



OHIO AUDITOR OF STATE
KEITH FABER



**STONELICK TOWNSHIP
CLERMONT COUNTY
DECEMBER 31, 2022, 2021, 2020 AND 2019**

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OHIO AUDITOR OF STATE KEITH FABER



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REPORT ON THE FINANCIAL STATEMENTS, INTERNAL CONTROL, AND COMPLIANCE

Stonelick Township
Clermont County
2541 US 50
Batavia, Ohio 45103

To the Board of Trustees:

We have selectively tested certain accounts, financial records, reports and other documentation of Stonelick Township, Clermont County, Ohio, (the Township), as of and for the years ended December 31, 2022, 2021, 2020 and 2019. These procedures were designed to satisfy the audit requirements of Ohio Rev. Code § 117.11, and Ohio Admin. Code 117-4-02. Our engagement was not designed as a basis to opine on the accompanying financial statements, internal control over financial reporting, or compliance. We therefore express no opinions on these matters.

Internal Control Over Financial Reporting

Certain of the aforementioned tests relate to internal control over financial reporting. The results of those tests may allow us to identify internal control deficiencies. An internal control deficiency exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements, whether caused by error or fraud.

Our internal control tests were not designed to identify all internal control deficiencies that might exist. Therefore, unidentified weaknesses may exist. However, we consider findings 2022-005 thru 2022-007 reported in the Schedule of Findings to be internal control deficiencies management and those charged with governance should address.

Compliance and Other Matters

We also tested compliance with certain provisions of laws, regulations, contracts, and grant agreements, applicable to the Township, noncompliance with which could directly and materially affect the determination of financial statement amounts. The results of our tests disclosed instances of noncompliance we believe could directly and materially affect the determination of financial statement amounts that we reported in the Schedule of Findings as items 2022-001 through 2022-004.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 2, 2024

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

	General	Special Revenue	Debt Service	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$80,138	\$1,473,204	\$0	\$0	\$1,553,342
Charges for Services	0	238,110	0	0	238,110
Licenses, Permits and Fees	84,596	7,163	0	0	91,759
Intergovernmental	66,250	634,758	0	0	701,008
Earnings on Investments	2,732	746	0	0	3,478
Miscellaneous	1,296	142,451	0	0	143,747
<i>Total Cash Receipts</i>	<u>235,012</u>	<u>2,496,432</u>	<u>0</u>	<u>0</u>	<u>2,731,444</u>
Cash Disbursements					
Current:					
General Government	199,438	0	0	0	199,438
Public Safety	0	2,080,255	0	0	2,080,255
Public Works	0	617,325	0	0	617,325
Health	22,412	17,431	0	0	39,843
Capital Outlay	0	20,924	0	0	20,924
Debt Service:					
Principal Retirement	0	38,564	127,570	0	166,134
Interest and Fiscal Charges	0	7,196	29,022	0	36,218
<i>Total Cash Disbursements</i>	<u>221,850</u>	<u>2,781,695</u>	<u>156,592</u>	<u>0</u>	<u>3,160,137</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>13,162</u>	<u>(285,263)</u>	<u>(156,592)</u>	<u>0</u>	<u>(428,693)</u>
Other Financing Receipts (Disbursements)					
Transfers In	0	0	156,592	0	156,592
Transfers Out	0	(156,592)	0	0	(156,592)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>(156,592)</u>	<u>156,592</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	13,162	(441,855)	0	0	(428,693)
<i>Fund Cash Balances, January 1</i>	<u>329,999</u>	<u>1,816,957</u>	<u>0</u>	<u>18,842</u>	<u>2,165,798</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$343,161</u></u>	<u><u>\$1,375,102</u></u>	<u><u>\$0</u></u>	<u><u>\$18,842</u></u>	<u><u>\$1,737,105</u></u>

See accompanying notes to the basic financial statements

Stonelick Township
Clermont County

Notes to the Basic 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 Stonelick 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, the regulation of zoning, fire protection and emergency medical services. Police protection is provided by the Clermont County Sheriff's office.

