

CLINTON TOWNSHIP
FRANKLIN COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2023 & 2022**



65 East State Street
Columbus, Ohio 43215
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800-282-0370

Board of Trustees
Clinton Township
3820 Cleveland Avenue
Columbus, OH 43224

We have reviewed the *Independent Auditor's Report* of Clinton Township, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery 1 - Repaid

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under the color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl Preparatory School*, 128 Ohio St. 3d 50 (2010).

Firefighter, Tyler Norwood was approved to alter his employment with Clinton Township, Franklin County and switch from full time to part time employment. Prior to the change, Mr. Norwood received a payout of his accumulated vacation leave. However, after the payment was made, another 24 hours of vacation leave was utilized by Mr. Norwood and paid by the township. Mr. Norwood was overcompensated for 24 hours of vacation leave totaling \$634.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Tyler Norwood in the amount of \$634, and in favor of Clinton Township, Franklin County general fund.

The finding for recovery was repaid in full to the General and deposited on September 9, 2024.

Finding for Recovery 2

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under the color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl Preparatory School*, 128 Ohio St. 3d 50 (2010).

Mr. Huffman’s employment contract with Clinton Township indicates his vacation leave shall accrue and be credited annually, is not cumulative from year to year and shall be used within 12 consecutive calendar months following the date on which it is credited and vacation/PTO time not so used shall be forfeited without compensation or payment. The contract further states upon a break in service due to resignation- or retirement, the Township administrator shall be credited for unused vacation time with the payment to be based on the Township Administrator’s regular hourly rate at the time of the break in service and that year’s vacation time payout will be prorated to the tie the Township Administrator is on the payroll.

Matt Huffman retired from Clinton Township, Franklin County effective July 7, 2023 just days after his anniversary date on June 19th. As per the contract described above, Mr. Huffman was paid his unused vacation leave, however the amount was not prorated to his service time for the current year. Mr. Huffman received a full payout of 200 hours of vacation leave which was credited but not yet accrued. Mr. Huffman only worked 15 days of his current service year and therefore his vacation leave payment should have been limited to 11.54 hrs (15 days worked/260 days per year x 200 hours credited vacation). As a result, Mr. Huffman received unearned compensation for 188.46 hours of vacation leave, an overpayment of \$8,608.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Matthew Huffman and fiscal officer, Deborah Steele and her bonding company, Ohio Township Association Risk Management Authority, jointly and severally, in the amount of \$8,608, and in favor of Clinton Township, Franklin County general fund.

Board of Trustees
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3820 Cleveland Avenue
Columbus, OH 43224
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Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Clinton Township is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

November 22, 2024

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**CLINTON TOWNSHIP
FRANKLIN COUNTY, OHIO**

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Independent Auditor's Report

Clinton Township
Franklin County
3820 Cleveland Avenue
Columbus, Ohio 43224

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of Clinton Township, Franklin County, Ohio, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of Clinton Township, as of and for the years ended December 31, 2023 and 2022 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Clinton Township, as of December 31, 2023 and 2022, or changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Clinton 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 Clinton Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and GAAP, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Clinton 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 Clinton Township's ability to continue as a going concern for a reasonable period of time.

Clinton Township
Franklin County
Independent Auditor's Report

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 May 17, 2024 on our consideration of Clinton Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Clinton 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 Clinton Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 17, 2024

Clinton 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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts			
Property and Other Local Taxes	\$ 39,500	\$ 3,316,761	\$ 3,356,261
Charges for Services	-	556,174	556,174
Licenses, Permits and Fees	69,606	-	69,606
Fines and Forfeitures	-	13,415	13,415
Intergovernmental	3,008,659	614,207	3,622,866
Special Assessments	742	-	742
Earnings on Investments	168,320	5,275	173,595
Miscellaneous	103,762	21,005	124,767
<i>Total Cash Receipts</i>	<u>3,390,589</u>	<u>4,526,837</u>	<u>7,917,426</u>
Cash Disbursements			
Current:			
General Government	836,367	-	836,367
Public Safety	47,326	4,656,264	4,703,590
Public Works	279,993	384,073	664,066
Conservation-Recreation	25,000	-	25,000
Capital Outlay	227,435	467,245	694,680
Debt Service:			
Principal Retirement	215,900	170,000	385,900
Interest and Fiscal Charges	36,486	13,202	49,688
<i>Total Cash Disbursements</i>	<u>1,668,507</u>	<u>5,690,784</u>	<u>7,359,291</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,722,082</u>	<u>(1,163,947)</u>	<u>558,135</u>
Other Financing Receipts (Disbursements)			
Sale of Assets	-	66,157	66,157
Transfers In	-	985,000	985,000
Transfers Out	(985,000)	-	(985,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(985,000)</u>	<u>1,051,157</u>	<u>66,157</u>
<i>Net Change in Fund Cash Balances</i>	737,082	(112,790)	624,292
<i>Restated Fund Cash Balances, January 1</i>	<u>6,362,346</u>	<u>2,519,872</u>	<u>8,882,218</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 7,099,428</u>	<u>\$ 2,407,082</u>	<u>\$ 9,506,510</u>

