

VIOLET TOWNSHIP
FAIRFIELD COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2022 & 2021**



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Members of the Board of Trustees
Violet Township
10190 Blacklick Eastern Rd
Pickerington, OH 43147-9225

We have reviewed the *Independent Auditor's Report* of Violet Township, Fairfield County, prepared by Julian & Grube, 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. The Violet 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

November 09, 2023

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**VIOLET TOWNSHIP
FAIRFIELD COUNTY, OHIO**

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Independent Auditor's Report

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

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental fund type of the Violet Township, Fairfield County, Ohio, 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 of the Violet Township, as of and for the years ended December 31, 2022 and 2021 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as 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 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 Violet Township, as of December 31, 2022 and 2021, or 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 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 Violet 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 Violet 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 a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and GAAP, although not reasonably determinable, are presumed to be material and pervasive.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 misstatements, 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 Violet 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 generally accepted auditing standards and *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 generally accepted auditing standards 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 Violet 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.

Violet Township
Fairfield County
Independent Auditor's Report

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Violet 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 September 8, 2023 on our consideration of the Violet Township's internal control over financial reporting and on 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 Violet 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 Violet Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.
September 8, 2023

Violet Township
Fairfield County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$ 772,943	\$ 13,748,348	\$ -	\$ -	\$ 14,521,291
Charges for Services	-	1,034,314	-	-	1,034,314
Licenses, Permits and Fees	529,659	196,710	-	-	726,369
Intergovernmental	299,623	2,920,125	-	121,889	3,341,637
Special Assessments	16,526	7,829	-	-	24,355
Earnings on Investments	96,725	17,318	-	-	114,043
Miscellaneous	398,987	28,446	-	-	427,433
<i>Total Cash Receipts</i>	<u>2,114,463</u>	<u>17,953,090</u>	<u>-</u>	<u>121,889</u>	<u>20,189,442</u>
Cash Disbursements					
Current:					
General Government	1,907,905	555,080	-	-	2,462,985
Public Safety	104,151	13,119,612	-	-	13,223,763
Public Works	-	2,262,686	-	-	2,262,686
Health	126,800	-	-	-	126,800
Conservation-Recreation	28,365	-	-	300	28,665
Capital Outlay	4,779	73,842	-	91,841	170,462
Debt Service:					
Principal Retirement	-	-	545,783	20,782	566,565
Interest and Fiscal Charges	-	-	201,882	-	201,882
<i>Total Cash Disbursements</i>	<u>2,172,000</u>	<u>16,011,220</u>	<u>747,665</u>	<u>112,923</u>	<u>19,043,808</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(57,537)</u>	<u>1,941,870</u>	<u>(747,665)</u>	<u>8,966</u>	<u>1,145,634</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	18,267	-	-	-	18,267
Transfers In	996,639	2,387,053	603,684	1,994,464	5,981,840
Transfers Out	(242,642)	(2,623,148)	-	(3,116,050)	(5,981,840)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>772,264</u>	<u>(236,095)</u>	<u>603,684</u>	<u>(1,121,586)</u>	<u>18,267</u>
<i>Net Change in Fund Cash Balances</i>	714,727	1,705,775	(143,981)	(1,112,620)	1,163,901
<i>Fund Cash Balances, January 1 - Restated</i>	<u>2,748,774</u>	<u>12,647,240</u>	<u>458,546</u>	<u>2,532,019</u>	<u>18,386,579</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,463,501</u>	<u>\$ 14,353,015</u>	<u>\$ 314,565</u>	<u>\$ 1,419,399</u>	<u>\$ 19,550,480</u>

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 1 - Reporting Entity

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

Primary Government

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

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in jointly governed organizations, a joint venture and a public entity risk pool.

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

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

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

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Fund Accounting

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

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

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

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

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

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

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

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

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

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

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

Basis of Accounting

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

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

Budgetary Process

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

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

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 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 negotiable certificate of deposits, commercial paper, U.S. Treasury Notes and federal agency securities at cost. Money market mutual funds are recorded at share value the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximated fair value.

