



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

JEFFERSON TOWNSHIP
FRANKLIN COUNTY, OHIO

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of Jefferson Township, Franklin County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

July 12, 2021

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Jefferson Township
Franklin County, Ohio

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INDEPENDENT AUDITOR'S REPORT

Jefferson Township
Franklin County
6545 Havens Road
Blacklick, Ohio 43004

To the Board of Trustees:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

As discussed in Note 17 to the financial statements, the financial impact of COVID-19 and the ensuing measure will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2021, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



BHM CPA Group, Inc.
Piketon, Ohio
June 10, 2021

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 538,198	\$ 6,172,917	\$ 105,754	\$ -	\$6,816,869
Licenses, Permits and Fees	1,012,205	242,699	-	-	1,254,904
Intergovernmental	166,929	1,342,916	13,354	381,128	1,904,327
Special Assessments	-	11,365	-	-	11,365
Earnings on Investments	57,902	3,236	-	-	61,138
Miscellaneous	32,910	1,339,540	-	-	1,372,450
Total Cash Receipts	1,808,144	9,112,673	119,108	381,128	11,421,053
Cash Disbursements:					
Current:					
General Government	1,053,327	702,705	-	-	1,756,032
Public Safety	-	4,096,672	-	-	4,096,672
Public Works	-	779,447	-	574,060	1,353,507
Health	179,436	5,185	-	-	184,621
Conservation-Recreation	171,817	13,477	-	342,958	528,252
Other	-	497,630	-	-	497,630
Capital Outlay	33,478	1,259,727	1,407	-	1,294,612
Debt Service:					
Principal Retirement	-	51,193	125,500	-	176,693
Interest and Fiscal Charges	-	8,380	4,832	-	13,212
Total Cash Disbursements	1,438,058	7,414,416	131,739	917,018	9,901,231
Excess of Receipts Over/ (Under) Disbursements	370,086	1,698,257	(12,631)	(535,890)	1,519,822
Other Financing Receipts/ (Disbursements):					
Transfers In	-	-	-	332,023	332,023
Transfers Out	(332,023)	-	-	-	(332,023)
Advances In	150,000	-	-	283,413	433,413
Advances Out	(283,413)	-	-	(150,000)	(433,413)
Loan Proceeds	-	-	-	342,932	342,932
Sale of Capital Assets	125	7,000	-	-	7,125
Other Financing Sources	285,061	175,926	-	-	460,987
Total Other Financing Receipts/ (Disbursements)	(180,250)	182,926	-	808,368	811,044
Net Change in Fund Cash Balances	189,836	1,881,183	(12,631)	272,478	2,330,866
Fund Cash Balances, January 1, <i>as restated, see note 19</i>	2,553,235	6,483,053	69,982	-	9,106,270
Fund Cash Balances, December 31	<u>\$ 2,743,071</u>	<u>\$ 8,364,236</u>	<u>\$ 57,351</u>	<u>\$ 272,478</u>	<u>\$ 11,437,136</u>

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Other Custodial
Additions	
Deposits Received	\$ 450
Total Additions	450
Deductions	
Distribution of Deposits	7,950
Total Deductions	7,950
Net Change in Fund Cash Balances	(7,500)
Fund Cash Balances, January 1	74,104
Fund Cash Balances, December 31	\$ 66,604

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Note 1 – Reporting Entity

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

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis

Fund Accounting

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

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

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

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

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

Coronavirus Relief Fund This fund is used to account for revenue and expenditures that relate to the Township’s coronavirus relief efforts.

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

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

JCP Playground Upgrades Fund The Township partnered with and received a grant from the Ohio Department of Natural Resources for capital improvements to the playground area at Jefferson Community Park. The proceeds are restricted for capital improvement.

Mann Road Public Works Commission Fund The Franklin County Engineer provided in-kind design and construction administration services to the Township for box culvert replacement, asphalt and guardrail construction. In addition, the Township received a grant and loan from Ohio Public Works Commission for these capital improvements. The proceeds are restricted for capital improvement.

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial funds account for maintenance and construction bonds for real estate development and construction of multi and single-family homes.