See accompanying notes to the financial statements

Clinton Township
Franklin County, Ohio
Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2023

	Fiduciary Fund Type
	Custodial
Additions	
Other Amounts Collected for Distribution	\$ -
<i>Total Additions</i>	-
Deductions	
Other Distributions	-
<i>Total Deductions</i>	-
<i>Net Change in Fund Cash Balances</i>	-
<i>Fund Cash Balances, January 1</i>	2,494
<i>Fund Cash Balances, December 31</i>	\$ 2,494

See accompanying notes to the financial statements

Clinton 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 Clinton Township, Franklin County, Ohio (the Township) as a body corporate and politic. The Township also has an elected Township Fiscal Officer. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, police protection, fire protection and emergency medical services. The Township contracts with the City of Upper Arlington to provide fire services and emergency medical services to the western segment of the Township.

Jointly Governed Organization

The Township participates in the Clinton-Grandview Heights Joint Economic Development Zone (the JEDZ), a jointly governed organization. Note 10 to the financial statements presents additional information for this entity.

Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. 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 statement of additions, deductions, and changes in fund balance (regulatory cash basis) for the fiduciary fund type, 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:

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

Note 2 - Summary of Significant Accounting Policies (continued)

Fire District Fund The fire district fund accounts for and reports the receipts of property taxes and intergovernmental monies restricted for the purpose of providing fire protection services to the residents of the Township.

Police District Fund The police district fund accounts for and reports the receipt of property taxes, charges for services, fines and forefeitures and intergovernmental monies restricted for the operation of Township police protection and law enforcement.

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 the Township's police custodial activity.

For regulatory purposes, certain deposits 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 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 (except certain custodial funds) be budgeted annually.

Appropriations Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, or object level for all funds 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.

Clinton 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.

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, U.S. Agency Securities, Negotiable Certificates of Deposit (CD's), and commercial paper 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

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.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$1,217 are reflected as fines and forfeiture revenue in the One Ohio Opioid Special Revenue Fund in the accompanying financial statements.

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:

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

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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 The 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 – Budgetary Activity

Budgetary activity for the year ended December 31, 2023 is as follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,906,424	\$ 3,390,589	\$ 484,165
Special Revenue	5,757,892	5,577,994	(179,898)

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 3,393,650	\$ 2,756,331	\$ 637,319
Special Revenue	6,953,091	6,468,195	484,896

Clinton 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 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:

	2023
Demand Deposits	<u>\$2,234,261</u>
Total Deposits	<u>2,234,261</u>
Money market mutual funds	136,873
U.S. Agency Securities	2,577,666
Commercial Paper	365,977
Negotiable CDs	826,763
U.S. Treasury Notes	1,276,888
STAR Ohio	<u>2,090,576</u>
Total Investments	<u>7,274,743</u>
Total Deposits and Investments	<u>\$ 9,509,004</u>

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statements reflect net payroll plus all remitted payroll withholding. At December 31, 2023, the Township does not have any unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Depository Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Township, 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 and U.S. Agency Securities 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. The financial institution holds the Township’s Negotiable CDs and commercial paper and maintains records identifying the Township as owner of these securities.

Investments in STAR Ohio and money market mutual funds are not evidenced by securities that exist in physical or book-entry form.

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

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

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 (latest information available):

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some of the Township’s 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 healthcare and survivor and disability benefits.

