



OHIO AUDITOR OF STATE
KEITH FABER



**JACKSON TOWNSHIP
STARK COUNTY
DECEMBER 31, 2022 AND 2021**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2022	5
Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – Internal Service Fund - For the Year Ended December 31, 2022	6
Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – Other Custodial Fund - For the Year Ended December 31, 2022	7
Notes to the Financial Statements for the Year Ended December 31, 2022.....	8
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2021	23
Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – Internal Service Fund - For the Year Ended December 31, 2021	24
Notes to the Financial Statements for the Year Ended December 31, 2021.....	25
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	39

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INDEPENDENT AUDITOR'S REPORT

Jackson Township
Stark County
5735 Wales Avenue NW
Massillon, Ohio 44646

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Jackson Township, Stark County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type combined total as of and for the years ended December 31, 2022 and 2021, the fiduciary fund type combined total for the year ended December 31, 2022, 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 and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

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

Emphasis of Matter

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2023, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

July 7, 2023

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**JACKSON TOWNSHIP
STARK COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 1,269,061	\$ 27,635,702	-	\$ 28,904,763
Charges for Services	842,205	1,744,056	-	2,586,261
Licenses, Permits and Fees	178,656	4,457	-	183,113
Fines and Forfeitures	24,685	6,452	-	31,137
Intergovernmental	1,224,042	4,479,066	-	5,703,108
Special Assessments	-	158,667	-	158,667
Earnings on Investments	396,515	8,532	-	405,047
Miscellaneous	495,895	537,108	-	1,033,003
<i>Total Cash Receipts</i>	<u>4,431,059</u>	<u>34,574,040</u>	<u>-</u>	<u>39,005,099</u>
Cash Disbursements				
Current:				
General Government	3,359,828	224,114	-	3,583,942
Public Safety	193,007	19,854,413	-	20,047,420
Public Works	64,114	5,207,828	-	5,271,942
Health	375,946	-	-	375,946
Economic Development	28,221	-	-	28,221
Conservation-Recreation	71,990	1,336,827	-	1,408,817
Capital Outlay	103,643	5,386,440	-	5,490,083
<i>Total Cash Disbursements</i>	<u>4,196,749</u>	<u>32,009,622</u>	<u>-</u>	<u>36,206,371</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>234,310</u>	<u>2,564,418</u>	<u>-</u>	<u>2,798,728</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	-	160,514	-	160,514
Transfers In	476,306	1,481,105	313,919	2,271,330
Transfers Out	(586,559)	(1,684,771)	-	(2,271,330)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(110,253)</u>	<u>(43,152)</u>	<u>313,919</u>	<u>160,514</u>
<i>Net Change in Fund Cash Balances</i>	124,057	2,521,266	313,919	2,959,242
<i>Fund Cash Balances, January 1</i>	<u>7,583,057</u>	<u>28,841,096</u>	<u>1,027,293</u>	<u>37,451,446</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 7,707,114</u>	<u>\$ 31,362,362</u>	<u>\$ 1,341,212</u>	<u>\$ 40,410,688</u>

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

**JACKSON TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE (REGULATORY CASH BASIS)
INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Proprietary Fund Type</u>
	<u>Internal Service</u>
Operating Cash Receipts	
Charges for Services	\$303,261
Other	1,142
	<u>304,403</u>
<i>Total Operating Cash Receipts</i>	<i>304,403</i>
Operating Cash Disbursements	
Salaries	271,869
Employee Fringe Benefits	25,388
Other	20,904
	<u>318,161</u>
<i>Total Operating Cash Disbursements</i>	<i>318,161</i>
<i>Operating Income (Loss)</i>	<i>(13,758)</i>
 <i>Net Change in Fund Cash Balances</i>	 <i>(13,758)</i>
<i>Fund Cash Balances, January 1</i>	 <i>194,822</i>
<i>Fund Cash Balances, December 31</i>	 <i><u><u>\$181,064</u></u></i>

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

**JACKSON TOWNSHIP
STARK COUNTY**

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

	Fiduciary Fund Type
	Other Custodial
Additions	
Deposits Received	\$ 30,000
Earnings on Investments	214
<i>Total Additions</i>	<i>30,214</i>
Deductions	
<i>Total Deductions</i>	<i>-</i>
<i>Net Change in Fund Cash Balances</i>	<i>30,214</i>
<i>Fund Cash Balances, January 1</i>	<i>-</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 30,214</i>

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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Jackson Township, Stark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, police and fire protection, emergency medical services, park and recreation and zoning services. On November 5, 1991, voters approved adoption of the “limited home rule” form of government as authorized by Chapter 504 of the Revised Code.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Component Unit

The Township participates in joint ventures, jointly governed organizations, a public entity risk pool and is associated with a Component Unit. Notes 11, 12, 13, and 14 to the financial statements provide additional information for these entities. 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:

Fire Levy Fund The fire levy fund accounts for and reports proceeds from property taxes restricted for fire department and life squad protection and emergency services.

Police District Fund The police district fund accounts for and reports proceeds from property taxes restricted for police department operations and protection services.

Road and Bridge Fund The road and bridge fund accounts for and reports all disbursements committed to roads, including improvements, paving, snow removal, salt/sand, gravel, blacktop, maintenance, payroll, supplies, purchases, fuel, vehicle equipment and maintenance.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Park Fund The park fund accounts for and reports proceeds from property taxes restricted for park department operations and recreational services.

