December 2022 through the issuance of bond anticipation notes of \$5,900,000 and unused 2021 note proceeds. The 2022 notes mature November 16, 2023. The Township is currently re-evaluating the building that was purchased during 2021 and the appropriate next steps.

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

***Amortization***

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

Year Ending December 31:	Various Purpose Bonds	Capital Facilities Notes	City of Westerville
2023	\$405,800	\$6,195,000	\$31,500
2024	400,800	-	-
2025	405,800	-	-
2026	400,200	-	-
2027	374,400	-	-
2028-2032	1,496,600	-	-
2033-2037	1,462,600	-	-
2038-2039	509,000	-	-
Total	<u>\$5,455,200</u>	<u>\$6,195,000</u>	<u>\$31,500</u>

**Note 10 – Joint Ventures**

Blendon-Westerville Joint Economic Development Zone (JEDZ) - this JEDZ was created to facilitate new or expanded growth for commercial and economic development within the JEDZ and the State for the benefit of the City of Westerville, the Township, and the State, and their residents. A Board of Directors has been established, which includes three members appointed by the Township and three members appointed by the City of Westerville. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, the appropriations procedures to provide for payment of the expenses of the JEDZ and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The fiscal year shall be the calendar year. The Board shall adopt an annual budget for the JEDZ.

Blendon-Westerville Cooperative Economic Development Agreement (CEDA) – The CEDA agreement addresses the issues of annexation, road maintenance, fire and emergency service, and joint planning in the CEDA area, which includes the Township. The CEDA also provides for the sharing of income tax on any new businesses locating in the agreement area.

**Note 11 – Transfers**

During 2022 the township made transfers from the General Fund in the amount of \$500,900, Westerville TIF Fund in the amount of \$96,843, and Facility Project Fund in the amount of \$4,248,876. Of the \$4,846,619 transferred, \$4,636,619 was transferred for debt service retirement. The remaining \$210,000 was transferred from the General Fund for Senior Center activities.

**Note 12 – 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.

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

**Note 13 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. 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>
Nonspendable:				
Unclaimed Monies	\$1,914			\$1,914
Outstanding Encumbrances	<u>162,193</u>	<u>279,245</u>	<u>87,496</u>	<u>528,934</u>
Total	<u>\$164,107</u>	<u>\$279,245</u>	<u>\$87,496</u>	<u>\$530,848</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service and capital projects funds is 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 14 – 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, 2022 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.

During 2022, the Township received \$420,502 in American Rescue Plan coronavirus relief funds passed through the State of Ohio. No amounts have been returned to the grantor and during 2022 \$79,848 was expended for general government purposes.

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**BLENDON 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**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 1,692,237	\$ 5,281,230	\$ 30,597	\$ 9,041	\$ 7,013,105
Licenses, Permits and Fees	82,319	134,793	-	-	217,112
Fines and Forfeitures	13,705	-	-	-	13,705
Intergovernmental	251,128	595,817	3,759	-	850,704
Special Assessments	-	54,075	-	-	54,075
Earnings on Investments	33,417	3,314	-	-	36,731
Miscellaneous	42,743	351,679	-	-	394,422
Total Cash Receipts	2,115,549	6,420,908	34,356	9,041	8,579,854
<b>Cash Disbursements:</b>					
Current:					
General Government	1,650,878	241,744	-	-	1,892,622
Public Safety	118,489	4,623,680	-	-	4,742,169
Public Works	-	603,248	-	-	603,248
Health	-	259,255	-	-	259,255
Conservation-Recreation	387,258	-	-	-	387,258
Capital Outlay	-	2,265	-	5,451,670	5,453,935
Debt Service:					
Principal Retirement	-	-	286,825	-	286,825
Interest and Fiscal Charges	-	-	169,647	42,800	212,447
Total Cash Disbursements	2,156,625	5,730,192	456,472	5,494,470	13,837,759
Excess of Receipts Over/ (Under) Disbursements	(41,076)	690,716	(422,116)	(5,485,429)	(5,257,905)
<b>Other Financing Receipts/ (Disbursements):</b>					
Sale of Notes	-	-	-	10,000,000	10,000,000
Premium and Accrued Interest on Debt	-	-	-	72,800	72,800
Sale of Capital Assets	9,100	-	-	-	9,100
Transfers In	-	-	412,000	87,799	499,799
Transfers Out	(499,799)	-	-	-	(499,799)
Total Other Financing Receipts/ (Disbursements)	(490,699)	-	412,000	10,160,599	10,081,900
Net Change in Fund Cash Balances	(531,775)	690,716	(10,116)	4,675,170	4,823,995
Fund Cash Balances, January 1, Restated	4,351,757	4,421,002	73,640	-	8,846,399
Fund Cash Balances, December 31	<b>\$ 3,819,982</b>	<b>\$ 5,111,718</b>	<b>\$ 63,524</b>	<b>\$ 4,675,170</b>	<b>\$ 13,670,394</b>