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

Note 7 - Defined Benefit Pension Plans (continued)

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' gross salaries. The full-time police officers contributed 13% of their gross salaries and the Township contributed an amount equaling 18.1% of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Ohio Police and Fire Pension Fund

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

The Ohio Revised Code also prescribes contribution rates. 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, 2023.

Social Security

The Township's part-time firefighters contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants' gross salaries. 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% for members in the traditional pension plan and 2% 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%; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5% to fund these benefits.

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

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Construction Bonds	\$1,636,400	1.99%
Financed Purchase - Fire Engine Truck	381,867	2.63%
OPWC Loan CC08AA	80,972	0.00%
Total	\$2,099,239	

On June 17, 2016 the Township issued general obligation construction bonds in the amount of \$3,250,000 to finance the construction of a Township facility building for use by the police, fire, EMS, and general government services of the Township. The bonds were issued at a 1.99% interest rate. The bonds will mature in December 2030. The bond is paid from the General Fund.

In 2023, the Township entered into a loan with the Ohio Public Works Commission (OPWC) for the Walford Street and Ormond Avenue Resurfacing project. The loan totaled \$80,972 with a 0% interest rate and will be repaid with semiannual installments that matures in July 2033. The loan will be paid from the General Fund

Financed Purchases

On October 15, 2020 the Township entered into a financed purchase agreement for a Sutphen Custom Pumper fire engine truck for the Township fire department. The interest rate is 2.63% for a seven-year period ending on October 15, 2027. This fire engine truck will be used to provide safety to the residents in the Township. The financed purchase is to be paid from the Fire District Fund (Special Revenue Fund Type).

On August 25, 2020, the Township entered into a financed purchase agreement for a Ford 550 Diesel Truck. This is an EMS truck used to transfer residence of the Township and surrounding areas of the Township to medical facilities. The interest rate is 2.55% and is to be paid over the course of three years ending on August 25, 2023. The financed purchase was paid from the Fire District Fund (Special Revenue Fund Type) and was retired during the year.

Amortization

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

Year ending December 31:	<u>Construction Bonds</u>	<u>Financed Purchase - Fire Engine Truck</u>	<u>OPWC Loan CC08AA</u>
2024	\$ 252,764	\$ 101,825	\$ 8,097
2025	252,782	101,825	8,097
2026	252,713	101,825	8,097
2027	252,756	101,825	8,097
2028	252,707	-	8,097
2029-2033	505,498	-	40,487
Total	\$ 1,769,220	\$ 407,300	\$ 80,972

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

Note 10 – Jointly Governed Organization

The Township participates in and receives income tax sharing compensation through one Joint Economic Development Zone.

Clinton-Grandview Heights Joint Economic Development Zone (JEDZ) – The JEDZ is a political subdivision of the state of Ohio established in accordance with Ohio Revised Code 715.691. It is located in Clinton Township, pursuant to a contract with the City of Grandview Heights as provided in the statutory scheme for Joint Economic District Zones. Within its district, Grandview-Heights’s income tax is applicable to economic activity. The JEDZ levies a 2.5 % income tax. The City of Grandview Heights assesses and collects the income tax on behalf of the JEDZ.

The JEDZ operates under a board established by the City and the Township with the City and Township each appointing three members of the Board all of whom to serve terms of two years. The City and Township, in their sole discretion, may reappoint members of the Board for additional terms on the Board.

The members of the Board serve without compensation. The JEDZ operates on a calendar year basis. The term of the contract for the existence of the JEDZ shall be in force and effect through December 31, 2043. As part of the contract forming the JEDZ, the Township and City provide certain services to the JEDZ. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to maintenance of township roads, snow removal, fire protection, police protection, emergency medical services and general administration. The City, pursuant to the JEDZ agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDZ. The Township and the City may provide additional services as allowed by law as the Township and/or City and the Board deem appropriate and agree.

The income tax revenues are distributed annually, as follows:

1. 2.00% of the gross revenues to the JEDZ

The remaining net revenues are distributed in the following manner:

2. 90% to City of Grandview Heights
3. 10% to Clinton Township

During 2023, the Township received \$355,432 under the JEDZ contract, which is included in the General Fund as Intergovernmental receipts.