Local Fiscal Recovery Fund The local fiscal recovery fund accounts for and reports proceeds from the American Rescue Plan Act of 2021 restricted for certain expenditures related to the continued impact of COVID-19 on the economy, public health and local governments.

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:

General Capital Fund The Township uses this fund to save resources for future capital outlays and to make necessary capital improvements with transfers from the General Fund.

Internal Service Fund This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

Public Works Department Fund The Public Works Department fund accounts for the cost to provide management and support services to the Park, Highway and Central Maintenance divisions.

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 fund accounts for fire loss insurance proceeds.

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

Basis of Accounting

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

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

Budgetary Process

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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, department or personal services 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.

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township values U.S. Treasury Notes and municipal bonds at cost. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Leases

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

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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 16.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

Fund Type	2022 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$5,226,126	\$4,907,366	(\$318,760)
Special Revenue	36,593,213	36,215,658	(377,555)
Capital Projects	10,000	313,919	303,919
Internal Service	359,085	304,403	(54,682)
Fiduciary	-	30,214	30,214
Total	\$42,188,424	\$41,771,560	(\$416,864)

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,627,671	\$4,868,717	\$2,758,954
Special Revenue	54,105,036	36,610,614	17,494,422
Capital Projects	1,027,293	-	1,027,293
Internal Service	334,216	318,161	16,055
Fiduciary	-	-	-
Total	\$63,094,216	\$41,797,492	\$21,296,724

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	<u>2022</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$236,557
Certificates of deposit	7,085,042
Total deposits	<u>7,321,599</u>
Federal Government Agency Securities	15,773,497
Money Market	32,167
U.S. Treasury Notes	11,847,482
Municipal Bonds	1,535,000
STAR Ohio	1,329,368
Commercial Paper	2,782,853
Total investments	<u>33,300,367</u>
Total Deposits and investments	<u>\$40,621,966</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Note 5 – Property Taxes

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

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

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

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

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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Cash and investments	\$34,880,599
Actuarial liabilities	10,601,444

Stark County School Council of Governments Health Benefit Plan:

The Township is a member of the Stark County Schools Council of Governments Health Benefit Plan (Council). The Council is a shared risk pool created pursuant to State statute for the purpose of carrying out a cooperative program for the provision and administration of health care benefits for member employees and to promote other cooperative programs. The Council Assembly is the legislative decision making body of the Council and is comprised of the superintendent or executive officer from each member. The Board of Directors is the advisory body of the Council and is comprised of five individuals, including the Superintendent of the Stark County Educational Service Center, who serves as Chairman. All Council revenues are generated from charges for services received from the participating members, based on the established premiums for the insurance plans. The Council Agreement can be terminated by a two-thirds vote of the participating members. Upon such termination, the net reserve balance will be transferred to the members in proportion to their fiscal year premium deposits divided by the total deposits of all members.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. OPERS members in law enforcement contributed 13 percent of their gross salaries and the Township contributed an amount equaling 18.1 percent of full-time police members' gross salaries. The Township has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

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

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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Social Security

Several Township 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 participants' 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.

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 – Construction and Contractual Commitments

As of December 31, 2022, the Township had contractual commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Amount Remaining on Contract</u>
Superior Paving	Resurfacing Contract	\$808,389
Sutphen Corporation	Pumper Truck	523,260
United Earthworks LLC	Keck Park Circle	497,901
Pfund Superior Sales Co.	Ambulance	296,912

Note 10 – Contingent Liabilities

The Township is defendant in six lawsuits. Although management cannot presently determine the outcome of either suit, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Joint Ventures

Local Organized Governments in Cooperation

The Township participates in the Local Organized Governments in Cooperation (L.O.G.I.C.), a statutorily created political subdivision of the State formed in 1986 under Chapter 167 of the Ohio Revised Code to provide safety dispatching services. L.O.G.I.C. is a joint venture among the following entities: Jackson Township, Village of Beach City, Bethlehem Township, Village of Brewster, City of Canal Fulton, Village of Hills and Dales, Lawrence Township, City of Massillon, Village of Navarre, and the Village of Wilmot, with each participant providing one representative. Each representative has a membership share based on the percentage of contractual financial contributions to the total funding, and each participant is entitled to vote its percentage share. The board has total authority over the operation of L.O.G.I.C., including budgeting, appropriating, contracting, and designating management. Continued existence of L.O.G.I.C. is dependent on the Township's continued participation. L.O.G.I.C. does not provide specific financial benefits or impose specific financial burdens on the Township. During 2022, the Township made contributions of \$940,650, but does not have an equity interest in L.O.G.I.C. Financial statements of L.O.G.I.C. may be obtained from Local Organized Governments in Cooperation, 5735 Wales Avenue NW, Massillon, Ohio, 44646.

Joint Economic Development Districts

The Township participates in six Joint Economic Development Districts (JEDD) with the City of Canton. The JEDDs are located entirely within Jackson Township, Stark County. The purpose of a JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the Township and the City. At the same time, the JEDD prevents annexation of Township property by a city and maintains the Township's property tax base. The JEDD creates a Board of Directors and is permitted to collect income tax. The proceeds of the JEDDs are used to provide public services such as police and fire protection as well as to provide for improvements that benefit the JEDDs. The City of Canton administers and collects income tax for the JEDDs and reports quarterly to the Township.