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

**BLENDON 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 the Blendon Township, Franklin County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, police protection, and cemetery maintenance. The Township contracts with the City of Westerville to provide to provide ambulance and fire protection services.

***Jointly Governed Organizations and Public Entity Risk Pools***

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is the Ohio Township Association Risk Management Authority (OTARMA). OTARMA is a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members.

The Township participates in two jointly governed organizations. Note 10 to the financial statements provides additional information for these entities. These organizations are:

Blendon-Westerville Joint Economic Development Zone (JEDZ) – the Township Trustees approved the formation of this JEDZ with the City of Westerville in November of 2012. The parties have entered into a contract to create and provide for the operation of the JEDZ in accordance with Sections 715.691 of the Ohio Revised Code. See Note 10 for further information.

Blendon-Westerville Cooperative Economic Development Agreement (CEDA) – the Township Trustees approved an agreement with the City of Westerville to cooperate in creating and preserving jobs and employment opportunities and to cooperate in including and fostering economic development. See Note 10 for further information.

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 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:

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

***Police District Fund*** This fund receives property tax money to pay for police services.

***Fire Levy Fund*** This fund receives property tax money to pay for providing fire protection to Township residents.

***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:

***Bond Fund*** This fund accounts for proceeds received on Various Purpose Bonds issued by the Township for capital improvements made in the Township and the respective retirement of these Bonds over 30 years.

***Bond Fire Fund*** This fund accounts for tax monies the Township accumulates for payment to the City of Westerville for the Township's portion of the new fire station.

***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:

***Facilities Capital Projects Fund*** This fund accounts for proceeds received through the issuance of debt and restricted to use for the purpose of the acquisition, construction, or improvement of facilities of the Township.

***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.

***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.

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

**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.

The Township values U.S. Treasury Notes and common stock at cost or fair value when donated. Money market mutual funds are recorded at share values the mutual funds report.

**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.



**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

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

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

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

**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	\$2,251,697	\$2,124,649	(\$127,048)
Special Revenue	6,653,947	6,420,908	(233,039)
Debt Service	460,128	446,356	(13,772)
Capital Projects	10,000,000	10,169,640	169,640
Total	\$19,365,772	\$19,161,553	(\$204,219)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,391,158	\$2,656,424	\$734,734
Special Revenue	7,303,008	5,851,557	1,451,451
Debt Service	457,700	456,472	1,228
Capital Projects	10,000,000	5,494,470	4,505,530
Total	\$21,151,866	\$14,458,923	\$6,692,943

**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:

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

	2021
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$7,752,281
Certificates of deposit	742,507
Total deposits	8,494,788
Money Market	5,175,606
Total investments	5,175,606
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$13,670,394

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township.

**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.

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

**Note 6 – Risk Management**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

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

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

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

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

	2021
Cash and Investments	\$34,880,599
Actuarial Liabilities	\$10,601,444

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants’ gross salaries. OPERS – Law Enforcement members contributed 13% of their gross salaries and the Township contributed an amount equaling 18.1% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2021.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which includes 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.

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 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
Various Purpose Bonds	\$4,270,000	2.86%
Capital Facilities Notes	\$10,000,000	1.00%
City of Westerville	55,000	3.30%
Total	\$14,325,000	

On November 16, 2016, the Township issued \$5,505,000 of Various Purpose Bonds. The Bonds through a negotiated sale were purchased by Fifth Third Securities, Inc. at a combined true interest cost of 2.86% for the purpose of:

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

Paying the costs of improving the Township cemetery by repairing and replacing the existing roadways by grading, paving and installing drainage and landscaping.

Paying the costs of improving the Township’s public safety services by acquiring and equipping two police cruisers.