Public Entity Risk Pools

The Township participates in 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, 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 Fund:

Fire District Fund This fund receives property taxes and intergovernmental money restricted for providing fire protection services to the Township residents.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry).

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

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 invests all available funds in an interest-bearing checking account or a certificate of deposit.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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 Township can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Board amends 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.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$214,450	\$235,012	\$20,562
Special Revenue	2,740,288	2,496,432	(243,856)
Debt Service	156,592	156,592	0
Total	<u>\$3,111,330</u>	<u>\$2,888,036</u>	<u>(\$223,294)</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$270,854	\$223,946	\$46,908
Special Revenue	3,720,738	3,089,087	631,651
Debt Service	156,592	156,592	0
Permanent	18,450	0	18,450
Total	<u>\$4,166,634</u>	<u>\$3,469,625</u>	<u>\$697,009</u>

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:

	2022
Demand Deposits	\$1,718,263
Certificates of Deposit	18,842
Total	<u>\$1,737,105</u>

Deposits

Deposits are insured by the Federal Depository 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.

Stonelick Township
Clermont County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

Note 6 - Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the 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

The Township participates in the Ohio Township Association Care Works Comp Group Rating Plan (GRP) for worker's compensation. Each year the participants pay an enrollment fee to the program to cover the costs of administrating the program.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 7 - Defined Benefit Pension Plan

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 health care and survivor and disability benefits.

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

Ohio Police and Fire Retirement System

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

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

Note 8 – Postemployment Benefits

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

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

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 9 - Debt

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

	Principal	Interest Rate
Fire Station Construction Loan	\$503,378	5.00%
Fire Truck Loan	168,156	3.48
Total	\$671,534	

The Township issued Fire and EMS Protection Bonds on April 16, 2007, for \$2,000,000 to finance the construction of a new fire house for the Township. Park National Bank purchased the entire bond and the Township is repaying the bank for the debt in the form of a loan. Principal and interest payments will be paid from the New Fire Station Debt Service Fund and are due semi-annually to Park National Bank.

The Township entered into a Fire Truck loan on July 1, 2019, for \$280,000 to finance a new fire truck for the Township. Principal and interest payment will be paid from the Fire Special Levy Special Revenue Fund and are due annually to Park National Bank.

Amortization

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

Year Ending December 31:	Loans
2023	\$202,351
2024	202,350
2025	202,352
2026	153,744
Total	\$760,797

Note 10 - Contingent Liabilities

Litigation

The Township is not currently involved in litigation.

Federal and State Grants

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.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:				
Cemetery Bequest	\$0	\$0	\$18,450	\$18,450
Assigned:				
Outstanding Encumbrances	<u>2,096</u>	<u>150,800</u>	<u>0</u>	<u>152,896</u>
Total	<u>\$2,096</u>	<u>\$150,800</u>	<u>\$18,450</u>	<u>\$171,346</u>

The fund balance of special revenue funds are either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