The District agreements in place during 2022 were as follows:

Jackson-Canton JEDD Timken/Stark State

In 2012, the Township and the City entered into an agreement to create the JEDD at the Wind Research facility at 8252 Frank Avenue. The agreement authorized the levy of a 2% (2.5% effective July 1, 2018) earnings tax for persons employed within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 50% to the Township and 50% to the City through June 30, 2018. Effective July 1, 2018, the distribution is 40% to the Township and 60% to the City because 0.5% of the income tax collected is dedicated to specific purposes by law and shall not be subject to division.

Jackson-Canton JEDD SM-Stolle Machinery

In 2016, the Township and the City entered into an agreement to create the JEDD at the Stolle Machinery Company at 4337 Excel Street, N.W. The agreement authorized the levy of a 2% (2.5% effective July 1, 2018) earnings tax for persons employed within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is an amount equal to 1.0% of the full 2.0% income

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

tax collected from Stolle Machinery within District SM in the first nineteen (19) months shall be refunded to Stolle Machinery on an annual basis, pursuant to the City's Economic Growth Initiative Agreement with Stolle Machinery. The City shall retain 0.5% and pay 0.5% to the Township. Effective July 1, 2018 until December 1, 2026, an amount equal to 1.5% of the full 2.5% income tax collected from Stolle Machinery shall be refunded to Stolle on an annual basis. The City shall retain 0.5% and pay 0.5% to the Township. Effective January 1, 2027, the full income tax revenue shall not be subject to a refund to Stolle Machinery. The City shall retain 1.25% and shall pay the Township 1.25%.

Jackson-Canton JEDD FP-Fitzpatrick

In 2017, the Township and the City entered into an agreement to create the JEDD at Dressler Properties, Inc., land north of BJ's and Home Depot. The agreement authorized the levy of a 2% (2.5% effective July 1, 2018) earnings tax for persons employed within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 50% to the Township and 50% to the City through June 30, 2018. Effective July 1, 2018, the distribution is 40% to the Township and 60% to the City because 0.5% of the income tax collected is dedicated to specific purposes by law and shall not be subject to division.

Jackson-Canton JEDD ComDoc

In 2018, the Township and the City entered into an agreement to create the JEDD at the ComDoc Company on Pittsburg Avenue N.W. The agreement authorized the levy of a 2.5% earnings tax for persons employed and on the net profits of businesses operating within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 1.0% to the Township and 1.5% to the City. For a period of ten (10) years, an amount equal to one half of 1.0% (0.5%) of income tax revenues received by the City shall be refunded to ComDoc. Effective the eleventh (11th) year and thereafter, the full income tax revenue shall not be subject to a refund to ComDoc. The City shall retain 1.5% and shall pay the Township 1.0% because 0.5% of the income tax collected is dedicated to specific purposes by law and shall not be subject to division.

Jackson-Canton JEDD TSG-The Schroer Group

In 2019, the Township and the City entered into an agreement to create the JEDD at The Schroer Group (TSG) Resources, Inc. /Renaissance Enterprise Leasing, Inc. on Keck Park Circle N.W. The agreement authorized the levy of a 2.5% earnings tax for persons employed and on the net profits of businesses operating within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 1.5% to the Township and 1.0% to the City. For a period of ten (10) years, an amount equal to one half of 1.0% (0.5%) of income tax revenues received by the City shall be refunded to TSG. Effective the eleventh (11th) year and thereafter, the full income tax revenue shall not be subject to a refund to TSG.

Jackson-Canton JEDD TOC (TIF)-Tam O'Shanter Company

In 2019, the Township and the City entered into an agreement to create the JEDD 19-002 at the Tam O'Shanter Company (TOC). The agreement authorized the levy of a 2.5% earnings tax for persons employed and on the net profits of businesses operating within the JEDD boundaries. The income tax shall be divided with the Township receiving 1.0% of the income and net profits of businesses earned within the District and with the City receiving 1.5% of the income and net profits of businesses earned with the District. In addition, the Township has entered into a ten year Cooperative Agreement that includes tax

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

increment financing. The Township will return 0.25% of the 1% and the City will return 0.75% of its 1.5% to the TIF as part of the Agreement, with both entities receiving a net of 0.75%. For more information on the TIF, see Note 15.

**Total JEDD Income Taxes
Received by Jackson Township**

2012	\$	1,935
2013		1,699
2014		3,259
2015		-
2016		-
2017		32,703
2018		71,347
2019		91,399
2020		348,363
2021		464,442
2022		527,884
TOTAL	\$	<u>1,543,031</u>

Note 12 – Jointly Governed Organizations

Stark Council of Governments

The Township participates in the Stark Council of Governments (the “Council”) which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County and its municipalities and townships, which direct the operations of the Stark County Metropolitan Narcotics Unit and S.W.A.T. Unit and the Stark County Crime Laboratory. Of the 27 Board Members, the Township has one appointed member. Each member’s control over the operation of the Council is limited to its representation on the Board. The Board exercises total authority over the operation of the Council including budgeting, appropriation, contracting, and designating management. The Township does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit to or burden on the Township. The Township did not contribute any funds to the Council in 2022. Financial statements of the Council can be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio, 44701-1451.

Stark County Combined General Health District

The Township participates in the Stark County Combined General Health District (the “Health District”) which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Louisville, the City of Canal Fulton and the City of North Canton. Of the eight Board Members, the Township has one appointed member. The Board is made up of various professionals who are equally representative of the general health district. The Board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The Township does not have an equity interest in the Health District. The Health District is not accumulating significant financial resources or experiencing fiscal stress, which would cause

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

additional financial benefit to or burden on the Township. The Township contributed \$375,946 to the Health District in 2022. Complete financial statements can be obtained from the Stark County Combined General Health District, 7235 Whipple Ave. NW, Canton, Ohio 44720.