Capital Assets

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

Accumulated Leave

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Fund Balance

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

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

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

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

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

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

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

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

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	\$3,101,603	\$3,129,369	\$27,766
Special Revenue	19,304,261	20,340,143	1,035,882
Debt Service	623,684	603,684	(20,000)
Capital Projects	2,364,764	2,116,353	(248,411)
Total	\$25,394,312	\$26,189,549	\$795,237

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,772,858	\$2,464,438	\$1,308,420
Special Revenue	22,752,321	18,680,851	4,071,470
Debt Service	726,881	747,665	(20,784)
Capital Projects	3,652,947	3,228,973	423,974
Total	\$30,905,007	\$25,121,927	\$5,783,080

Note 4 - Deposits and Investments

The Township maintains a deposits and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2022 was as follows:

	2022
Demand deposits	<u>\$4,558,587</u>
Total deposits	<u>4,558,587</u>
U.S. Treasury Notes	856,393
Commercial Paper	1,640,721
Federal Agency Securities	4,733,740
STAR Ohio	3,482,491
Money Markets	30,538
Negotiable CDs	<u>4,248,010</u>
Total investments	<u>14,991,893</u>
Total deposits and investments	<u><u>\$19,550,480</u></u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding no unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation (FDIC); 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.

At December 31, 2022, \$1,638,373 of deposits were not insured and potentially uncollateralized, due to the Township's financial institutions being approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the FDIC.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Investments

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

Note 5 - Property Taxes

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

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

Note 6 - Risk Management

Risk Pool Membership

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

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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2022:

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24.00 percent of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2022.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participant's gross salaries. The Township has paid all contributions required through December 31, 2022.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended 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>
General obligation bonds, series 2015	\$ 1,310,000	2.44%
General obligation bonds, series 2016	215,000	2.00 - 4.00%
General obligation bonds, series 2019	3,310,000	2.45 - 4.00%
General obligation bonds, series 2021	3,695,000	0.211 - 2.182%
OPWC loan #CQ35S	218,052	0.00%
OPWC loan #CQ44R	680,149	0.00%
OPWC loan #CQ18V	121,608	0.00%
Total	<u>\$ 9,549,809</u>	

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

General Obligation Bonds - Series 2016 - These bonds were issued in 2016 for the purpose of paying the costs of improving the township's public safety facilities by constructing, furnishing and equipping a new fire station. The bonds had interest rates ranging from 2.00 - 4.00%. Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity of the issue is December 1, 2035. The Series 2016 General Obligation Bonds are being retired from the Fire Bond Retirement Fund (Debt Service Fund Type). During 2021, these bonds were partially refunded using the proceeds of the General Obligation Refunding Bonds - Series 2021 described below.

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

General Obligation Refunding Bonds - Series 2021 - On August 25, 2021, the Township issued \$3,800,000 in general obligation refunding bonds to advance refund \$3,375,000 of the Series 2016 General Obligation Bonds. The debt issue is comprised of current interest serial bonds (par value \$2,825,000) and current interest term bonds (par value \$975,000). The interest rate on the serial bonds ranges from 0.211% to 1.932%. The interest rate on the term bonds is 2.182%. Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity of the issue is December 1, 2035. The Series 2021 General Obligation Refunding Bonds are being retired from the Fire Bond Retirement Fund (Debt Service Fund Type). The net proceeds of the Series 2021 General Obligations Refunding Bonds related to the advance refunding portion have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds have an outstanding balance of \$3,375,000 at December 31, 2022.

