



OHIO AUDITOR OF STATE
KEITH FABER



UNION TOWNSHIP
CLERMONT COUNTY

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INDEPENDENT AUDITOR'S REPORT

Union Township
Clermont County
4350 Aicholtz Rd
Cincinnati, OH 45245

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Union Township, Clermont County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2024, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2024, 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, 2024, or the changes in financial position thereof for the year 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.

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 *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 June 10, 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.

A handwritten signature in black ink, appearing to read "Keith Faber". The signature is fluid and cursive, with the first name "Keith" and last name "Faber" clearly distinguishable.

Keith Faber
Auditor of State
Columbus, Ohio
June 10, 2025

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Union Township
Clermont County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2024

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 1,792,672	\$ 21,678,201	\$ -	\$ 23,470,873
Charges for Services	-	2,334,689	-	2,334,689
Licenses, Permits and Fees	610,046	761,095	-	1,371,141
Fines, Forfeitures and Settlements	89,202	28,469	-	117,671
Intergovernmental	501,138	3,755,195	-	4,256,333
Special Assessments	-	63,939	-	63,939
Payments in Lieu of Taxes	-	15,036,353	-	15,036,353
Earnings on Investments	1,586,956	146,860	-	1,733,816
Miscellaneous	484,736	782,784	-	1,267,520
<i>Total Cash Receipts</i>	<u>5,064,750</u>	<u>44,587,585</u>	<u>-</u>	<u>49,652,335</u>
Cash Disbursements				
Current:				
General Government	4,488,264	10,988,855	-	15,477,119
Public Safety	-	19,407,200	-	19,407,200
Public Works	-	1,826,787	-	1,826,787
Health	755,111	143,632	-	898,743
Conservation/Recreation	1,227,886	-	-	1,227,886
Capital Outlay	66,617	3,847,941	-	3,914,558
Debt Service:				
Principal Retirement	-	2,688,384	-	2,688,384
Interest and Fiscal Charges	-	1,168,321	-	1,168,321
<i>Total Cash Disbursements</i>	<u>6,537,878</u>	<u>40,071,120</u>	<u>-</u>	<u>46,608,998</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,473,128)</u>	<u>4,516,465</u>	<u>-</u>	<u>3,043,337</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	-	7,592,339	-	7,592,339
Assets transferred from the CIC	5,120,913	-	-	5,120,913
Cash Contributions to the CIC	(229,100)	(1,285,606)	-	(1,514,706)
Cash Contributions from the Township	-	1,514,706	-	1,514,706
Assets Transferred to the Township	-	(5,120,913)	-	(5,120,913)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>4,891,813</u>	<u>2,700,526</u>	<u>-</u>	<u>7,592,339</u>
<i>Net Change in Fund Cash Balances</i>	<u>3,418,685</u>	<u>7,216,991</u>	<u>-</u>	<u>10,635,676</u>
<i>Fund Cash Balances, January 1</i>	<u>18,309,015</u>	<u>24,732,509</u>	<u>36,473</u>	<u>43,077,997</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 21,727,700</u>	<u>\$ 31,949,500</u>	<u>\$ 36,473</u>	<u>\$ 53,713,673</u>

See accompanying notes to the basic financial statements

Union Township
Clermont County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2023

	Fiduciary Fund Types
	Other Custodial
Additions	
Special Assessment Collections for Distribution	\$ 2,416,746
Amounts Held for Employees	<u>22,737</u>
<i>Total Additions</i>	<u>2,439,483</u>
Deductions	
Distributions as Fiscal Agent	89,787
Distributions to Other Governments	2,295,360
Distributions on Behalf of Employees	<u>61,953</u>
<i>Total Deductions</i>	<u>2,447,100</u>
<i>Net Change in Fund Balances</i>	(7,617)
<i>Fund Cash Balances, January 1</i>	<u>467,942</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 460,325</u></u>

See accompanying notes to the basic financial statements

UNION TOWNSHIP
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Union Township, Clermont 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, cemetery maintenance, fire protection, emergency medical services and police protection.