Stark County Regional Planning Commission

The Stark County Regional Planning Commission (SCRPC) is a statutorily created political subdivision of Ohio for the purpose of formulating and renewing plans affecting long and short term social, economic, and governmental development within the region. The Commission is jointly governed among Stark County and other cities, villages and townships. The principal aim of the Commission is to provide comprehensive planning, both long and short term, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. This includes budgeting, appropriating, contracting and designating management. The Township has no financial responsibility for any of the Commission's liabilities. Complete financial statements can be obtained from the Stark County Regional Planning Commission, 201 3rd Street NE, Suite 201, Canton, Ohio 44702.

Note 13 – Public Entity Risk Pool

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA) and the Stark County Schools Council of Governments Health Benefit Plan (Council). Both are risk-sharing pools. For more information on OTARMA and the Council, see Note 6.

Note 14 – Component Unit - Jackson Township Community Improvement Corporation

The Jackson Township Community Improvement Corporation (CIC) is a not-for-profit corporation created under Chapter 1724 of the Ohio Revised Code. The purpose of the CIC is to advance, encourage and promote industrial, economic, commercial and civic development of the Township. The CIC is a component unit of the Township, as the Township is financially accountable for the CIC under the criteria of Governmental Accounting Standards Board Statement No. 14. The Township appoints five of the nine CIC Board of Trustee members and presently, a majority of the CIC funding is received from the Township. Separately issued financial statements can be obtained from the CIC, 5735 Wales Avenue NW, Massillon, Ohio 44646.

Note 15 – Tax Increment Financing District

Tax Increment Financing District (TIF) ABC TGAB, LLC

The Township, pursuant to the Ohio Revised Code, established a TIF. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as "payments in lieu of taxes (PILOT)", as though the TIF had not been established. These "PILOTS" are then dedicated to the payments for various public improvements as outlined in Exhibit A of the Joint Economic Development District 19-002 Tax Agreement, within or adjacent to the TIF area. Property values existing before commencement date of a TIF continue to be subjected to property taxes. Jackson Township did not receive any PILOT revenue in 2022. The TIF has a longevity of 10 years, with 2033 being the final year of PILOT collections. The property tax exemptions then ceases; the PILOT will cease and property taxes then apply to the increased property values.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Tax Increment Financing District (TIF) Sam's Club

The Township, pursuant to the Ohio Revised Code, has established a TIF. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as "payments in lieu of taxes (PILOT)", as though the TIF had not been established. These "PILOTS" are then dedicated to the payments for various public improvements within or adjacent to the TIF area. Property values existing before commencement date of a TIF continue to be subjected to property taxes. PILOT revenue was \$135,908 in 2022. The TIF has a longevity of 30 years, with 2033 being the final year of PILOT collections. The property tax exemptions then ceases; the PILOT will cease and property taxes then apply to the increased property values.

Note 16 – Fund Balances

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	Capital Projects	Total
Outstanding Encumbrances	\$85,408	\$2,916,222		\$3,001,629

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 17 – Stabilization Fund Balances

Stabilization arrangements within the General fund as authorized under O.R.C. 5705.13(A)(1) and 5705.132 were established or amended by Township resolutions #15-085 on December 8, 2015 and #22-203 on December 6, 2022. The Township Board of Trustees approves additions to the funds as needed. The funds are used to stabilize budgets against cyclical changes in revenues and expenditures and to accumulate currently available resources for the cost of future employees' salaries, benefits and other related costs. The fund balances are \$364,344 as of December 31, 2022.

A stabilization arrangement within the Park fund as authorized under O.R.C. 5705.13(A)(1) was established or amended by Township resolution #22-301 on December 6, 2022. The Township Board of Trustees approves additions to the fund as needed. The fund is used to stabilize budgets against cyclical changes in revenues and expenditures. The fund balance is \$233,788 as of December 31, 2022.

A stabilization arrangement within the Fire Levy fund as authorized under O.R.C. 5705.13(A)(1) was established or amended by Township resolution #22-300 on December 6, 2022. The Township Board of

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Trustees approves additions to the fund as needed. The fund is used to stabilize budgets against cyclical changes in revenues and expenditures. The fund balance is \$1,383,869 as of December 31, 2022.

Stabilization arrangements within the Police District fund as authorized under O.R.C. 5705.13(A)(1) and 5705.132 were established or amended by Township resolutions #17-037 on March 14, 2017 and #20-209 on December 8, 2020. The Township Board of Trustees approves additions to the funds as needed. The funds are used to stabilize budgets against cyclical changes in revenues and expenditures and to accumulate currently available resources for the cost of future employees' salaries, benefits and other related costs. The fund balances are \$2,137,954 as of December 31, 2022.

Note 18 – Transfers

During 2022 the following transfers were made:

	Transfers From	Transfers To			Total
		General Fund	Special Revenue Fund	Capital Fund	
General Fund	\$ 586,559	\$ -	\$ 272,640	\$ 313,919	\$ 586,559
Special Revenue	1,684,771	476,306	1,208,465	-	1,684,771
	\$ 2,271,330	\$ 476,306	\$ 1,481,105	\$ 313,919	\$ 2,271,330

The above mentioned transfers were used to move funds into reserve balance accounts established in accordance with Chapter 5705.13 of the Ohio Revised Code. Also, the General Fund transferred JEDD income taxes received in 2022 to the police district capital fund, fire levy capital fund, highway levy capital fund, park levy fund and general capital fund, with each receiving amounts based on the distribution priority set in Resolution 22-080, dated March 8, 2022.