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

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Stonelick Township
Clermont County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Debt Service	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$80,813	\$1,477,655	\$0	\$0	\$1,558,468
Charges for Services	0	262,710	0	0	262,710
Fines and Forfeitures	79,167	9,300	0	0	88,467
Intergovernmental	66,087	632,844	0	0	698,931
Earnings on Investments	410	159	0	0	569
Miscellaneous	8,318	43,985	0	0	52,303
<i>Total Cash Receipts</i>	<u>234,795</u>	<u>2,426,653</u>	<u>0</u>	<u>0</u>	<u>2,661,448</u>
Cash Disbursements					
Current:					
General Government	198,898	0	0	0	198,898
Public Safety	0	1,637,745	0	0	1,637,745
Public Works	0	526,607	0	0	526,607
Health	22,524	11,653	0	0	34,177
Human Services	288	0	0	0	288
Capital Outlay	1,932	500	0	0	2,432
Debt Service:					
Principal Retirement	0	37,267	124,012	0	161,279
Interest and Fiscal Charges	0	8,497	32,580	0	41,077
<i>Total Cash Disbursements</i>	<u>223,642</u>	<u>2,222,269</u>	<u>156,592</u>	<u>0</u>	<u>2,602,503</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>11,153</u>	<u>204,384</u>	<u>(156,592)</u>	<u>0</u>	<u>58,945</u>
Other Financing Receipts (Disbursements)					
Transfers In	0	0	156,592	0	156,592
Transfers Out	0	(156,592)	0	0	(156,592)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>(156,592)</u>	<u>156,592</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	11,153	47,792	0	0	58,945
<i>Fund Cash Balances, January 1</i>	<u>318,846</u>	<u>1,769,165</u>	<u>0</u>	<u>18,842</u>	<u>2,106,853</u>
<i>Fund Cash Balances, December 31</i>	<u>\$329,999</u>	<u>\$1,816,957</u>	<u>\$0</u>	<u>\$18,842</u>	<u>\$2,165,798</u>

See accompanying notes to the basic financial statements

Stonelick Township
Clermont County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Stonelick 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, the regulation of zoning, fire protection and emergency medical services. Police protection is provided by the Clermont County Sheriff's office.

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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, 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 Fund:

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Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township invests all available funds in an interest-bearing checking account or a certificate of deposit.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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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 Township can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Board amends 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.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$214,450	\$234,795	\$20,345
Special Revenue	2,419,676	2,426,653	6,977
Debt Service	156,592	156,592	0
Total	\$2,790,718	\$2,818,040	\$27,322

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$261,823	\$225,150	\$36,673
Special Revenue	3,017,580	2,454,394	563,186
Debt Service	156,592	156,592	0
Permanent	18,450	0	18,450
Total	\$3,454,445	\$2,836,136	\$618,309

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:

	2021
Demand Deposits	\$2,146,956
Certificates of Deposit	18,842
Total	2,165,798

Deposits

Deposits are insured by the Federal Depository 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.

Stonelick Township
Clermont County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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.

Note 6 - Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the 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>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	10,601,444

The Township participates in the Ohio Township Association Care Works Comp Group Rating Plan (GRP) for worker's compensation. Each year the participants pay an enrollment fee to the program to cover the costs of administrating the program.

Note 7 - Defined Benefit Pension Plan

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 health care and survivor and disability benefits.

Stonelick Township
Clermont County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Ohio Police and Fire Retirement System

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

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

Note 8 – Postemployment Benefits

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

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

Note 9 - Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Fire Station Construction Loan	\$630,948	4.50%
Fire Truck Loan	206,720	3.48
Total	<u>\$837,668</u>	

The Township issued Fire and EMS Protection Bonds on April 16, 2007 for \$2,000,000 to finance the construction of a new fire house for the Township. Park National Bank purchased the entire bond and the Township is repaying the bank for the debt in the form of a loan. Principal and interest payments will be paid from the New Fire Station Debt Service Fund and are due semi-annually to Park National Bank.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

The Township entered into a Fire Truck loan on July 1, 2019 for \$280,000 to finance a new fire truck for the Township. Principal and interest payment will be paid from the Fire Special Levy Special Revenue Fund and are due annually to Park National Bank.

Amortization

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

Year Ending December 31:	Loans
2022	\$202,352
2023	202,351
2024	202,350
2025	202,352
2026	158,598
Total	<u>\$968,003</u>

Note 10 - Contingent Liabilities

Litigation

The Township is not currently involved in litigation.

