



OHIO AUDITOR OF STATE
KEITH FABER



**JACKSON TOWNSHIP
FRANKLIN COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Jackson Township
Franklin County
3756 Hoover Road
Grove City, Ohio 43123

To the Township Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Jackson Township, Franklin County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2023 and 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 as of and for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

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

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, for the year ended December 31, 2022, Jackson Township restated the beginning cash fund balance of the Proprietary Fund as of January 1, 2022 to properly account for self-insurance activity from prior years. Our opinion is not modified with respect to 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 March 28, 2025, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

March 28, 2025

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Jackson Township*Franklin County, Ohio*

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023*

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$1,137,331	\$20,781,771		\$21,919,102
Charges for Services		1,901,234		1,901,234
Licenses, Permits and Fees	368,565	17,726		386,291
Intergovernmental	207,015	1,228,813	\$42,653	1,478,481
Earnings on Investments	616,289	22,149		638,438
Miscellaneous	27,513	12,949		40,462
<i>Total Cash Receipts</i>	<u>2,356,713</u>	<u>23,964,642</u>	<u>42,653</u>	<u>26,364,008</u>
Cash Disbursements				
Current:				
General Government	1,451,472			1,451,472
Public Safety		19,348,575	3,605	19,352,180
Public Works	18,774	1,118,317		1,137,091
Health	2,595			2,595
Intergovernmental				0
Capital Outlay	262,037	5,547,603	50,258	5,859,898
Debt Service:				
Principal Retirement	7,680			7,680
Interest and Fiscal Charges	19			19
<i>Total Cash Disbursements</i>	<u>1,742,577</u>	<u>26,014,495</u>	<u>53,863</u>	<u>27,810,935</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>614,136</u>	<u>(2,049,853)</u>	<u>(11,210)</u>	<u>(1,446,927)</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	5	18,858		18,863
Transfers In	-	171,621		171,621
Transfers Out	(171,621)	-	-	(171,621)
Other Financing Uses	(5,909)			(5,909)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(177,525)</u>	<u>190,479</u>	<u>0</u>	<u>12,954</u>
<i>Net Change in Fund Cash Balances</i>	<u>436,611</u>	<u>(1,859,374)</u>	<u>(11,210)</u>	<u>(1,433,973)</u>
<i>Fund Cash Balances, January 1</i>	<u>4,306,433</u>	<u>16,155,986</u>	<u>11,210</u>	<u>20,473,629</u>
<i>Fund Cash Balances, December 31</i>	<u>\$4,743,044</u>	<u>\$14,296,612</u>	<u>\$0</u>	<u>\$19,039,656</u>

See accompanying notes to the financial statements

Jackson Township*Franklin County, Ohio**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2023*

	<u>Proprietary Fund Types</u>
	<u>Internal Service</u>
Operating Cash Receipts	
Charges for Services	\$ 2,836,819
Miscellaneous	<u>85,485</u>
<i>Total Operating Cash Receipts</i>	<u>2,922,304</u>
Operating Cash Disbursements	
Fees	671,132
Claims	1,720,910
Other	<u>33,663</u>
<i>Total Operating Cash Disbursements</i>	<u>2,425,705</u>
<i>Operating Income</i>	<u>496,599</u>
Non-Operating Receipts	
Earnings on Investments	<u>21,294</u>
<i>Total Non-Operating Receipts</i>	<u>21,294</u>
<i>Net Change in Fund Cash Balances</i>	517,893
<i>Fund Cash Balances, January 1</i>	<u>630,056</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,147,949</u>

See accompanying notes to the financial statements

Jackson Township
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Jackson Township, Franklin County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, fire protection and emergency medical services. The Township contracts with the City of Grove City to provide internet technology services and dispatching of fire and EMS.

Jointly Governed Organizations

The Township participates in a jointly governed organization and a public entity risk pool. Note 6 and Note 10 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.

Public Entity Risk Pool

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio townships. Note 6 to the financial statements provides additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

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:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Jackson Township
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fire Services Special Levy Fund – The fire services special levy fund accounts for and reports receipts of property tax money and grants for the purpose of providing fire protection services to the citizens of the Township.

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:

FEMA Assistance to Fire Fighters Fund The township received a grant from the state for capital improvements. The proceeds are restricted for capital improvement.