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

Basis of Accounting

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

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

Budgetary Process

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

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

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

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

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

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

Property, Plant and Equipment

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

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

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

Note 3 – Budgetary Activity

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,423,845	\$2,093,330	\$669,485
Special Revenue	9,103,223	9,295,599	192,376
Debt Service	121,714	119,108	(2,606)
Capital Projects	1,189,496	1,056,083	(133,413)
Custodial	1,500	450	(1,050)
Total	\$11,839,778	\$12,564,570	\$724,792

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,322,023	\$1,770,081	\$551,942
Special Revenue	9,333,203	7,414,416	1,918,787
Debt Service	138,000	131,739	6,261
Capital Projects	1,189,496	917,018	272,478
Custodial	75,604	7,950	67,654
Total	\$13,058,326	\$10,241,204	\$2,817,122

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Note 4 – Deposits and Investments

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

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$1,105,347
STAR Plus	44,931
Total deposits	1,150,278
STAR Ohio	10,353,262
Total investments	10,353,262
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$11,503,540

Deposits

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

Investments

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

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If property owner elects to pay semiannually, the first half is due January 21. The second half payment is typically due the following June 20, however, due to the Coronavirus pandemic, the second half due date was changed to August 5 in 2020.

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

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

Note 6 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
Refunding Bonds, 2011 Series	\$125,499	2.20%
Dump Truck	\$157,970	2.50%
OPWC Loan	342,932	0.00%
Total	\$626,401	

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

In 2011, the Township issued \$1,255,000 in refunding bonds in order to refund Fire Station & Equipment Series A and B Bonds. These general obligation bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. These bonds are paid from the Bond Retirement Funds.

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

During 2020, the Township entered into a loan agreement with Heartland Bank in the amount of \$157,970 for the purchase of a 2021 Freightliner dump truck. Semi-annual principal and interest payments are to be paid from the Road District Fund beginning in 2021.

Leases

The Township leases vehicles and other equipment under noncancelable leases. The Township disbursed \$59,573 to pay lease costs for the years ended December 31, 2020.

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

Year Ending December 31:	Refunding Bonds, 2011 Series	Fire Engine Lease	Dump Truck Note	OPWC Loan
2021	\$127,571	\$59,573	\$33,839	\$5,716
2022	0	59,573	33,839	11,431
2023	0	59,573	33,839	11,431
2024	0	29,786	33,839	11,431
2025	0	0	33,839	11,431
2026-2030	0	0	0	57,155
2031-2035	0	0	0	57,155
2036-2040	0	0	0	57,155
2041-2045	0	0	0	57,155
2046-2050	0	0	0	57,155
2051	0	0	0	5,717
Total	<u>\$127,571</u>	<u>\$208,505</u>	<u>\$169,195</u>	<u>\$342,932</u>

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2020, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Ohio Police and Fire Retirement System

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

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

Note 8 – Postemployment Benefits

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

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

Note 9 – Interfund Balance

Outstanding advances at December 31, 2020, consisted of \$133,413 advanced to the JCP Trail/Facility Improvements Fund from the General Fund to provide working capital for operations or projects.

Note 10 – Risk Management

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

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

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

	<u>2019 (Latest Information Available)</u>
Cash and investments	\$35,207,320
Actuarial liabilities	\$ 10,519,942

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Note 11 – Public Entity Risk Pool

Franklin County Cooperative Health Improvement Program

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

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

Note 12 – Construction and Contractual Commitments

The Township had the following outstanding significant contractual commitments at December 31, 2020.

<u>Vendor</u>	<u>Contract</u>	<u>Amount Remitted</u>	<u>Balance</u>
Fanklin County Engineer	\$ 382,000	\$ 166,588	\$ 215,412
Midway Structural Pipe & Supply	41,540	31,000	10,540

Note 13 – Contingent Liabilities

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

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Note 14 – 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 and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$41,902	\$286,512	\$328,414
Total	\$41,902	\$286,512	\$328,414

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. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – Tax Increment Financing (TIF) Agreements

The Township has entered into several TIF agreements with various organizations over the past several years. TIF agreements with a financial impact on fiscal year 2020 are listed below:

2904 – TIF – Jefferson Grove One

TIF agreement between the Township and Jefferson Grove One LLC: under this agreement the Township, the Licking Heights Local School District and the Career and Technology Education Centers of Licking County receive service payments in lieu of taxes over a 30-year period. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments.

2908 – TIF – Parkwood/Weldon 1

TIF agreement between the Township and MI Homes of Central Ohio, LLC: under this agreement the Township, the Gahanna-Jefferson Public School District and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. As of December 31, 2020, there was \$166,441 in the TIF special revenue fund, belonging to the developer, that was expended for construction.

2901 – TIF – Parkwood/Weldon 3

TIF agreement between the Township and MI Homes of Central Ohio, LLC: under this agreement the Township, the Gahanna-Jefferson Public School District and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. As of December 31, 2020, there was \$501,350 in the TIF special revenue fund, belonging to the developer, that was expended for construction.