Note 19 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

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.

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**JACKSON TOWNSHIP
STARK COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 1,033,551	\$ 26,839,594	\$ -	\$ 27,873,145
Charges for Services	732,094	1,732,793	-	2,464,887
Licenses, Permits and Fees	205,723	3,721	-	209,444
Fines and Forfeitures	22,666	17,899	-	40,565
Intergovernmental	1,052,144	4,650,818	45,469	5,748,431
Special Assessments	-	166,067	-	166,067
Earnings on Investments	304,830	10,689	-	315,519
Miscellaneous	184,164	473,349	-	657,513
<i>Total Cash Receipts</i>	<u>3,535,172</u>	<u>33,894,930</u>	<u>45,469</u>	<u>37,475,571</u>
Cash Disbursements				
Current:				
General Government	2,788,894	113,490	-	2,902,384
Public Safety	225,458	18,524,222	-	18,749,680
Public Works	59,551	5,260,537	-	5,320,088
Health	370,205	-	-	370,205
Economic Development	8,048	-	-	8,048
Conservation-Recreation	824	1,384,610	-	1,385,434
Capital Outlay	141,802	2,734,204	164,464	3,040,470
<i>Total Cash Disbursements</i>	<u>3,594,782</u>	<u>28,017,063</u>	<u>164,464</u>	<u>31,776,309</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(59,610)</u>	<u>5,877,867</u>	<u>(118,995)</u>	<u>5,699,262</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	461	89,440	-	89,901
Transfers In	615,483	1,725,035	4,424	2,344,942
Transfers Out	(581,240)	(1,763,702)	-	(2,344,942)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>34,704</u>	<u>50,773</u>	<u>4,424</u>	<u>89,901</u>
Special Item				
Proceeds from Sale of Land	-	79,850	-	79,850
<i>Net Change in Fund Cash Balances</i>	<u>(24,906)</u>	<u>6,008,490</u>	<u>(114,571)</u>	<u>5,869,013</u>
<i>Fund Cash Balances, January 1</i>	<u>7,607,963</u>	<u>22,832,606</u>	<u>1,141,864</u>	<u>31,582,433</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 7,583,057</u>	<u>\$ 28,841,096</u>	<u>\$ 1,027,293</u>	<u>\$ 37,451,446</u>

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

**JACKSON TOWNSHIP
STARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE (REGULATORY CASH BASIS)
INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Proprietary Fund Type
	Internal Service
Operating Cash Receipts	
Charges for Services	\$398,984
<i>Total Operating Cash Receipts</i>	<i>398,984</i>
Operating Cash Disbursements	
Salaries	182,226
Employee Fringe Benefits	7,933
Other	14,003
<i>Total Operating Cash Disbursements</i>	<i>204,162</i>
<i>Operating Income (Loss)</i>	<i>194,822</i>
<i>Net Change in Fund Cash Balances</i>	<i>194,822</i>
<i>Fund Cash Balances, January 1</i>	<i>0</i>
<i>Fund Cash Balances, December 31</i>	<i>\$194,822</i>

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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Jackson Township, Stark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, police and fire protection, emergency medical services, park and recreation, and zoning services. On November 5, 1991, voters approved adoption of the “limited home rule” form of government as authorized by Chapter 504 of the Revised Code.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pool and Component Unit

The Township participates in joint ventures, jointly governed organizations, a public entity risk pool and is associated with a Component Unit. Notes 11, 12, 13, and 14 to the financial statements provide additional information for these entities. 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 statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary 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:

Fire Levy Fund The fire levy fund accounts for and reports proceeds from property taxes restricted for fire department and life squad protection and emergency services.

Police District Fund The police district fund accounts for and reports proceeds from property taxes restricted for police department operations and protection services.

Road and Bridge Fund The road and bridge fund accounts for and reports all disbursements committed to roads, including improvements, paving, snow removal, salt/sand, gravel, blacktop, maintenance, payroll, supplies, purchases, fuel, vehicle equipment and maintenance.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Park Fund The park fund accounts for and reports proceeds from property taxes restricted for park department operations and recreational services.

Coronavirus Relief Fund The coronavirus relief fund accounts for and reports proceeds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act restricted for expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

Local Fiscal Recovery Fund The local fiscal recovery fund accounts for and reports proceeds from the American Rescue Plan Act of 2021 restricted for certain expenditures related to the continued impact of COVID-19 on the economy, public health and local governments.

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:

General Capital Fund The Township uses this fund to save resources for future capital outlays and to make necessary capital improvements with transfers from the General Fund.

Internal Service Fund This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

Public Works Department Fund The Public Works Department fund accounts for the cost to provide management and support services to the Park, Highway and Central Maintenance divisions.