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:

Self-funded Insurance Medical Fund The self-funded insurance medical fund accounts for insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

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 Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

Jackson Township
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

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. The Township used the encumbrance method of accounting. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township values U.S. Treasury Notes, Agency Securities and Certificates of Deposit and at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that 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

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

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.

Jackson Township
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

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 11.

Note 3 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,048,842	\$2,356,718	\$307,876
Special Revenue	24,751,932	24,155,121	(596,811)
Capital Projects	42,653	42,653	0
Internal Service	2,943,598	2,943,598	0
Total	<u>\$29,787,025</u>	<u>\$29,498,090</u>	<u>(\$288,935)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,278,380	\$2,048,817	\$4,229,563
Special Revenue	40,882,877	27,492,654	13,390,223
Capital Projects	53,863	53,863	0
Internal Service	2,425,705	2,425,705	0
Total	<u>\$49,640,825</u>	<u>\$32,021,039</u>	<u>\$17,619,786</u>

Jackson Township
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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. The Township also has segregated accounts, which include clearing accounts and amounts with fiscal and escrow agents that are not part of this pool. A summary of the Township's deposit and investment accounts are as follows:

	<u>2023</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$41,121
Certificates of deposit	10,593,426
Money Market Accounts	9,950
Total deposits	<u>10,644,497</u>
U.S. Treasury Notes	5,252,034
Government Sponsored Enterprise Securities	3,143,125
Total investments	<u>8,395,159</u>
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$19,039,656</u></u>
<i>Segregated Accounts - Not held in the Pool:</i>	
Cash held by fiscal agents	<u>\$1,147,949</u>
<i>Total Outside Accounts</i>	<u><u>\$1,147,949</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

At December 31, 2023 all deposits were collateralized through the Federal Deposit Insurance Corporation.

Investments

The Federal Reserve holds the Township's U.S. Treasury Notes in book-entry form, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Note 5 – Property Taxes

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

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

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

Jackson Township
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 – Risk Management

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

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

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

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

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Self-Insurance

The Township is also self-insured for employee health, dental, and vision insurance. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on an actuarially determined cost per employee. A comparison of Self Insurance Fund cash and investments to the actuarially measured liability as of December 31 follows:

	2023
Cash and investments	\$1,147,949
Actuarial liabilities	\$571,339

Jackson Township
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township's elected officials and other 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. The Township has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters and full-time Police Officers 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, 2023.

Note 8 – Postemployment Benefits

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

Note 9 – Debt

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

	Principal	Interest Rate
Ohio Public Works Loan 1	\$101,910	0%
Ohio Public Works Loan 2	2,655,010	0%
Total	\$2,756,920	

Jackson Township
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

Ohio Public Works Commission (OPWC) Loan 1

In 2012, the Township entered into a 25 Year note agreement with the OPWC in connection with White Road Reconstruction - Phase II. This note was issued at an interest rate of 0% and matures in 2037. During 2023, the Township made principal loan payments totaling \$3,397.

Debt service payments on the OPWC loan are scheduled as follows:

Years Ending December 31,	OPWC Loan Payments
2024	\$ 6,794
2025	6,794
2026	6,794
2027	6,794
2028	6,794
2029-2033	33,970
2034-2037	33,970
Total:	\$ 101,910

Ohio Public Works Commission (OPWC) Loan 2

In 2022, the Township entered into a 25 year loan agreement with the City of Grove City and OPWC in connection with the Borror Road Improvements for \$2,824,478. This note was issued at an interest rate of 0% and matures in 2047. During 2023, the Township made principal loan payments totaling \$56,490. The City of Grove City's share is 82.45% that they reimburse the township \$46,575 annually.

Debt service payments on the OPWC loan are scheduled as follows:

Years Ending December 31,	OPWC Loan Payments
2024	\$ 112,979
2025	112,979
2026	112,979
2027	112,979
2028	112,979
2029-2033	564,896
2034-2038	564,896
2039-2043	564,896
2044-2047	395,427
Total:	\$ 2,655,010

Note 10 – Jointly Governed Organizations

The Township appoints a trustee to serve as the Franklin County representative to the Solid Waste Authority of Central Ohio (SWACO).