2902 – TIF – Barton Hall II

TIF agreement between the Township and Barton Hall II, LLC: under this agreement the Township and the Eastland Fairfield Career and Technical Center receive service payments in lieu of taxes over a 30-year period. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. As of December 31, 2020, there was \$43,498 in the TIF special revenue fund, belonging to the developer, that was expended for construction. In addition, there was \$43,498 in the TIF special revenue fund, belonging to the Township, that was expended to the developer for construction.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Note 16 – Change in Accounting Principle

For 2020, the Township made changes to its cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

The effect of this change had no impact on the Township’s beginning cash balances.

Note 17 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The Township’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Township received CARES Act funding. The Township did not sub-grant to any other governments or organizations. The Township did not return any funds to the granting agency and the Township did not spend any of these funds on-behalf of other governments. Amounts expended are reflected as general government expenditures, public safety expenditures, public works expenditures, conservation-recreation expenditures and capital outlay expenditures in the Coronavirus Relief Fund Special Revenue Fund and as public safety expenditures in the CARES Act Provider Relief Special Revenue Fund on the accompanying financial statements.

During 2020, the Township received funds from the Department of Health and Human Services which were placed in the CARES Act Provider Relief Special Revenue Fund. The Township also received funds through the Franklin County Auditor from the Ohio Office of Budget and Management which were placed in the Coronavirus Relief Fund. The Township did not receive any other funds on-behalf of a grant from another government.

Note 18 – Subsequent Events

In October of 2020, the Township received a ruling from the Franklin County Prosecuting Attorney’s office that certain unexpended monies that were maintained in Custodial Funds would be allowable to be transferred to the General Fund, if certain criteria were met. In January of 2021, the Township determined that it met those criteria and approved the transfer of a total of \$66,403.70 from the Custodial funds to the General Fund.

Note 19 – Beginning Balance Restatement

General Fund Balance, January 1, 2020- As previously stated	\$ 2,553,035
Voided check from prior period	<u>200</u>
General Fund Balance, January 1, 2020- Restated	<u><u>\$ 2,553,235</u></u>

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**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 523,561	\$ 6,059,938	\$ 102,867	\$6,686,366
Licenses, Permits and Fees	880,328	285,183	-	1,165,511
Intergovernmental	160,172	579,009	12,996	752,177
Special Assessments	-	8,443	-	8,443
Earnings on Investments	181,069	7,805	-	188,874
Miscellaneous	54,161	328,660	-	382,821
	<u>1,799,291</u>	<u>7,269,038</u>	<u>115,863</u>	<u>9,184,192</u>
Total Cash Receipts				
	<u>1,799,291</u>	<u>7,269,038</u>	<u>115,863</u>	<u>9,184,192</u>
Cash Disbursements:				
Current:				
General Government	928,027	560,193	-	1,488,220
Public Safety	-	3,960,773	1,152	3,961,925
Public Works	-	770,108	-	770,108
Health	157,194	715	-	157,909
Conservation-Recreation	221,330	-	-	221,330
Other	-	183,906	-	183,906
Capital Outlay	26,833	842,311	-	869,144
Debt Service:				
Principal Retirement	-	49,399	125,500	174,899
Interest and Fiscal Charges	-	10,174	7,593	17,767
	<u>1,333,384</u>	<u>6,377,579</u>	<u>134,245</u>	<u>7,845,208</u>
Total Cash Disbursements				
	<u>1,333,384</u>	<u>6,377,579</u>	<u>134,245</u>	<u>7,845,208</u>
Excess of Receipts Over/ (Under) Disbursements	465,907	891,459	(18,382)	1,338,984
Other Financing Receipts/ (Disbursements):				
Sale of Capital Assets	-	8,600	-	8,600
Other Financing Sources	41,388	66,231	-	107,619
	<u>41,388</u>	<u>74,831</u>	<u>-</u>	<u>116,219</u>
Total Other Financing Receipts/ (Disbursements)				
	<u>41,388</u>	<u>74,831</u>	<u>-</u>	<u>116,219</u>
Net Change in Fund Cash Balances	507,295	966,290	(18,382)	1,455,203
Fund Cash Balances, January 1, <i>as restated, see note 13</i>	2,045,740	5,516,763	88,364	7,650,867
	<u>2,045,740</u>	<u>5,516,763</u>	<u>88,364</u>	<u>7,650,867</u>
Fund Cash Balances, December 31				
Restricted	-	6,483,053	69,982	6,553,035
Unassigned	2,553,035	-	-	2,553,035
	<u>2,553,035</u>	<u>-</u>	<u>-</u>	<u>2,553,035</u>
Fund Cash Balances, December 31	<u>\$ 2,553,035</u>	<u>\$ 6,483,053</u>	<u>\$ 69,982</u>	<u>\$ 9,106,070</u>