The JEDZ contract includes a Cooperative Economic Development Agreement (CEDA), which requires the City of Grandview Heights to distribute approximately 77.78%, of the 90% of remaining net JEDZ revenues, to the Township. During 2023, The Township received \$2,468,000 under the CEDA section of the JEDZ Contract, which is included in the General Fund as Intergovernmental receipts.

Note 11 - Contingent Liabilities

The Township may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Township’s financial condition.

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

Note 11 - Contingent Liabilities (continued)

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

Note 12 – Fund Balances

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 102,824	\$ 777,411	\$ 880,235

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

Note 13 – Transfers

During 2023, transfers were made from the general fund to the police district fund (Special Revenue Fund Type) in the amount of \$600,000, to the fire district fund (Special Revenue Fund Type) in the amount of \$300,000, and to the Walford Street & Ormond Avenue fund (Special Revenue Fund Type) in the amount of \$85,000 to subsidize operations in accordance with the Ohio Revised Code.

Note 14 – Compliance

The Township is in noncompliance with Ohio Revised Code 5705.40 for appropriation amendments being made that were not approved by the Board of Trustees.

The Township is in noncompliance with Ohio Administrative Code 117-2-02(C)(1) for appropriations and estimated resources not being accurately integrated into the financial accounting system.

Note 15 – Prior Period Restatement

During 2023, the Township determined the need to void prior year outstanding checks. The determination had the following effect on the general fund and the special revenue fund type fund cash balance at January 1, 2023:

Fund cash balance	General	Special Revenue
December 31, 2022	\$ 6,362,326	\$ 2,508,877
Voided Prior Year Outstanding Checks	20	10,995
January 1, 2023, restated	\$ 6,362,346	\$ 2,519,872

Clinton 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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts			
Property and Other Local Taxes	\$ 47,773	\$ 3,344,335	\$ 3,392,108
Charges for Services	-	540,814	540,814
Licenses, Permits and Fees	91,115	-	91,115
Fines and Forfeitures	-	15,891	15,891
Intergovernmental	3,112,660	709,095	3,821,755
Earnings on Investments	48,110	1,985	50,095
Miscellaneous	21,961	12,535	34,496
<i>Total Cash Receipts</i>	<u>3,321,619</u>	<u>4,624,655</u>	<u>7,946,274</u>
Cash Disbursements			
Current:			
General Government	803,516	3,000	806,516
Public Safety	20,767	4,381,281	4,402,048
Public Works	122,341	521,068	643,409
Conservation-Recreation	40,596	-	40,596
Capital Outlay	298,651	286,188	584,839
Debt Service:			
Principal Retirement	359,974	164,513	524,487
Interest and Fiscal Charges	40,877	18,688	59,565
<i>Total Cash Disbursements</i>	<u>1,686,722</u>	<u>5,374,738</u>	<u>7,061,460</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,634,897</u>	<u>(750,083)</u>	<u>884,814</u>
Other Financing Receipts (Disbursements)			
Loans Issued	148,374	-	148,374
Transfers In	-	1,100,000	1,100,000
Transfers Out	(1,100,000)	-	(1,100,000)
Other Financing Sources	-	3,288	3,288
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(951,626)</u>	<u>1,103,288</u>	<u>151,662</u>
<i>Net Change in Fund Cash Balances</i>	683,271	353,205	1,036,476
<i>Restated Fund Cash Balances, January 1</i>	<u>5,679,055</u>	<u>2,155,672</u>	<u>7,834,727</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 6,362,326</u>	<u>\$ 2,508,877</u>	<u>\$ 8,871,203</u>

See accompanying notes to the financial statements

Clinton Township
Franklin County, Ohio
Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022

	Fiduciary Fund Type
	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 279
<i>Total Additions</i>	279
Deductions	
Other Distributions	-
<i>Total Deductions</i>	-
<i>Net Change in Fund Cash Balances</i>	279
<i>Fund Cash Balances, January 1</i>	2,215
<i>Fund Cash Balances, December 31</i>	\$ 2,494

See accompanying notes to the financial statements

Clinton 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 Clinton Township, Franklin County, Ohio (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township also has an elected Township Fiscal Officer. The Township provides road and bridge maintenance, police protection, fire protection and emergency medical services. The Township contracts with the City of Upper Arlington to provide fire services and emergency medical services to the western segment of the Township.