Along with other available monies, retiring the Township’s outstanding \$5,280,000 Various Purpose Notes, Series 2016, dated February 9, 2016 and maturing February 9, 2017 originally issued for the purposes of paying the costs of improving the Township’s roadway infrastructure, the Township’s complex and the Township’s park facilities.

The Township levied tax monies to be remitted to the City of Westerville as the Township’s portion of the fire station improvements. The Township receives tax monies which are then remitted to the City of Westerville has principal and interest payments recorded in the Debt Service Fund. In 2012, the Township refinanced their outstanding debt that included their interest rate decreasing from 5.5% to 3.3% annually. The payments are due in semi-annual installments of varying amounts through 2023.

In December, 2021, Blendon Township issued Capital Facilities Notes in the amount of \$10,000,000 as a short-term financing instrument for the purpose of paying the costs of acquiring, constructing, renovating, remodeling, equipping and furnishing an existing building, including related parking facilities, to be used for the Township combined facilities complex, together with all necessary appurtenances thereto. The Series 2021 Notes are dated December 8, 2021 and have a maturity of December 8, 2022. The Series 2021 Notes will bear interest at the annual rate of 1.00%. It is the Townships intent to issue bonds in 2022 for repayment of the notes, including the accrued \$100,000 in interest.

***Amortization***

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

Year Ending December 31:	Various Purpose Bonds	City of Westerville	Capital Facilities Notes
2022	\$410,800	\$27,650	\$10,100,000
2023	405,800	31,500	-
2024	400,800	-	-
2025	405,800	-	-
2026	400,200	-	-
2027-2031	1,574,200	-	-
2032-2036	1,501,000	-	-
2037-2039	767,400	-	-
Total	<u>\$5,866,000</u>	<u>\$59,150</u>	<u>\$10,100,000</u>

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

**Note 10 – Joint Ventures**

Blendon-Westerville Joint Economic Development Zone (JEDZ) - this JEDZ was created to facilitate new or expanded growth for commercial and economic development within the JEDZ and the State for the benefit of the City of Westerville, the Township, and the State, and their residents. A Board of Directors has been established, which includes three members appointed by the Township and three members appointed by the City of Westerville. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, the appropriations procedures to provide for payment of the expenses of the JEDZ and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The fiscal year shall be the calendar year. The Board shall adopt an annual budget for the JEDZ.

Blendon-Westerville Cooperative Economic Development Agreement (CEDA) – The CEDA agreement addresses the issues of annexation, road maintenance, fire and emergency service, and joint planning in the CEDA area, which includes the Township. The CEDA also provides for the sharing of income tax on any new businesses locating in the agreement area.

**Note 11 – Transfers**

The Township made transfers totaling \$499,799 from the General Fund to provide additional support to the Bond Retirement Fund (\$412,000). There was an additional transfer of \$87,799 for the establishment of the Westerville Road Corridor TIF Fund, as established by the Township Trustees on June 23, 2021.

**Note 12 – 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.

**Note 13 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. 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
Nonspendable:			
Unclaimed Monies	\$1,913		\$1,913
Outstanding Encumbrances		121,365	121,365
Total	\$1,913	\$121,365	\$123,278

**BLENDON TOWNSHIP  
FRANKLIN COUNTY**

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

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service and capital projects funds is 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 14 – 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 2020 and 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

During 2020, the Township received \$839,728 in CARES Act funding as an on-behalf of grant from another government. Of the amounts received and interest earned, \$0 was returned to the granting agency, and \$839,728 was spent over 2020 and 2021. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements. The fund was closed out with the Ohio Office of Budget and Management on December 27, 2021.

During 2021, the Township received \$417,171 in American Rescue Plan Act Covid Recovery funding as an on-behalf of grant from another government. Of the amounts received and interest earned, \$0 was returned to the granting agency, and \$104,477 was spent in 2021. These amounts are reflected as general government expenditures in the American Rescue Plan Act Corona Recovery Fund on the accompanying financial statements.