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, department or personal services 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.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township values U.S. Treasury Notes and municipal bonds at cost. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

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.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 16.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,164,125	\$4,151,116	(\$13,009)
Special Revenue	35,987,850	35,789,255	(198,595)
Capital Projects	3,000	49,893	46,893
Internal Service	413,986	398,984	(15,002)
Total	\$40,568,961	\$40,389,248	(\$179,713)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,446,798	\$4,289,939	\$3,156,859
Special Revenue	47,475,248	33,143,666	14,331,582
Capital Projects	1,140,324	164,464	975,860
Internal Service	398,984	204,162	194,822
Total	\$56,461,354	\$37,802,231	\$18,659,123

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit and investment accounts are as follows:

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$232,924
Certificates of deposit	9,491,532
Total deposits	9,724,456
Federal Government Agency Securities	12,704,940
Money Market	22,080
U.S. Treasury Notes	6,647,790
Municipal Bonds	1,976,448
STAR Ohio	3,845,347
Commercial Paper	2,725,208
Total investments	27,921,813
Total deposits and investments	\$37,646,269

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

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

Investments

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 statements include these credits and/or deduction amounts the State

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

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

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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2020 (the latest information available):

Cash and investments	\$36,348,066
Actuarial liabilities	10,894,146

Stark County School Council of Governments Health Benefit Plan:

The Township is a member of the Stark County Schools Council of Governments Health Benefit Plan (Council). The Council is a shared risk pool created pursuant to State statute for the purpose of carrying out a cooperative program for the provision and administration of health care benefits for member employees and to promote other cooperative programs. The Council Assembly is the legislative decision making body of the Council and is comprised of the superintendent or executive officer from each member. The Board of Directors is the advisory body of the Council and is comprised of five individuals, including the Superintendent of the Stark County Educational Service Center, who serves as Chairman. All Council revenues are generated from charges for services received from the participating members, based on the established premiums for the insurance plans. The Council Agreement can be terminated by a two-thirds

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

vote of the participating members. Upon such termination, the net reserve balance will be transferred to the members in proportion to their fiscal year premium deposits divided by the total deposits of all members.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' earnable salaries. OPERS members in law enforcement contributed 13% of their gross salaries and the Township contributed an amount equaling 18.1% of full-time police members' gross salaries. The Township has paid all contributions required through December 31, 2021.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the 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. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2021.

Social Security

Several of the Township 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 participants' 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.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Construction and Contractual Commitments

As of December 31, 2021, the Township had contractual commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Amount Remaining on Contract</u>
M Tech Company	Pump/Vacuum Truck	\$321,848
Pfund Superior Sales Co.	2 Ambulances	548,000
Sutphen Corporation	Pumper Truck	523,260
United Earthworks LLC	Keck Park Circle	906,501

Note 10 – Contingent Liabilities

The Township has no pending lawsuits.

Note 11 – Joint Ventures

Local Organized Governments in Cooperation

The Township participates in the Local Organized Governments in Cooperation (L.O.G.I.C.), a statutorily created political subdivision of the State formed in 1986 under Chapter 167 of the Ohio Revised Code to provide safety dispatching services. L.O.G.I.C. is a joint venture among the following entities: Jackson Township, Village of Beach City, Bethlehem Township, Village of Brewster, City of Canal Fulton, Village of Hills and Dales, Lawrence Township, City of Massillon, Village of Navarre, Perry Township, and the Village of Wilmot, with each participant providing one representative. Each representative has a membership share based on the percentage of contractual financial contributions to the total funding, and each participant is entitled to vote its percentage share. The board has total authority over the operation of L.O.G.I.C., including budgeting, appropriating, contracting, and designating management. Continued existence of L.O.G.I.C. is dependent on the Township's continued participation. L.O.G.I.C. does not provide specific financial benefits or impose specific financial burdens on the Township. During 2021, the Township made contributions of \$821,070, but does not have an equity interest in L.O.G.I.C. Financial statements of L.O.G.I.C. may be obtained from Local Organized Governments in Cooperation, 5735 Wales Avenue NW, Massillon, Ohio, 44646.

Joint Economic Development Districts

The Township participates in six Joint Economic Development Districts (JEDD) with the City of Canton. The JEDDs are located entirely within Jackson Township, Stark County. The purpose of a JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the Township and the City. At the same time, the JEDD prevents annexation of Township property by a city and maintains the Township's property tax base. The JEDD creates a Board of Directors and is permitted to collect income tax. The proceeds of the JEDDs are used to provide public services such as police and fire protection as well as to provide for improvements that benefit the JEDDs. The City of Canton administers and collects income tax for the JEDDs and reports quarterly to the Township.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The District agreements in place during 2021 were as follows:

Jackson-Canton JEDD Timken/Stark State

In 2012, the Township and the City entered into an agreement to create the JEDD at the Wind Research facility at 8252 Frank Avenue. The agreement authorized the levy of a 2% (2.5% effective July 1, 2018) earnings tax for persons employed within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 50% to the Township and 50% to the City through June 30, 2018. Effective July 1, 2018, the distribution is 40% to the Township and 60% to the City because 0.5% of the income tax collected is dedicated to specific purposes by law and shall not be subject to division.

Jackson-Canton JEDD SM

In 2016, the Township and the City entered into an agreement to create the JEDD at the Stolle Machinery Company at 4337 Excel Street, N.W. The agreement authorized the levy of a 2% (2.5% effective July 1, 2018) earnings tax for persons employed within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is an amount equal to 1.0% of the full 2.0% income tax collected from Stolle Machinery within District SM in the first nineteen (19) months shall be refunded to Stolle Machinery on an annual basis, pursuant to the City's Economic Growth Initiative Agreement with Stolle Machinery. The City shall retain 0.5% and pay 0.5% to the Township. Effective July 1, 2018 until December 1, 2026, an amount equal to 1.5% of the full 2.5% income tax collected from Stolle Machinery shall be refunded to Stolle on an annual basis. The City shall retain 0.5% and pay 0.5% to the Township. Effective January 1, 2027, the full income tax revenue shall not be subject to a refund to Stolle Machinery. The City shall retain 1.25% and shall pay the Township 1.25%.