Jointly Governed Organization

The Township participates in the Clinton-Grandview Heights Joint Economic Development Zone (the JEDZ), a jointly governed organization. Note 10 to the financial statements presents additional information for this entity.

Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. 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 statement of additions, deductions, and changes in fund balance (regulatory cash basis) for the fiduciary fund type, 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:

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

Note 2 - Summary of Significant Accounting Policies (continued)

Fire District Fund The fire district fund accounts for and reports the receipts of property taxes and charges for services restricted for the purpose of providing fire protection services to the residents of the Township.

Police District Fund The police district fund accounts for and reports the receipt of property taxes, charges for services, fines and forefeitures and intergovernmental monies restricted for the operation of Township police protection and law enforcement.

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 the Township's police custodial activity.

For regulatory purposes, certain deposits 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 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 (except certain custodial funds) be budgeted annually.

Appropriations Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, or object level for all funds 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.

Clinton 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.

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, U.S. Agency Securities, Negotiable Certificates of Deposit (CDs) 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

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 The 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.

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

Note 2 - Summary of Significant Accounting Policies (continued)

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 – Budgetary Activity

Budgetary activity for the year ended December 31, 2022 is as follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,540,150	\$ 3,469,993	\$ 929,843
Special Revenue	5,199,970	5,727,943	527,973

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 5,193,147	\$ 2,800,411	\$2,392,736
Special Revenue	6,136,296	5,507,059	629,237

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:

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

Note 4 – Deposits and Investments (continued)

	2022
Demand deposits	\$ 3,772,550
Total deposits	3,772,550
Money market mutual funds	27,559
U.S. Agency Securities	2,123,593
Negotiable CDs	1,393,910
U.S Treasury Notes	1,554,704
STAR Ohio	1,381
Total investments	5,101,147
Total deposits and investments	\$ 8,873,697

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statements reflect net payroll plus all remitted payroll withholding. At December 31, 2022, the Township does not have any unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Depository Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Township, 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 and U.S. Agency Securities 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. The financial institution holds the Township’s Negotiable CDs and maintains records identifying the Township as owner of these securities.

Investments in STAR Ohio and money market mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

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

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

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

Note 6 - Risk Management

Risk Pool Membership

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

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

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

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some of the Township's 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 healthcare 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' gross salaries. The full-time police officers contributed 13% of their gross salaries and the Township contributed an amount equaling 18.1% of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Ohio Police and Fire Pension Fund

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

The Ohio Revised Code also prescribes contribution rates. 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, 2022.

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

Note 7 - Defined Benefit Pension Plans (continued)

Social Security

The Township’s part-time firefighters contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% 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% during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4% during calendar year 2022. OP&F contributes 0.5% 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 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Construction Bonds	\$1,852,300	1.99%
Financed Purchase - Fire Engine Truck	471,297	2.63%
Financed Purchase - EMS Medic Truck	79,351	2.55%
Total	<u>\$2,402,948</u>	

On June 17, 2016 the Township issued general obligation construction bonds in the amount of \$3,250,000 to finance the construction of a Township facility building for use by the police, fire, EMS, and general government services of the Township. The bonds were issued at a 1.99% interest rate. The bonds will mature in December 2030. The bond is paid from the General Fund.

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

Note 9 – Debt (continued)

In 2022, the Township entered into a loan with the Ohio Public Works Commission (OPWC) for the Ormond Avenue Drainage Improvement Part II project. The loan totaled \$148,374 with a 0% interest rate and was fully repaid during the year from the General Fund.

Financed Purchases

On October 15, 2020, the Township entered into a financed purchase agreement for a Sutphen Custom Pumper fire engine truck for the Township fire department. The interest rate is 2.63% for a seven-year period ending on October 15, 2027. This fire engine truck will be used to provide safety to the residents in the Township. The financed purchase is to be paid from the Fire District Fund (Special Revenue Fund Type).

On August 25, 2020, the Township entered into a financed purchase agreement for a Ford 550 Diesel Truck. This is an EMS truck used to transfer residence of the Township and surrounding areas of the Township to medical facilities. The interest rate is 2.55% and is to be paid over the course of three years ending on August 25, 2023. The financed purchase is to be paid from the Fire District Fund (Special Revenue Fund Type).