Blended Component Unit

The Union Township, Clermont County Community Improvement Corporation, Inc. (CIC), a non-profit organization, is a five member board comprised of the three Township trustees, the Township fiscal officer, and one Township official. The CIC derives the major source of its revenues from Union Township in the form of capital and cash contributions. The CIC fosters economic development in the Township. The CIC works with the Township in many aspects of the overall adopted economic development strategy of the Township with its current efforts focused on facilitating industrial and retail development. Financial statements related to the CIC can be obtained from the Township Planning and Zoning Director. The Township has elected to present the cash basis activity for the CIC as part of the Special Revenue fund type of the Township.

Jointly Governed Organizations

The Township participates in jointly governed organizations. Note 13 to the financial statements provides additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

UNION TOWNSHIP
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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:

Police District Fund The police district fund accounts for and reports that portion of property tax and intergovernmental monies restricted for the operation of the Township's police department.

Fire District Fund The fire district fund accounts for and reports that portion of property tax and intergovernmental monies restricted for the operation of the Township's fire department.

TIF Fund The TIF fund accounts for and reports that portion of payments in lieu of taxes under tax increment financing agreements on properties located within the Township restricted for the operation of the Township's TIF districts.

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

General Bond Retirement Fund The general bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the Township.

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial funds account for employee deductions held to pay claims (Employee FSA accounts) and the custodial activities of the special improvement districts and the energy special improvement district.

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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.

UNION TOWNSHIP
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Budgetary Process

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

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

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. Advances-in are not budgeted.

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 2024 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. Money market mutual funds are recorded at share values the mutual funds report.

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 2024, distributions of \$255,153 are reflected as intergovernmental revenue in the OneOhio 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:

UNION TOWNSHIP
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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

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

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

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 15.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2024, follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 7,000,000	\$ 10,185,663	\$ 3,185,663
Special Revenue	41,253,029	43,878,274	2,625,245
Total	<u>\$ 48,253,029</u>	<u>\$ 54,063,937</u>	<u>\$ 5,810,908</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 12,441,125	\$ 7,893,300	\$ 4,547,825
Special Revenue	46,896,336	42,404,649	4,491,687
Total	<u>\$ 59,337,461</u>	<u>\$ 50,297,949</u>	<u>\$ 9,039,512</u>

UNION TOWNSHIP
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Activity of the CIC, a blended component unit of the Township, is not presented in the tables above. The CIC had total receipts of \$9,816,356 and total expenditures of \$6,333,483 during the year

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 at December 31, 2024, are as follows:

Cash Management Pool:

Demand Deposits	\$ 31,545,743
Other time deposits (savings and ICS accounts)	21,628,255
Total deposits	<u>53,173,998</u>
Money Market Mutual Funds	<u>1,000,000</u>
Total investments	<u>1,000,000</u>
Total carrying amount of deposits and investments held in the Pool	<u><u>\$ 54,173,998</u></u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Township is holding \$155,744 in unremitted employee payroll withholdings.

Deposits

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

Investments

Investments in 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. 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.

UNION TOWNSHIP
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 6 - Risk Management

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

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS local members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants' gross salaries. OPERS law enforcement members contribute 13 percent of their gross salaries, and the Township contributed an amount equaling 18.1 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2024.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 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, 2024.

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 2024, 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

UNION TOWNSHIP
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2024

the combined plan. For 2024, 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, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2017 Park National Bank Loan	\$ 723,693	4.16%
2018 Fire Station Improvement General Obligation Bonds	405,000	3.16%
2018 Taxable Special Obligation Revenue Bonds	2,215,000	4.36%
2018 Tax Exempt General Obligation Bonds	2,165,000	3.45%
2018 Taxable Special Obligation Revenue Bonds	2,690,000	4.18-4.90%
2023 Various Purpose Refunding Bonds	18,682,000	3.00%
	<u>\$ 26,880,693</u>	

The 2017 Park National Bank Loan was issued by the CIC to finance improvements made under a mortgage agreement entered with the Mt. Carmel Brewery Company, LLC. The loan was issued on February 28, 2017, in the amount of \$2,500,000 and carries an interest rate of 4.16%. The terms of the loan require equal semi-annual payments of \$156,624 beginning December 1, 2017, through December 1, 2026, with a final payment due of \$142,240 on February 28, 2027. Repayment of the loan is secured by a leasehold mortgage from the Mt. Carmel Brewery Company, LLC, due to the Corporation.