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

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

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31,	General Obligation Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest
2023	\$ 535,000	\$ 190,827	\$ 41,566	\$ -
2024	555,000	175,142	41,565	-
2025	560,000	166,465	41,566	-
2026	575,000	156,832	41,566	-
2027	575,000	146,450	41,566	-
2028-2032	2,460,000	560,057	207,828	-
2033-2037	1,590,000	328,590	207,828	-
2038-2042	705,000	199,418	207,828	-
2043-2047	800,000	95,594	179,488	-
2048-2050	175,000	5,031	9,008	-
Total	<u>\$ 8,530,000</u>	<u>\$ 2,024,406</u>	<u>\$ 1,019,809</u>	<u>\$ -</u>

Note 10 - Interfund Transfers

During 2022, the following transfers were made:

Transfers to	Transfers from			Total
	General	Special Revenue	Capital Projects	
General	\$ -	\$ -	\$ 996,639	\$ 996,639
Special Revenue	92,642	175,000	2,119,411	2,387,053
Debt Service	100,000	503,684	-	603,684
Capital Projects	50,000	1,944,464	-	1,994,464
Total	<u>\$ 242,642</u>	<u>\$ 2,623,148</u>	<u>\$ 3,116,050</u>	<u>\$ 5,981,840</u>

\$25,000 Transfers From/ To were used to move restricted receipts for the Road & Bridge Fund (Special Revenue Fund Type) to finance wages and benefits in the Wage and Benefits Stabilization Fund (Special Revenue Fund Type) for the public works department.

\$150,000 Transfers From/ To were used to move restricted receipts for the Fire District Fund (Special Revenue Fund Type) to finance wages and benefits in the Wage and Benefits Stabilization Fund (Special Revenue Fund Type) for the fire department.

\$2,232,899 Transfers From/ To were used to move restricted receipts for the Fire District Fund (Special Revenue Fund Type) to other Debt Service (Debt Service Fund Type) and Capital Projects Funds (Capital Projects Fund Type) to make debt payments and to purchase capital assets for the fire department.

\$173,684 Transfers From/ To were used to move Road & Bridge funds (Special Revenue Fund Type) to the General Bond Retirement Fund - Road & Bridge (Debt Service Fund Type) to make debt payments.

\$41,565 Transfers From/ To were used to move Road & Bridge funds (Special Revenue Fund Type) to the Capital Projects Fund - Road & Bridge (Capital Projects Fund Type) to purchase capital assets for the road department.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

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

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

\$92,642 Transfers From/ To were used to move General Fund monies to a Special Revenue fund (Special Revenue Fund Type) to finance wages and benefits for the public works department.

\$1,403,681 Transfers From/ To were from Capital Projects - reserve funds (Capital Projects Fund Type) that met the ten year limitation into the Special Revenue funds (Special Revenue Fund Type) that originally provided the resources.

\$996,639 Transfers From/ To were from Capital Projects - reserve funds (Capital Projects Fund Type) that met the ten year limitation into the General Fund, which had originally provided the resources.

\$715,729 Transfers From/ To were from a Capital Projects fund (Capital Projects Fund Type) to a Special Revenue fund (Special Revenue Fund Type) for the CEDA subsequent a reevaluation of the agreement.

All transfers above were made in compliance with Ohio Revised Code Section 5705.13, 5705.14, 5705.15, and 5705.16.

Note 11 - Contingent Liabilities

At December 31, 2022, the Township was not involved in any lawsuits that would have a material adverse effect on the Township's financial position.

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

Note 12 - Joint Ventures

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

Note 13 - Jointly Governed Organizations

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2022

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

Note 14 - Fund Balances

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 49,795	\$ 46,483	\$ 96,278

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

Note 15 - 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 ended in May 2023. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the emergency measures may impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 16 - Prior Period Restatement

During 2022 the Township determined the need to void a prior year outstanding check. The determination had the following effect on the Special Revenue fund type cash fund balance at January 1, 2022:

Fund cash balance	Special Revenue
December 31, 2021	\$ 12,647,212
Voided Prior Year Outstanding Check	28
January 1, 2022, restated	\$ 12,647,240

Note 17 - Compliance

The Township is in noncompliance with Ohio Revised Code Section 5705.38(C).

Note 18 - Miscellaneous Receipts

The Township's miscellaneous receipts were primarily made up of rental receipts.