Amortization

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

Year ending December 31:	Construction Bonds	Financed Purchase - Fire Engine Truck	Financed Purchase - EMS Medic Truck
2023	\$ 252,761	\$ 101,825	\$ 81,377
2024	252,764	101,825	-
2025	252,782	101,825	-
2026	252,713	101,825	-
2027	252,756	101,825	-
2028-2030	758,205	-	-
Total	<u>\$ 2,021,981</u>	<u>\$ 509,125</u>	<u>\$ 81,377</u>

Note 10 – Jointly Governed Organization

The Township participates in and receives income tax sharing compensation through one Joint Economic Development Zone.

Clinton-Grandview Heights Joint Economic Development Zone (JEDZ) – The JEDZ is a political subdivision of the state of Ohio established in accordance with Ohio Revised Code 715.691. It is located in Clinton Township, pursuant to a contract with the City of Grandview Heights as provided in the statutory scheme for Joint Economic District Zones. Within its district, Grandview-Heights’s income tax is applicable to economic activity. The JEDZ levies a 2.5 percent income tax. The City of Grandview Heights assesses and collects the income tax on behalf of the JEDZ.

The JEDZ operates under a board established by the City and the Township with the City and Township each appointing three members of the Board all of whom to serve terms of two years. The City and Township, in their sole discretion, may reappoint members of the Board for additional terms on the Board.

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

Note 10 – Jointly Governed Organization (continued)

The members of the Board serve without compensation. The JEDZ operates on a calendar year basis. The term of the contract for the existence of the JEDZ shall be in force and effect through December 31, 2043. As part of the contract forming the JEDZ, the Township and City provide certain services to the JEDZ. The Township furnishes all usual and customary governmental services furnished by the Township to the other territory of the Township, including, but not limited to maintenance of township roads, snow removal, fire protection, police protection, emergency medical services and general administration. The City, pursuant to the JEDZ agreement, furnishes services set forth in the agreement and engages activities to promote, complement and benefit economic development in the JEDZ. The Township and the City may provide additional services as allowed by law as the Township and/or City and the Board deem appropriate and agree.

The income tax revenues are distributed annually, as follows:

1. 2.00% of the gross revenues to the JEDZ

The remaining net revenues are distributed in the following manner:

2. 90% to City of Grandview Heights
3. 10% to Clinton Township

During 2022, the Township received \$365,244 under the JEDZ contract, which is included in the General Fund as Intergovernmental receipts.

The JEDZ contract includes a Cooperative Economic Development Agreement (CEDA), which requires the City of Grandview Heights to distribute approximately 77.78%, of the 90% of remaining net JEDZ revenues, to the Township. During 2022, The Township received \$2,437,000 under the CEDA section of the JEDZ Contract, which is included in the General Fund as Intergovernmental receipts.

Note 11 - Contingent Liabilities

The Township may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Township’s financial condition.

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

Note 12 – Fund Balances

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$13,689	\$132,321	\$ 146,010

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

Note 12 – Fund Balances (continued)

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

Note 13 – Transfers

During 2022, transfers were made from the general fund to the police district fund (Special Revenue Fund Type) in the amount of \$800,000 and to the fire district fund (Special Revenue Fund Type) in the amount of \$300,000 to subsidize operations in accordance with the Ohio Revised Code.

Note 14 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021, while the national state of emergency ended in April 2023. 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.

Note 15 – Compliance

The Township is in noncompliance with Ohio Revised Code 5705.40 for appropriation amendments being made that were not approved by the Board of Trustees.

The Township is in noncompliance with Ohio Administrative Code 117-2-02(C)(1) for appropriations and estimated resources not being accurately integrated into the accounting system.

The Township is in noncompliance with Ohio Revised Code 5705.42 for not recording OPWC on-behalf payments in the General Fund.