Jackson Township
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to 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
Nonspendable:				
Outstanding Encumbrances	\$128,672	\$1,478,158	\$0	\$1,606,830
Total	<u>\$128,672</u>	<u>\$1,478,158</u>	<u>\$0</u>	<u>\$1,606,830</u>

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

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

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$1,107,387	\$20,163,227		\$21,270,614
Charges for Services		1,716,590		1,716,590
Licenses, Permits and Fees	369,058	18,810		387,868
Intergovernmental	201,698	1,737,753	\$1,364	1,940,815
Earnings on Investments	269,069	9,600		278,669
Miscellaneous	23,836	10,686		34,522
<i>Total Cash Receipts</i>	<u>1,971,048</u>	<u>23,656,666</u>	<u>1,364</u>	<u>25,629,078</u>
Cash Disbursements				
Current:				
General Government	864,240			864,240
Public Safety		15,529,778	360	15,530,138
Public Works	18,194	1,248,360		1,266,554
Health	20,834			20,834
Capital Outlay	93,748	882,057		975,805
<i>Total Cash Disbursements</i>	<u>997,016</u>	<u>17,660,195</u>	<u>360</u>	<u>18,657,571</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>974,032</u>	<u>5,996,471</u>	<u>1,004</u>	<u>6,971,507</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	507	39,089		39,596
Transfers In	5,753	-	10,206	15,959
Transfers Out	(10,206)	(5,753)		(15,959)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(3,946)</u>	<u>33,336</u>	<u>10,206</u>	<u>39,596</u>
<i>Net Change in Fund Cash Balances</i>	<u>970,086</u>	<u>6,029,807</u>	<u>11,210</u>	<u>7,011,103</u>
<i>Fund Cash Balances, January 1</i>	<u>3,336,347</u>	<u>10,126,179</u>	<u>-</u>	<u>13,462,526</u>
<i>Fund Cash Balances, December 31</i>	<u>\$4,306,433</u>	<u>\$16,155,986</u>	<u>\$11,210</u>	<u>\$20,473,629</u>

See accompanying notes to the financial statements

Jackson Township*Franklin County, Ohio*

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2022*

	<u>Proprietary Fund Types</u>
	<u>Internal Service</u>
Operating Cash Receipts	
Charges for Services	\$ 607,091
Miscellaneous	<u>47,881</u>
<i>Total Operating Cash Receipts</i>	<u>654,972</u>
Operating Cash Disbursements	
Fees	542,288
Claims	1,456,533
Other	<u>30,159</u>
<i>Total Operating Cash Disbursements</i>	<u>2,028,980</u>
<i>Operating (Loss)</i>	<u>(1,374,008)</u>
Non-Operating Receipts	
Earnings on Investments	<u>10,607</u>
<i>Total Non-Operating Receipts</i>	<u>10,607</u>
<i>Net Change in Fund Cash Balances</i>	<u>(1,363,401)</u>
<i>Fund Cash Balances, January 1 (re-stated)</i>	<u>1,993,457</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 630,056</u>

See accompanying notes to the financial statements

Jackson Township
Franklin 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, Franklin County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, fire protection and emergency medical services. The Township contracts with the City of Grove City to provide internet technology services and dispatching of fire and EMS.

Jointly Governed Organizations

The Township participates in a jointly governed organization and a public entity risk pool. Note 7 and Note 11 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.

Public Entity Risk Pool

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio townships. Note 7 to the financial statements provides additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

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:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Fire Services Special Levy Fund – The fire services special levy fund accounts for and reports receipts of property tax money and grants for the purpose of providing fire protection services to the citizens of the Township.

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 fund:

FEMA Assistance to Fire Fighters Fund The township received a grant from the state for capital improvements. The proceeds are restricted for capital improvement.

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:

Self-funded Insurance Medical Fund The self-funded insurance medical fund accounts for insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

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 Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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. The Township used the encumbrance method of accounting. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2022 budgetary activity appears in Note 4.

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, Agency Securities and Certificates of Deposit at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that 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

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

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.

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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 12.

Note 3 – Accountability

Restatement of Fund Balance

The Township increased their beginning fund cash position at January 1, 2022 in the Proprietary fund by \$1,993,457 due to unrecorded self-insurance receipts and disbursements from prior years. The effect of the adjustment on beginning fund cash balance is reflected in the chart below.