Violet Township
Fairfield County, Ohio
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	
Cash Receipts					
Property and Other Local Taxes	\$ 761,858	\$ 13,503,691	\$ -	\$ -	\$ 14,265,549
Charges for Services	-	935,467	-	-	935,467
Licenses, Permits and Fees	615,200	15,650	-	-	630,850
Fines and Forfeitures	1,250	-	-	-	1,250
Intergovernmental	352,506	2,863,966	-	442,211	3,658,683
Special Assessments	16,445	2,957	-	-	19,402
Earnings on Investments	46,623	3,633	-	-	50,256
Miscellaneous	283,244	38,811	-	300	322,355
<i>Total Cash Receipts</i>	<u>2,077,126</u>	<u>17,364,175</u>	<u>-</u>	<u>442,511</u>	<u>19,883,812</u>
Cash Disbursements					
Current:					
General Government	1,600,293	392,644	-	-	1,992,937
Public Safety	75,491	11,443,261	-	-	11,518,752
Public Works	-	1,874,261	-	-	1,874,261
Health	118,277	-	-	-	118,277
Conservation-Recreation	30,955	-	-	-	30,955
Capital Outlay	12,911	161,976	-	2,658,832	2,833,719
Debt Service:					
Principal Retirement	-	385,649	500,000	41,565	927,214
Interest and Fiscal Charges	-	-	341,291	-	341,291
<i>Total Cash Disbursements</i>	<u>1,837,927</u>	<u>14,257,791</u>	<u>841,291</u>	<u>2,700,397</u>	<u>19,637,406</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>239,199</u>	<u>3,106,384</u>	<u>(841,291)</u>	<u>(2,257,886)</u>	<u>246,406</u>
Other Financing Receipts (Disbursements)					
Sale of Refunding Bonds	-	-	3,800,000	-	3,800,000
Payment to Refunded Bond Escrow Agent	-	-	(3,694,826)	-	(3,694,826)
Transfers In	-	275,482	731,663	934,518	1,941,663
Transfers Out	(160,000)	(1,781,663)	-	-	(1,941,663)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(160,000)</u>	<u>(1,506,181)</u>	<u>836,837</u>	<u>934,518</u>	<u>105,174</u>
<i>Net Change in Fund Cash Balances</i>	79,199	1,600,203	(4,454)	(1,323,368)	351,580
<i>Fund Cash Balances, January 1 - Restated</i>	<u>2,669,575</u>	<u>11,047,009</u>	<u>463,000</u>	<u>3,855,387</u>	<u>18,034,971</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,748,774</u>	<u>\$ 12,647,212</u>	<u>\$ 458,546</u>	<u>\$ 2,532,019</u>	<u>\$ 18,386,551</u>

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 1 - Reporting Entity

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

Primary Government

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

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in jointly governed organizations, a joint venture and a public entity risk pool.

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

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

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

The Township's management believes the financial statement presents all activities for which the Township is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which 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.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

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 Fund:

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

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

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

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

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

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

Capital Projects - Wigwam This fund is used to renovate and purchase equipment for the Wigwam Center for the Township.

Basis of Accounting

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

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

Budgetary Process

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

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

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 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 negotiable certificate of deposits, commercial paper, U.S. Treasury Notes and federal agency securities at cost. Money market mutual funds are recorded at share value the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximated fair value.

Capital Assets

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

Accumulated Leave

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

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:

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

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

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

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

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

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

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

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

Note 3 - Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,729,798	\$2,077,126	\$347,328
Special Revenue	16,840,091	17,639,657	799,566
Debt Service	4,425,035	4,531,663	106,628
Capital Projects	935,804	1,377,029	441,225
Total	\$23,930,728	\$25,625,475	\$1,694,747

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,347,921	\$2,001,410	\$346,511
Special Revenue	18,813,539	16,041,428	2,772,111
Debt Service	4,518,389	4,536,117	(17,728)
Capital Projects	2,952,336	2,700,397	251,939
Total	\$28,632,185	\$25,279,352	\$3,352,833

Note 4 - Deposits and Investments

The Township maintains a deposits and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2021 was as follows:

	2021
Demand deposits	\$5,003,192
Total deposits	5,003,192
U.S. Treasury Notes	599,119
Commercial Paper	2,750,145
Federal Agency Securities	4,015,946
STAR Ohio	2,924,130
Money Markets	6,052
Negotiable CDs	3,087,967
Total investments	13,383,359
Total deposits and investments	\$18,386,551

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township is holding no unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation (FDIC); 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.