Jackson-Canton JEDD FP

In 2017, the Township and the City entered into an agreement to create the JEDD at Dressler Properties, Inc., land north of BJ's and Home Depot. The agreement authorized the levy of a 2% (2.5% effective July 1, 2018) earnings tax for persons employed within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 50% to the Township and 50% to the City through June 30, 2018. Effective July 1, 2018, the distribution is 40% to the Township and 60% to the City because 0.5% of the income tax collected is dedicated to specific purposes by law and shall not be subject to division.

Jackson-Canton JEDD ComDoc

In 2018, the Township and the City entered into an agreement to create the JEDD at the ComDoc Company on Pittsburg Avenue N.W. The agreement authorized the levy of a 2.5% earnings tax for persons employed and on the net profits of businesses operating within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 1.0% to the Township and 1.5% to the City. For a period of ten (10) years, an amount equal to one half of 1.0% (0.5%) of income tax revenues received by the City shall be refunded to ComDoc. Effective the eleventh (11th) year and thereafter, the full income tax revenue shall not be subject to a refund to ComDoc. The City shall retain 1.5% and shall pay the Township 1.0% because 0.5% of the income tax collected is dedicated to specific purposes by law and shall not be subject to division.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Jackson-Canton JEDD TSG

In 2019, the Township and the City entered into an agreement to create the JEDD at The Schroer Group (TSG) Resources, Inc. /Renaissance Enterprise Leasing, Inc. on Keck Park Circle N.W. The agreement authorized the levy of a 2.5% earnings tax for persons employed and on the net profits of businesses operating within the JEDD boundaries. The distribution of the revenue generated from this JEDD, net of operating expenses, is 1.5% to the Township and 1.0% to the City. For a period of ten (10) years, an amount equal to one half of 1.0% (0.5%) of income tax revenues received by the City shall be refunded to TSG. Effective the eleventh (11th) year and thereafter, the full income tax revenue shall not be subject to a refund to TSG.

Jackson-Canton JEDD TOC (TIF)

In 2019, the Township and the City entered into an agreement to create the JEDD 19-002 at the Tam O'Shanter Company (TOC). The agreement authorized the levy of a 2.5% earnings tax for persons employed and on the net profits of businesses operating within the JEDD boundaries. The income tax shall be divided with the Township receiving 1.0% of the income and net profits of businesses earned within the District and with the City receiving 1.5% of the income and net profits of businesses earned with the District. In addition, the Township has entered into a ten year Cooperative Agreement that includes tax increment financing. The Township will return 0.25% of the 1% and the City will return 0.75% of its 1.5% to the TIF as part of the Agreement, with both entities receiving a net of 0.75%. For more information on the TIF, see Note 15.

**Total JEDD Income Taxes
Received by Jackson Township**

2012	\$	1,935
2013		1,699
2014		3,259
2015		-
2016		-
2017		32,703
2018		71,347
2019		91,399
2020		348,363
2021		464,442
TOTAL	\$	<u>1,015,147</u>

Note 12 – Jointly Governed Organizations

Stark Council of Governments

The Township participates in the Stark Council of Governments (the "Council") which is a statutorily created political subdivision of the State. The Council is jointly governed among Stark County and its

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

municipalities and townships, which direct the operations of the Stark County Metropolitan Narcotics Unit and S.W.A.T. Unit and the Stark County Crime Laboratory. Of the 27 Board Members, the Township has one appointed member. Each member's control over the operation of the Council is limited to its representation on the Board. The Board exercises total authority over the operation of the Council including budgeting, appropriation, contracting, and designating management. The Township does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit to or burden on the Township. The Township did not contribute any funds to the Council in 2021. Financial statements of the Council can be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio, 44701-1451.

Stark County Combined General Health District

The Township participates in the Stark County Combined General Health District (the "Health District") which is a statutorily created political subdivision of the State. The Health District is jointly governed by Stark County townships, villages, the City of Louisville, the City of Canal Fulton and the City of North Canton. Of the eight Board Members, the Township has one appointed member. The Board is made up of various professionals who are equally representative of the general health district. The Board exercises total authority over the operation of the Health District including budgeting, appropriation, contracting, and designating management. The Township does not have an equity interest in the Health District. The Health District is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit to or burden on the Township. The Township contributed \$370,205 to the Health District in 2021. Complete financial statements can be obtained from the Stark County Combined General Health District, 7235 Whipple Ave. NW, Canton, Ohio 44720.

Stark County Regional Planning Commission

The Stark County Regional Planning Commission (SCRPC) is a statutorily created political subdivision of Ohio for the purpose of formulating and renewing plans affecting long and short term social, economic, and governmental development within the region. The Commission is jointly governed among Stark County and other cities, villages and townships. The principal aim of the Commission is to provide comprehensive planning, both long and short term, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. This includes budgeting, appropriating, contracting and designating management. The Township has no financial responsibility for any of the Commission's liabilities. Complete financial statements can be obtained from the Stark County Regional Planning Commission, 201 3rd Street NE, Suite 201, Canton, Ohio 44702.

Note 13 – Public Entity Risk Pool

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA) and the Stark County Schools Council of Governments Health Benefit Plan (Council). Both are risk-sharing pools. For more information on OTARMA and the Council, see Note 6.