**Note 15 – Restatement of Beginning Balances**

The beginning fund balances for the Special Revenue funds were restated as follows:

	Special Revenue:
<b>2021 Beginning Fund Balances:</b>	\$ 4,412,517
2020 voided disbursements:	<u>8,485</u>
<b>2021 Restated Beginning Fund Balances:</b>	<u>\$ 4,421,002</u>



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

Blendon Township  
Franklin County  
6350 South Hempstead Road  
Westerville, Ohio 43081

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, 2022 and 2021 and the related notes to the financial statements of the Blendon Township, Franklin County, (the Township) and have issued our report thereon dated January 30, 2024, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 through 2022-003 that we consider to be material weaknesses.

***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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-002.

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

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

***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  
January 30, 2024



BLENDON TOWNSHIP  
FRANKLIN COUNTY

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**FINDING NUMBER 2022-001**

**Material Weakness- *Internal Controls related to financial reporting***

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

Material and immaterial misstatements were identified during the course of the audit which have not been prevented or detected by the Township's internal controls over financial reporting. As a result of the audit procedures performed, errors were noted in the financial statements that required audit adjustment or reclassification in the following areas:

- Property tax
- Intergovernmental
- General government
- Public safety
- Public works
- Principal retirement
- Interest and other fiscal charges
- Sale of bonds
- Premium and accrued interest on debt
- Transfers in
- Fund balances
- Corrections and updates were required to be made to the notes to the financial statements

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Ohio Township Manual for guidance on the correct line item to post various receipts and expenditures of the Township and the footnote shell published on the Auditor of State's website for guidance on the correct information to be disclosed in the footnotes.

**Officials' Response:** Joann Bury, Fiscal Officer, took office at the Township in November 2022. Since then, the Township has been working to correct financial reporting errors and implement internal controls over compliance.

**FINDING NUMBER 2022-002**

**Material Weakness / Material Noncompliance – Disbursements**

*State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)*, provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

During the audit period, we noted that the Township's former administrator was paid more than the approved salary rate in 2021 and 2022. We also noted that Administrator was overpaid for leave payouts.

BLENDON TOWNSHIP  
FRANKLIN COUNTY

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**FINDING NUMBER 2022-002**  
(continued)

**Material Weakness / Material Noncompliance – Disbursements**

Furthermore, we reviewed Township credit card usage of the former Administrator. We noted that in 2021 and in 2022, payments were made using the Township credit card which appeared to be personal expenses of the Administrator.

Failure by the Township officials and Board of Trustees to properly monitor vacation payouts, payroll, and credit card activity can result in misuse of public funds.

We recommend that the Township follow the statutes of ORC 505.64 for Township credit card usage and that the Township establish internal controls over approval of vacation payouts. We have referred this matter to the Central Region of the Auditor of State for further review.

**Officials' Response:** Joann Bury, Fiscal Officer, took office at the Township in November 2022. Since then, the Township has been working to correct financial reporting errors and implement internal controls over compliance.

**FINDING NUMBER 2022-003**

**Material Weakness – Bank Reconciliations**

Accurate reconciliation procedures are a key component of an effective accounting system required to enable the Township to properly classify transactions, maintain accountability for funds, distribute funds accurately, and detect fraud and errors in a timely manner.

We noted the following reconciling issues:

- The bank reconciliations were not provided to the Board of Trustees at their regular monthly meetings for review and approval during 2022.
- Posting of disbursements and receipts was not done on a timely basis. In 2022, disbursement and receipt transactions were not posted to the accounting system for several months after year end.

Untimely recording of transactions and inaccurate reconciliations reduce management's ability to monitor of Township assets and funds and increases the risk that errors, theft or fraud could occur and not be detected in a timely manner.

We recommend the Township ensure that monthly reconciliations are performed timely and all variances between the book and the bank are identified and resolved during the reconciliation process. We also recommend that the monthly reconciliations be included in the financial packet presented to the Board and that the Board review and sign off on these reconciliations noting this review and approval. We further recommend that all transactions be posted to the accounting system timely.

**Officials' Response:** Joann Bury, Fiscal Officer, took office at the Township in November 2022. Since then, the Township has been working to correct financial reporting errors and implement internal controls over compliance.

BLENDON TOWNSHIP  
FRANKLIN COUNTY  
DECEMBER 31, 2022 AND 2021

SCHEDULE OF PRIOR AUDIT FINDINGS

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Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2020-001	Material Weakness – Accurate Financial Reporting	No	Reissued as Finding Number 2022-001

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# OHIO AUDITOR OF STATE KEITH FABER



**BLENDON 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 12/26/2024**

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

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