Note 16 – Prior Period Restatement

During 2022, the Township determined the need to void prior year outstanding checks. The determination had the following effect on the general fund and the special revenue fund type fund cash balance at January 1, 2022:

	General	Special Revenue	
<u>Fund cash balance</u>			
December 31, 2021	\$ 5,676,810	\$ 2,154,023	
Voided Prior Year Outstanding Checks	2,245	1,649	
January 1, 2022, restated	\$ 5,679,055	\$ 2,155,672	

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

Clinton Township
Franklin County
3820 Cleveland Avenue
Columbus, Ohio 43224

To the Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of Clinton Township, Franklin County, Ohio, as of and for the years ended December 31, 2023, and 2022 and the related notes to the financial statements and have issued our report thereon dated May 17, 2024, wherein we noted as described in Note 2 to the financial statements, Clinton Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clinton 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 Clinton Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Clinton 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 Clinton 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 and responses as items 2023-001 through 2023-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clinton 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as items 2023-002 through 2023-004.

Clinton Township's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Clinton Township's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. Clinton 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 these 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 Clinton 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 Clinton Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
May 17, 2024

**CLINTON TOWNSHIP
FRANKLIN COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2023 AND 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2023-001

Material Weakness - Financial Reporting

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information.

The following adjustments were made to the financial statements and notes for the years ended December 31, 2023 and 2022, respectively.

2023:

- General Fund intergovernmental receipts were increased and property and other local taxes were decreased by \$355,432, to properly report JEDZ receipts.
- General Fund transfers out were decreased and cash was increased and Special Revenue Funds transfers in and cash were decreased by \$250,000, to eliminate the 2023 transfer to correct for a mis-posted ODOT grant receipt in 2022 (see third bullet point in 2022 below) in order to properly report the activity in the correct year.
- General Fund advances in were decreased and Special Revenue Funds advances out were decreased by \$157,674, to eliminate an advance that appeared as outstanding in the Township's Uniform Accounting Network (UAN) financial accounting system, which related to a prior audit finding and had previously been converted to a transfer.

2022:

- General Fund capital outlay disbursements were increased \$280,787, intergovernmental receipts were increased \$132,413, and loans issued were increased \$148,374, to report unrecorded on-behalf OPWC grant and loan activity.
- General Fund intergovernmental receipts were increased and property and other local taxes were decreased by \$365,244, to properly report JEDZ receipts.
- General Fund intergovernmental receipts and cash were decreased and Special Revenue Funds intergovernmental receipts and cash were increased by \$250,000, to properly report an ODOT grant receipt.

The Township has adjusted their financial accounting system fund balances for all applicable audit adjustments.

Control procedures not properly developed related to the financial statements limit management's ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

We recommend Clinton Township implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to filing them with the HINKLE system. A second review of the monthly cash activity and financial statements by someone other than the individual preparing them would be beneficial.

Client Response: The Township Fiscal Officer will more closely examine HINKLE filed report prior to filing and will work toward more accurately presenting those in the future.

**CLINTON TOWNSHIP
FRANKLIN COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2023 AND 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2023-002

Material Weakness/Noncompliance - Integration of Budgetary Information

Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

The Township’s approved appropriations and estimated resources did not agree to the financial accounting system budgetary amounts, at the legal level of control for certain funds.

By not correctly including budgetary accounts into the financial accounting system, it could become challenging for the Township to easily monitor its budgeted activity in comparison with its actual amounts. The Township is also at risk for overspending in excess of available funds, which could possibly result in negative fund balances.

We recommend that approved budgetary modifications be incorporated into the financial accounting system by the Fiscal Officer in a timely manner. This will aid the Board of Trustees and Fiscal Officer in their review of budgetary versus actual information and help ensure budgetary requirements are followed.

Client Response: The Township Fiscal Officer will ensure budgetary modifications are accurately posted to the Township’s financial accounting system going forward.

Finding Number	2023-003
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Material Weakness/Noncompliance – Amended and Supplemental Appropriations

Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Board resolution and comply with the same provisions of the law as used in making the original appropriations.

The Township did not properly modify its appropriations throughout the years as amendments were made to the financial accounting system appropriations at the legal level of control without the approval of the Board via resolution.

By not timely and properly modifying the Township’s appropriations, the Township is not adequately monitoring appropriations versus disbursements.

We recommend the Township comply with Ohio Revised Code and Auditor of State Bulletin 97-010 by having all appropriation amendments approved by the Board via resolution and timely and accurately entered into their financial accounting system.

Client Response: We are aware of the requirement for the Board of Trustees to approve all appropriation amendments and are currently implementing additional policies and procedures to have all supplemental appropriations properly approved prior to including them in the Township’s financial accounting system.