At December 31, 2021, \$1,136,820 of deposits were not insured and potentially uncollateralized, due to the Township's financial institutions being approved for a reduced collateral rate of 60 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the FDIC.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Investments

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

Note 5 - Property Taxes

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

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

Note 6 - Risk Management

Risk Pool Membership

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

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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021:

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participant's gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 9 - Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
General obligation bonds, series 2015	\$ 1,480,000	2.44%
General obligation bonds, series 2016	425,000	2.00 - 4.00%
General obligation bonds, series 2019	3,395,000	2.45 - 4.00%
General obligation bonds, series 2021	3,755,000	0.211 - 2.182%
OPWC loan #CQ35S	226,774	0.00%
OPWC loan #CQ44R	708,489	0.00%
OPWC loan #CQ18V	126,112	0.00%
Total	<u>\$ 10,116,375</u>	

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

General Obligation Bonds - Series 2016 - These bonds were issued in 2016 for the purpose of paying the costs of improving the township's public safety facilities by constructing, furnishing and equipping a new fire station. The bonds had interest rates ranging from 2.00 - 4.00%. Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity of the issue is December 1, 2035. The Series 2016 General Obligation Bonds are being retired from the Fire Bond Retirement Fund (Debt Service Fund Type). During 2021, these bonds were partially refunded using the proceeds of the General Obligation Refunding Bonds - Series 2021 described below.

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

General Obligation Refunding Bonds - Series 2021 - On August 25, 2021, the Township issued \$3,800,000 in general obligation refunding bonds to advance refund \$3,375,000 of the Series 2016 General Obligation Bonds. The debt issue is comprised of current interest serial bonds (par value \$2,825,000) and current interest term bonds (par value \$975,000). The interest rate on the serial bonds ranges from 0.211% to 1.932%. The interest rate on the term bonds is 2.182%. Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity of the issue is December 1, 2035. The Series 2021 General Obligation Refunding Bonds are being retired from the Fire Bond Retirement Fund (Debt Service Fund Type). The net proceeds of the Series 2021 General Obligations Refunding Bonds related to the advance refunding portion have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds have an outstanding balance of \$3,375,000 at December 31, 2021.

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

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

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

Leases

The Township leases a fire engine under a noncancelable lease. The Township records principal (\$367,225) and interest (\$18,424) payments in the Fire District Fund (Special Revenue Fund Type). The lease had a final maturity on January 10, 2024. The Township disbursed \$385,649 to pay lease costs for the year ended December 31, 2021. This lease was fully retired during 2021.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31,	General Obligation Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest
2022	\$ 525,000	\$ 201,881	\$ 41,566	\$ -
2023	535,000	190,827	41,566	-
2024	555,000	175,142	41,565	-
2025	560,000	166,465	41,566	-
2026	575,000	156,832	41,566	-
2027-2031	2,610,000	613,274	207,828	-
2032-2036	1,885,000	370,991	207,828	-
2037-2041	685,000	218,094	207,828	-
2042-2046	780,000	117,831	207,828	-
2047-2050	345,000	14,950	22,234	-
Total	<u>\$ 9,055,000</u>	<u>\$ 2,226,287</u>	<u>\$ 1,061,375</u>	<u>\$ -</u>

Note 10 - Interfund Balances and Transfers

During 2021, the following transfers were made:

Transfers to	Transfers from		Total
	General	Special Revenue	
General	\$ -	\$ -	\$ -
Special Revenue	-	275,482	275,482
Debt Service	100,000	631,663	731,663
Capital Projects	60,000	874,518	934,518
Total	<u>\$ 160,000</u>	<u>\$ 1,781,663</u>	<u>\$ 1,941,663</u>

\$75,482 Transfers From/ To were used to move restricted receipts for the Road & Bridge Fund (Special Revenue Fund Type) to finance wages and benefits in the Wage and Benefits Stabilization Fund (Special Revenue Fund Type) for the public works department.