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Agency Funds
Operating Cash Disbursements:	
Other	500
Total Operating Cash Disbursements	500
Operating Income (Loss)	(500)
Non-Operating Receipts (Disbursements):	
Miscellaneous Receipts	7,700
Total Non-Operating Receipts (Disbursements)	7,700
Net Change in Fund Cash Balances	7,200
Fund Cash Balances, January 1	66,904
Fund Cash Balances, December 31	\$ 74,104

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 1 – Reporting Entity

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

The Township participates in one public entity risk pool, Ohio Township Association Risk Management Authority (OTARMA), a public risk pool that provides property and casualty coverage for its members. Note 9 to the financial statements provide additional information for the entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are organized on a fund type basis.

Fund Accounting

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

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

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

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

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

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency fund accounts for maintenance and construction bonds for real estate development and construction of multi and single-family homes.

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, 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. Appropriations lapse at year-end.

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

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

A summary of 2019 budgetary activity appears in Note 3.

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.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

Property, Plant and Equipment

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

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.

Note 3 – Budgetary Activity

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,249,549	\$1,840,679	\$591,130
Special Revenue	7,142,366	7,343,869	201,503
Debt Service	116,314	115,863	(451)
Fiduciary	0	7,700	7,700
Total	\$8,508,229	\$9,308,111	\$799,882

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,733,700	\$1,333,384	\$400,316
Special Revenue	7,693,648	6,377,579	1,316,069
Debt Service	139,000	134,245	4,755
Fiduciary	66,904	500	66,404
Total	\$9,633,252	\$7,845,708	\$1,787,544

Note 4 – Deposits and Investments

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

Demand deposits	2019 \$893,119
Total deposits	893,119
STAR Ohio and STAR Plus	8,287,055
Total investments	8,287,055
Total deposits and investments	\$9,180,174

Deposits

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

Investments

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

Note 5 – Property Taxes

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

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 6 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
Refunding Bonds, 2011 Series	\$250,999	2.20%
Total	\$250,999	

In 2011, the Township issued \$1,255,000 in refunding bonds in order to refund Fire Station & Equipment Series A and B Bonds. These general obligation bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. These bonds are paid from the Bond Retirement Funds.

Leases

The Township leases vehicles and other equipment under noncancelable leases. The Township disbursed \$59,573 to pay lease costs for the years ended December 31, 2019.

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

Year Ending	Refunding Bonds, 2011	Fire Engine
December 31:	Series	Lease
2020	\$130,332	\$59,573
2021	127,571	59,573
2022	0	59,573
2023	0	59,573
2024	0	29,786
Total	\$257,903	\$268,078

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2019.

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2019, OP&F participants contributed 12.25% of their wages. The Township contributed an amount equal to 24% of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2019.

Note 8 – Postemployment Benefits

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

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Note 9 – Risk Management

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:

	2019
Cash and investments	\$35,207,320
Actuarial liabilities	\$ 10,519,942

**JEFFERSON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 10 – Public Entity Risk Pool

Franklin County Cooperative Health Improvement Program

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

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

Note 11 – 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 12 – Tax Increment Financing (TIF) Agreements

The Township has entered into several TIF agreements with various organizations over the past several years. The only TIF agreement with a financial impact on fiscal year 2019 is an agreement between the Township and Jefferson Grove One, LLC. Under this agreement the Township, the Licking Heights Local School District, and the Career and Technology Education Centers of Licking County receive service payments in lieu of taxes over a 30-year period from the developer. The Township will then reimburse the developer for certain capital improvements made from a portion of these services payments. As of December 31, 2019, there was \$115,879 in the TIF special revenue fund, which was available to the developer, but not drawn down for construction. There was also \$28,970 in the TIF special revenue fund which belongs to the Township.

Note 13 – Beginning Balance Restatement

Special Revenue Fund Balance, January 1, 2019- As previously stated	<u>\$ 5,516,389</u>
Void checks from prior period	<u>374</u>
Special Revenue Fund Balance, January 1, 2019- Restated	<u><u>\$ 5,516,763</u></u>



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

Jefferson Township
Franklin County
6545 Havens Road
Blacklick, Ohio 43004

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Jefferson Township, Franklin County, (the Township) and have issued our report thereon dated June 10, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
June 10, 2021

OHIO AUDITOR OF STATE KEITH FABER



JEFFERSON TOWNSHIP

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/22/2021

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

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