The 2018 Fire Station Improvement General Obligation Bonds were issued by the Township to finance fire station improvements. The 2018 bonds were issued on January 12, 2018, in the amount of \$1,350,000 and carry an interest rate of 3.16%. The terms of the bonds require semi-annual interest and principal beginning June 1, 2018, through December 1, 2027, with a final payment due of \$68,569 on December 1, 2027.

The 2018 Taxable Special Revenue Obligation Bonds were issued by the Township to purchase 16 acres on McMann Road for economic development and construction of Township Service Garage and West Clermont Local School District Maintenance and Service Facility. The 2018 bonds were issued on March 29, 2018, in the amount of \$3,285,000 and carry an interest rate of 4.36%. The terms of the bonds require semi-annual payments of interest due on June 1 and December 1 commencing on June 1, 2018, and annual principal payments commencing on December 1, 2019, with a final payment of principal on December 1, 2033.

The 2018 Tax Exempt General Obligation Bonds were issued by the Township to purchase 16 acres on McMann Road for economic development and construction of Township Service Garage and West Clermont Local School District Maintenance and Service Facility. The 2018 bonds were issued on March 29, 2018, in the amount of \$3,285,000 and carry an interest rate of 3.45%. The terms of the bonds require semi-annual payments of interest due on June 1 and December 1 commencing on June 1, 2018, and annual principal payments commencing on December 1, 2019, with a final payment of principal on December 1, 2033.

The 2018 Taxable Special Obligation Revenue Acquisition and Improvement Bonds were issued by the Township for the purpose of purchasing property at 4357 Ferguson Road. The 2018 bonds were issued on September 12, 2018, in the amount of \$3,000,000 and carry an interest rate range of 4.18 - 4.90%. The terms

UNION TOWNSHIP
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2024

of the bonds require semi-annual payments of interest due on June 1 and December 1 commencing on June 1, 2019, and annual principal payments commencing on December 1, 2019, with a final payment of principal on December 1, 2048.

The 2023 Various Purpose Refunding Bonds relate to the Township's capital improvements to its infrastructure, including Township park improvements, fire station improvements and road improvements. The bonds were issued on August 9, 2023, in the amount of \$21,583,000 and carry an interest rate of 3.98%. The terms of the bonds require semi-annual payments of principal and interest due on June 1 and December 1 commencing on December 1, 2023, with a final payment of on June 1, 2033. Proceeds from the bonds and other funds of the Township were used to retire \$21,490,000 Various Purpose General Obligation Bond Anticipation Notes issued in August 2022.

The future principal and interest requirements scheduled to retire the remaining long-term debt balances of the Township are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,787,637	\$ 1,061,717	\$ 3,849,354
2026	2,890,812	950,519	3,841,331
2027	2,837,244	833,866	3,671,110
2028	2,664,000	726,625	3,390,625
2029	2,770,000	619,938	3,389,938
2030-2034	11,026,000	1,422,171	12,448,171
2035-2039	540,000	416,500	956,500
2040-2044	685,000	270,480	955,480
2045-2048	680,000	85,015	765,015
Total	<u>\$ 26,880,693</u>	<u>\$ 6,386,831</u>	<u>\$ 33,267,524</u>

Note 10 - CIC Activity

During 2024, the Township transferred the following activity between funds related to the CIC:

<u>Activity Disbursement Fund</u>	<u>Activity Receipt Fund</u>	<u>Amount</u>
General	CIC	\$ 229,100
TIF	CIC	1,104,491
JEDD	CIC	181,115
CIC	General	5,120,913
Total Transfers		<u>\$6,635,619</u>

Disbursements from the General Fund to the CIC provided operating funding to the CIC. Disbursements from the TIF and JEDD Funds to the CIC provided funding for debt service payments on TIF related debt issued and paid by the CIC and funds for the purchase of properties. Disbursements from the CIC to the General Fund were to refund proceeds arising from the sale, lease, or other contractual activity of the CIC in accordance with Resolution 2012-02.

UNION TOWNSHIP
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 11 - Intergovernmental Agreement

The Township has entered into an intergovernmental agreement with the Clermont County Transportation Improvement District (the District) to provide funding for the development and implementation of the District's projects, including those within the Township. The intergovernmental agreement provides \$100,000 per year to be paid to the District through the year 2036.