Note 14 – Component Unit -Jackson Township Community Improvement Corporation

The Jackson Township Community Improvement Corporation (CIC) is a not-for-profit corporation created under Chapter 1724 of the Ohio Revised Code. The purpose of the CIC is to advance, encourage and promote industrial, economic, commercial and civic development of the Township. The CIC is a component unit of the Township, as the Township is financially accountable for the CIC under the criteria

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

of Governmental Accounting Standards Board Statement No. 14. The Township appoints five of the nine CIC Board of Trustee members and presently, a majority of the CIC funding is received from the Township. Separately issued financial statements can be obtained from the CIC, 5735 Wales Avenue NW, Massillon, Ohio 44646.

Note 15 – Tax Increment Financing District

Tax Increment Financing District (TIF) ABC TGAB, LLC

The Township, pursuant to the Ohio Revised Code, established a TIF. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as “payments in lieu of taxes (PILOT)”, as though the TIF had not been established. These “PILOTS” are then dedicated to the payments for various public improvements as outlined in Exhibit A of the Joint Economic Development District 19-002 Tax Agreement, within or adjacent to the TIF area. Property values existing before commencement date of a TIF continue to be subjected to property taxes. Jackson Township did not receive any PILOT revenue in 2021. The TIF has a longevity of 10 years, with 2033 being the final year of PILOT collections. The property tax exemptions then ceases; the PILOT will cease and property taxes then apply to the increased property values.

Tax Increment Financing District (TIF) Sam’s Club

The Township, pursuant to the Ohio Revised Code, has established a TIF. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as “payments in lieu of taxes (PILOT)”, as though the TIF had not been established. These “PILOTS” are then dedicated to the payments for various public improvements within or adjacent to the TIF area. Property values existing before commencement date of a TIF continue to be subjected to property taxes. PILOT revenue was \$113,240 in 2021. The TIF has a longevity of 30 years, with 2033 being the final year of PILOT collections. The property tax exemptions then ceases; the PILOT will cease and property taxes then apply to the increased property values.

Note 16 – Fund Balances

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:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	\$ 113,917	\$ 3,362,901	-	\$ 3,476,819

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

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 17 – Stabilization Fund Balances

Stabilization arrangements within the General fund as authorized under O.R.C. 5705.13(A)(1) and 5705.132 were established or amended by Township resolutions #15-085 on December 8, 2015 and #18-240 on December 11, 2018. The Township Board of Trustees approves additions to the funds as needed. The funds are used to stabilize budgets against cyclical changes in revenues and expenditures and to accumulate currently available resources for the cost of future employees' salaries, benefits and other related costs. The fund balances are \$1,838,300 as of December 31, 2021.

A stabilization arrangement within the Park fund as authorized under O.R.C. 5705.13(A)(1) was established or amended by Township resolution #21-267 on December 7, 2021. The Township Board of Trustees approves additions to the fund as needed. The fund is used to stabilize budgets against cyclical changes in revenues and expenditures. The fund balance is \$208,788 as of December 31, 2021.

A stabilization arrangement within the Fire Levy fund as authorized under O.R.C. 5705.13(A)(1) was established or amended by Township resolution #21-265 on December 7, 2021. The Township Board of Trustees approves additions to the fund as needed. The fund is used to stabilize budgets against cyclical changes in revenues and expenditures. The fund balance is \$1,083,869 as of December 31, 2021.

Stabilization arrangements within the Police District fund as authorized under O.R.C. 5705.13(A)(1) and 5705.132 were established or amended by Township resolutions #17-037 on March 14, 2017 and #20-209 on December 8, 2020. The Township Board of Trustees approves additions to the funds as needed. The funds are used to stabilize budgets against cyclical changes in revenues and expenditures and to accumulate currently available resources for the cost of future employees' salaries, benefits and other related costs. The fund balances are \$2,137,954 as of December 31, 2021.

Note 18 – Transfers

During 2021 the following transfers were made:

	Transfers From	Transfers To			Total
		General Fund	Special Revenue Fund	Capital Fund	
General Fund	\$ 581,240	\$ -	\$ 576,816	\$ 4,424	\$ 581,240
Special Revenue	1,763,702	615,483	1,148,219	-	1,763,702
	<u>\$ 2,344,942</u>	<u>\$ 615,483</u>	<u>\$ 1,725,035</u>	<u>\$ 4,424</u>	<u>\$ 2,344,942</u>

The above mentioned transfers were used to move funds into reserve balance accounts established in accordance with Chapter 5705.13 of the Ohio Revised Code. Also, the General Fund transferred JEDD income taxes received in 2021 to the police district capital fund, fire levy capital fund, highway levy capital fund, and general capital fund, with each receiving amounts based on the distribution priority set in Resolution 20-205, dated December 8, 2020.

Jackson Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 19 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The Township expended all remaining proceeds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act in 2021.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Jackson Township
Stark County
5735 Wales Avenue NW
Massillon, Ohio 44646

To the Board of Trustees:

We have audited, in accordance the with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type combined total as of and for the years ended December 31, 2022 and 2021, the fiduciary fund type combined total for the year ended December 31, 2022, and the related notes to the financial statements of the Jackson Township, Stark County, (the Township) and have issued our report thereon dated July 7, 2023, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit, and wherein we noted the Township referred to the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Report on Internal Control Over Financial Reporting

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

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

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

Efficient • Effective • Transparent

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

July 7, 2023

OHIO AUDITOR OF STATE KEITH FABER



JACKSON TOWNSHIP

STARK 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 8/8/2023

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