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

\$1,200,000 Transfers From/ To were used to move restricted receipts for the Fire District Fund (Special Revenue Fund Type) to other Debt Service (Debt Service Fund Type) and Capital Projects Funds (Capital Projects Fund Type) to make debt payments and to purchase capital assets for the fire department.

\$281,663 Transfers From/ To were used to move Road & Bridge funds (Special Revenue Fund Type) to the General Bond Retirement Fund - Road & Bridge (Debt Service Fund Type) to make debt payments.

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

\$24,518 Transfers From/ To were used to move Road & Bridge funds (Special Revenue Fund Type) to the Capital Projects Fund - Road & Bridge (Capital Projects Fund Type) to purchase capital assets for the road department.

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

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

\$10,000 Transfers From/ To were used to move General Fund monies to a Capital Projects fund (Capital Projects Fund Type) for the purchase of assets according to the Violet/Canal Winchester CEDA Agreement.

All transfers above were made in compliance with Ohio Revised Code Section 5705.13, 5705.14, 5705.15, and 5705.16.

Note 11 - Contingent Liabilities

At December 31, 2021, the Township was not involved in any lawsuits that would have a material adverse effect on the Township's financial position.

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

Note 12 - Joint Ventures

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

Note 13 - Jointly Governed Organizations

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

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

Violet Township
Fairfield County, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2021

Note 14 - Fund Balances

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 3,483	\$ 1,974	\$ 5,457

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

Note 15 - 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 emergency measures may 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.

Note 16 - Prior Period Restatement

During 2021 the Township determined that the Port Authority special revenue fund should not be reported in the Township's financial statements. Additionally, the Township determined the need to void a prior year outstanding check. The determination had the following effect on the Special Revenue fund type fund cash balance at January 1, 2021:

Fund cash balance	Special Revenue
December 31, 2020	\$ 11,086,743
Adjustment for elimination of Port Authority	(40,265)
Voided Prior Year Outstanding Check	531
January 1, 2021, restated	\$ 11,047,009

Note 17 - Compliance

The Township is in noncompliance with Ohio Revised Code Section 5705.38(C).

Note 18 - Miscellaneous Receipts

The Township's miscellaneous receipts were primarily made up of rental receipts.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

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

To the Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of the Violet Township, Fairfield County, Ohio, as of and for the years ended December 31, 2022, and 2021 and the related notes to the financial statements and have issued our report thereon dated September 8, 2023, wherein we noted as described in Note 2 to the financial statements, the Violet Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Violet 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 Violet Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Violet 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 Violet 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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Violet 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 required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2022-001.

Violet Township's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Violet 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 Violet Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
September 8, 2023

**VIOLET TOWNSHIP
FAIRFIELD COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2022-001

Material Weakness/Noncompliance – Budgetary Legal Level of Control

Ohio Revised Code Section 5705.38(C) requires the following minimum level of budgetary control for Townships: “Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services”.

The Township’s appropriations resolutions were passed at the fund level instead of at the level of control described above and no additional documents could be provided to evidence that additional reports at the required legal level of control were being presented to and approved by the Board along with the appropriation resolutions.

By not appropriating at the level of control required by the Ohio Revised Code, the Township risks insufficient oversight over expenditures.

We recommend the Township present and approve all appropriation measures in accordance with the Ohio Revised Code.

Client Response: The Township Fiscal Officer will ensure to maintain documentation of Board approval of appropriation amendments at the legal level of control especially if only providing in the resolutions a summary for practicality.

**VIOLET TOWNSHIP
FAIRFIELD COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022 AND 2021**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2020-001	2015	<u>Material Weakness - Financial Statement Presentation –</u> A monitoring system by the Fiscal Officer and Trustees should be in place to prevent or detect material misstatements for the accurate presentation of the Township’s financial statements. The Township had several audit adjustments.	Corrected	N/A

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OHIO AUDITOR OF STATE KEITH FABER



VIOLET TOWNSHIP

FAIRFIELD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/21/2023

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

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