Note 12 - Contract Postal Unit

The Township has a contract with the United States Postal Service (USPS) to operate a contract postal unit (CPU). Under the contract, the Township purchases postage supplies, metered postage and stamps from stamp fulfillment services. The Township owns this inventory and is responsible for the proceeds from the sale of the inventory. The Township receives an 11 percent commission from the USPS on its CPU gross sales. Sale of the inventory is recorded as miscellaneous receipts in the General Fund and purchases of postage supplies are recorded as general government expenses in the General Fund.

Note 13 - Jointly Governed Organizations

Joint Economic Development Districts

The Township has entered into seven separate contracts pursuant to the authority of Ohio Revised Code 715.72 through 715.81 with the City of Milford to create the following Joint Economic Development Districts (JEDD):

- Ivy Pointe Joint Economic Development District – Created March 2007
- Jungle Jim's Eastgate and Carepointe Clermont Joint Economic Development District – Created February 2012
- The Boys and Girls Club of Clermont County Joint Economic Development District – Created March 2013
- Mt. Carmel Brewing Company Joint Economic Development District – Created June 2013
- West Clermont High School Joint Economic Development District – Created February 2018
- GlenEste Campus Joint Economic Development District – Created May 2019
- Round Bottom Road Joint Economic Development District – Created February 2021

Each JEDD was created to promote economic development activities in certain geographic areas located in Union Township. Each JEDD consist of 5 board members, one member representing the City of Milford, one member representing the Township, one member representing the business owners located in the District, one member representing the persons working in the District and one member selected by the other members to serve as chairperson of the District Board. Each JEDD, pursuant to Revised Code 715.74, has implemented a 1.0% income tax. Net tax revenues of each JEDD are allocated 15% to the City and 85% to the Township. The City serves as fiscal agent for the JEDD. The contracts for creating each JEDD can be terminated at any time by mutual consent of the contracting parties.

UNION TOWNSHIP
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Special Improvement Districts

In November 2013 the Township created a Special Improvement District (SID) for the purpose of applying a special assessment on the development known as the Jungle Jim's International Marketplace (Jungle Jim's). The creation of the SID was part of a conduit debt financing agreement between Jungle Jim's, the Township, the Union Township CIC and the Clermont County Port Authority (Port).

The Port issued \$22,705,000 of Economic Development Special Obligation Bonds and purchased the property from Jungle Jim's. The Bonds are secured by a pledge of the Township of the assessment proceeds of the SID. Assessments of the SID are structured and levied for the Township to collect and remit to the Port in amounts equal to the annual debt service charges on the bonds, plus an amount not to exceed \$25,000 for annual administrative expenses of the SID over a period of 20 years. The Port, as collateral to the Township, transferred title of the property to the Union Township CIC.

In October 2014 the Township created a Special Improvement District (SID) for the purpose of applying a special assessment on properties within the district known as The Union Township, Clermont County, Ohio. The creation of the SID provided for assessing property owners within the District known as the Terrace Ridge Subdivision, to provide funding for infrastructure improvements.

The Township has created a custodial fund for each SID to account for the receipt and distribution of assessments applied for each SID.

Energy Special Improvement District

During 2019, the Township created the Union Township, Ohio Energy Special Improvement District (ESID). The ESID is a nonprofit corporation established pursuant to Ohio Revised Code (ORC) Chapters 1702 and 1710. The ESID was created by legislative action taken by Union Township and is governed by the ESID's board of trustees. Members of the District include the owners of parcels of property located within the ESID. The ESID was established to develop and implement special energy improvement projects as defined by ORC Chapter 1710, including energy efficiency and clean and renewable energy projects at locations within the ESID.

The Township has created a custodial fund to account for the receipt and distribution of assessments applied for the ESID.

Note 14 - Contingent Liabilities

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

UNION TOWNSHIP
Clermont County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 15 – 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:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 1,126,322	\$ 2,260,493	\$ 3,386,815
<i>Total</i>	<u>\$ 1,126,322</u>	<u>\$ 2,260,493</u>	<u>\$ 3,386,815</u>

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

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OHIO AUDITOR OF STATE KEITH FABER



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

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

Union Township
Clermont County
4350 Aicholtz Rd
Cincinnati, OH 45245

To 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2024 and the related notes to the financial statements of the Union Township, Clermont County, Ohio (the Township) and have issued our report thereon dated June 10, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio
June 10, 2025

OHIO AUDITOR OF STATE KEITH FABER



**UNION TOWNSHIP
CLERMONT 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 6/24/2025

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