	12/31/2021 As Previously Reported	To account for self-insurance activity	1/1/2022 As Restated
Proprietary Funds			
Internal Service Funds	\$ -	\$ 1,993,457	\$ 1,993,457
Total Proprietary Funds	\$0	\$1,993,457	\$1,993,457

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

Note 4 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,733,456	\$1,977,308	\$243,852
Special Revenue	22,390,013	23,695,755	1,305,742
Capital Projects	11,570	11,570	0
Internal Service	665,579	665,579	0
Total	\$24,800,618	\$26,350,212	\$1,549,594

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,816,719	\$1,280,548	\$3,536,171
Special Revenue	32,850,699	18,895,328	13,955,371
Capital Projects	360	360	0
Internal Service	2,028,980	2,028,980	0
Total	\$39,696,758	\$22,205,216	\$17,491,542

Note 5 – 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. The Township also has segregated accounts, which include clearing accounts and amounts with fiscal and escrow agents that are not part of this pool. A summary of the Township's deposit and investment accounts are as follows:

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

Note 5 – Deposits and Investments (Continued)

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$787,030
Certificates of deposit	9,815,560
Money Market Accounts	4,132
Total deposits	<u>10,606,722</u>
U.S. Treasury Notes	3,060,624
STAR Ohio	3,415,478
Government Sponsored Enterprise Securities	2,988,125
Corporate Bonds	402,680
Total investments	<u>9,866,907</u>
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$20,473,629</u></u>

Segregated Accounts - Not held in the Pool:

Cash held by fiscal agent	\$630,056
<i>Total Outside Accounts</i>	<u><u>\$630,056</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

At December 31, 2022 all deposits were collateralized through the Federal Deposit Insurance Corporation.

Investments

The Federal Reserve holds the Township's U.S. Treasury Notes in book-entry form, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Note 6 – Property Taxes

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

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

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

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

Note 7 – Risk Management

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

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

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

	2022
Cash and investments	\$ 32,288,098
Actuarial liabilities	\$ 9,146,434

Self-Insurance

The Township is also self-insured for employee health, dental, and vision insurance. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on an actuarially determined cost per employee. A comparison of Self Insurance Fund cash and investments to the actuarially measured liability as of December 31 follows:

	2022
Cash and investments	\$630,056
Actuarial liabilities	\$550,354

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township elected officials and other 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. The Township has paid all contributions required through December 31, 2022.

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

Note 8 – Defined Benefit Pension Plans (Continued)

Ohio Police and Fire Retirement System

The Township 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.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2022, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2022, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 10 – Debt

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

	Principal	Interest Rate
Ohio Public Works Loan 1	\$108,704	0%
Ohio Public Works Loan 2	2,767,988	0%
Total	<u>\$2,876,692</u>	

Ohio Public Works Commission (OPWC) Loan 1

In 2013, the Township entered into a 25 year note agreement with the OPWC in connection with White Road Reconstruction - Phase II. This note was issued at an interest rate of 0% and matures in 2038. During 2022, the Township made principal loan payments totaling \$6,794.

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

Note 10 – Debt (Continued)

Debt service payments on the OPWC loan are scheduled as follows:

Years Ending December 31,	OPWC Loan Payments
2023	\$ 6,794
2024	6,794
2025	6,794
2026	6,794
2027	6,794
2028-2032	33,970
2033-2037	33,970
2038	<u>6,794</u>
Total	<u><u>\$ 108,704</u></u>

Ohio Public Works Commission (OPWC) Loan 2

In 2022, the Township entered into a 25 year loan agreement with the City of Grove City and OPWC in connection with the Borror Road Improvements for \$2,824,477. This note was issued at an interest rate of 0% and matures in 2047. During 2022, the Township made principal loan payments totaling \$112,979. The City of Grove City's share is 82.45% that they reimburse the township \$46,575 annually.

Debt service payments on the OPWC loan are scheduled as follows:

Years Ending December 31,	OPWC Loan Payments
2023	\$ 112,979
2024	112,979
2025	112,979
2026	112,979
2027	112,979
2028-2032	564,895
2033-2037	564,895
2038-2042	564,895
2043-2047	<u>508,408</u>
Total	<u><u>\$ 2,767,988</u></u>

Jackson Township
Franklin County

Note 11 – Jointly Governed Organizations

The Township appoints a trustee to serve as the Franklin County representative to the Solid Waste Authority of Central Ohio (SWACO).