**CLINTON TOWNSHIP
FRANKLIN COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2023 AND 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2023-004

Material Weakness/Noncompliance – OPWC On-Behalf Payments

Ohio Revised Code Section § 5705.42 states when the United States government or the state or any department, division, agency, authority, or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection within the meaning of section 5705.41 of the Revised Code. In addition, Auditor of State (AOS) Bulletin 2000-008 indicates that when a local government enters into an on-behalf-of program agreement with another local government or the state, whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

The Township entered into agreements with the Ohio Public Works Commission (OPWC) for a grant and a loan during the year ending December 31, 2022. The OPWC will make payments directly to the contractor(s), or to the local government as reimbursement, for its share based on invoices submitted by the fiscal officer. For payments made directly to the contractor(s), the OPWC will notify the fiscal officer of the amount disbursed. Upon receipt of this notice, each local government shall record a receipt and disbursement in the appropriate governmental and/or enterprise fund equal to the amount disbursed on their behalf.

The Township did not record payments made directly to contractors as on-behalf of the Township, related to the 2022 OPWC project. See Finding 2023-001.

The failure to record on-behalf grant and loan activity results in understated receipts and disbursements on the financial statements.

To improve accurate financial reporting, the Township should establish procedures to account for and record all on-behalf receipts and payments to help ensure that the financial statements reflect the related activity.

Client Response: The Fiscal Officer will work to add additional procedures to help ensure on-behalf receipts/disbursements are timely and accurately posted in the year the activity takes place.



Clinton Township
ESTABLISHED 1797

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

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-001	2017	<u>Material Weakness – Financial Reporting</u> – Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. Adjustments to the financial statements and related notes were necessary to properly report financial activity of the Township.	Not Corrected	Repeated as 2023-001; as adjustments to the financial statements and related notes were necessary to properly state financial activity.
2021-002	2017	<u>Material Weakness/Noncompliance – Recording in Incorrect Fund</u> – Ohio Revised Code Section 5705.10(D) states all revenue derived from a source other than the general property tax, for which the law does not prescribe use for a particular purpose, including interest earned on the principal of any special fund, regardless of the source or purpose of the principal, shall be paid into the general fund. The Township had receipts recorded in various Special Revenue Funds that should have been recorded in the General Fund.	Corrective Action Taken and Finding is Fully Corrected	N/A
2021-003	2017	<u>Material Weakness/Noncompliance – Integration of Budgetary Information</u> – Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances. The Township's approved appropriations and estimated resources did not agree to the financial accounting system budgetary amounts for various funds.	Not Corrected	Repeated as 2023-002; as appropriations and estimated resources did not agree to the financial accounting system budgetary amounts, at the legal level of control for certain funds.
2021-004	2021	<u>Material Weakness/Noncompliance – Amended and Supplemental Appropriations</u> – Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Board resolution and comply with the same provisions of the law as used in making the original appropriations. The Township did not properly modify its appropriations throughout the years due to amending financial accounting system appropriations without the approval of the Board via resolution.	Not Corrected	Repeated as 2023-003; as appropriation amendments were made at the legal level of control throughout the years without the approval of the Board via resolution.



Clinton Township
ESTABLISHED 1797

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

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-005	2021	<u>Material Weakness/Noncompliance – OPWC On-Behalf Payments</u> – Ohio Rev. Code § 5705.42 in part and Auditor of State (AOS) Bulletin 2000-008 indicates that when a local government enters into an on-behalf-of program agreement with another local government or the state, whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made. The Township did not record payments made directly to contractors as part of their OPWC project.	Not Corrected	Repeated as 2023-004; as OPWC payments made directly to contractors as on-behalf of the Township were not recorded.
2021-006	2021	<u>Material Weakness – Leave Balances</u> – The Township is responsible for accurately and timely tracking accruals and usage of all types of leave offered to it’s applicable employees to ensure all employees leave balances are accurate at all times and prevent employees from using more leave than they have available. Failure to maintain detailed, accruals, balances and usage, could cause and did cause the Township to allow certain employees to take and be paid for time off that was not earned.	Corrective Action Taken and Finding is Fully Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



CLINTON TOWNSHIP

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/5/2024

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

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