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpended corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to 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
Nonspendable:				
Outstanding Encumbrances	\$273,176	\$1,229,380	\$0	\$1,502,556
Total	\$273,176	\$1,229,380	\$0	\$1,502,556

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



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

Jackson Township
Franklin County
3756 Hoover Road
Grove City, Ohio 43123

To the Township Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of Jackson Township, Franklin County, (the Township) and have issued our report thereon dated March 28, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. Additionally, we noted as described in Note 3 for the year ended December 31, 2022, Jackson Township restated the beginning cash fund balance of the Proprietary Fund as of January 1, 2022 to properly account for self-insurance activity from prior years.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Jackson Township
Franklin County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-002.

Township's Response to Findings

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 28, 2025

JACKSON TOWNSHIP
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2023-001

Material Weakness- Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

GASB Cod. 1300.106 states “*Capital projects funds* are used to 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. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held as a fiduciary activity. Capital outlays financed from general obligation bond proceeds should be accounted for through a capital projects fund.”

For the years ended December 31, 2023 and 2022, the following variances were identified and subsequently adjusted on the financial statements:

- The Township reported their FEMA Assistance Program, made up of primarily capital improvement expenditures, as a Special Revenue Fund rather than a Capital Improvement Fund.
- The Township also misclassified an EPA Grant for \$300,000 as a Miscellaneous Revenue rather than an Intergovernmental Revenue within the Special Revenue Fund.
- The Township incorrectly adjusted the General Fund beginning fund balance by \$7,699 rather than reporting current year expenditures of Principal and Interest and Fiscal Charges of \$7,680 and \$19, respectively.
- The Township incorrectly adjusted the Special Revenue Fund beginning fund balance by \$5,828 rather than reporting current year expenditures for Public Safety.

We also identified errors and omissions in the footnotes that have been adjusted in the final report.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities.

The Township Trustees should implement controls to help ensure all transactions are reviewed and reported in the proper funds. Additionally, reporting inaccuracies can impact the decision-making of those charged with governance and the general public.

Officials’ Response: The Township will closely review all transactions to ensure that each is properly reported.

JACKSON TOWNSHIP
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2023-002

Material Weakness and Material Noncompliance- Self-Insurance Fund

GASB Statement No. 10 explains if a governmental entity other than a pool uses a single fund to account for its risk financing activities, that fund should be either the general fund or an internal service fund.

Ohio Rev. Code § 9.833(C)(2) states that each political subdivision shall reserve funds necessary for an individual or joint self-insurance program in a special fund that may be established for political subdivisions other than an agency or instrumentality pursuant to an ordinance or resolution of the political subdivision and not subject to section 5705.12 of the Revised Code.

For the years ended December 31, 2023 and 2022, the Township failed to establish an internal service fund and/or account for medical insurance activity within said fund. The Township is solely tracking medical self-insurance activity through payments made to the Third-Party Administrator that maintains off-book records. Therefore, the Township is not properly accounting for self-insurance transactions within the proper fund and in accordance with **Ohio Rev. Code § 9.833**.

The self-insurance activity has been adjusted on the Township's financial statements.

Failure to properly record self-insurance activity in the ledgers results in misstatements on the financial statements.

To help ensure the financial statements are properly presented, we recommend the Township review control procedures over the recording of self-insurance activity in the proper fund.

Officials' Response: The Township will closely review all transactions to ensure that each is properly reported.



Jackson Township, Franklin County, Ohio

Board of Trustees

David Burris
Ron McClure
Jim Rauck

Fiscal Officer

Ron Grossman

Township Administrator

Shane Farnsworth

Assist. Twp. Administrator/HR/AFO
Angela Lee

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2023 AND 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Accurate Financial Reporting-Material Weakness (Originally issued in 2017 as a significant deficiency and a material weakness in 2019 and 2021)	Not Corrected	Re-issued as 2023-001

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OHIO AUDITOR OF STATE KEITH FABER



JACKSON TOWNSHIP

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 4/15/2025

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

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