Federal and State Grants

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 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Cemetery Bequest	\$0	\$0	\$18,450	\$18,450
Assigned:				
Outstanding Encumbrances	1,508	75,533	0	77,041
Total	\$1,508	\$75,533	\$18,450	\$95,491

The fund balance of special revenue funds are either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

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

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Stonelick Township
Clermont 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, 2020

	General	Special Revenue	Debt Service	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$77,340	\$1,446,163	\$0	\$0	\$1,523,503
Charges for Services	0	216,631	0	0	216,631
Fines and Forfeitures	76,037	6,700	0	0	82,737
Intergovernmental	54,409	591,691	0	0	646,100
Earnings on Investments	1,344	837	0	229	2,410
Miscellaneous	20,906	163,610	0	0	184,516
<i>Total Cash Receipts</i>	<u>230,036</u>	<u>2,425,632</u>	<u>0</u>	<u>229</u>	<u>2,655,897</u>
Cash Disbursements					
Current:					
General Government	181,633	0	0	0	181,633
Public Safety	0	1,546,179	0	0	1,546,179
Public Works	0	394,084	0	0	394,084
Health	22,897	13,444	0	0	36,341
Capital Outlay	923	0	0	0	923
Debt Service:					
Principal Retirement	0	36,013	118,528	0	154,541
Interest and Fiscal Charges	0	8,972	38,065	0	47,037
<i>Total Cash Disbursements</i>	<u>205,453</u>	<u>1,998,692</u>	<u>156,593</u>	<u>0</u>	<u>2,360,738</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>24,583</u>	<u>426,940</u>	<u>(156,593)</u>	<u>229</u>	<u>295,159</u>
Other Financing Receipts (Disbursements)					
Transfers In	0	0	156,593	0	156,593
Transfers Out	0	(156,593)	0	0	(156,593)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>(156,593)</u>	<u>156,593</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	24,583	270,347	0	229	295,159
<i>Fund Cash Balances, January 1</i>	<u>294,263</u>	<u>1,498,818</u>	<u>0</u>	<u>18,613</u>	<u>1,811,694</u>
<i>Fund Cash Balances, December 31</i>	<u>\$318,846</u>	<u>\$1,769,165</u>	<u>\$0</u>	<u>\$18,842</u>	<u>\$2,106,853</u>

See accompanying notes to the basic financial statements

Stonelick Township
Clermont County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Stonelick 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, the regulation of zoning, fire protection and emergency medical services. Police protection is provided by the Clermont County Sheriff's office.

Public Entity Risk Pools

The Township participates in 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, 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 Fund:

Fire District Fund This fund receives property taxes and intergovernmental money restricted for providing fire protection services to the Township residents.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry).

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2020 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 invests all available funds in an interest-bearing checking account or a certificate of deposit.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 Township can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Board amends 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.

**Stonelick Township
Clermont County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$215,000	\$230,036	\$15,036
Special Revenue	2,077,926	2,425,632	347,706
Debt Service	156,593	156,593	0
Permanent	0	229	229
Total	\$2,449,519	\$2,812,490	\$362,971

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$270,146	\$206,781	\$63,365
Special Revenue	3,041,039	2,231,236	809,803
Debt Service	156,593	156,593	0
Permanent	18,450	0	18,450
Total	\$3,486,228	\$2,594,610	\$891,618

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:

	2020
Demand Deposits	\$2,088,011
Certificates of Deposit	18,842
Total	2,106,853

Deposits

Deposits are insured by the Federal Depository 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.

Stonelick Township
Clermont County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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.

Note 6 - Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the 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>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	10,519,942

The Township participates in the Ohio Township Association Care Works Comp Group Rating Plan (GRP) for worker's compensation. Each year the participants pay an enrollment fee to the program to cover the costs of administrating the program.

Note 7 - Defined Benefit Pension Plan

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 health care and survivor and disability benefits.

Stonelick Township
Clermont County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2020.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

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

Note 9 - Debt

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Station Construction Loan	\$754,960	4.50%
Fire Truck Loan	243,987	3.48
Total	<u>\$998,947</u>	

The Township issued Fire and EMS Protection Bonds on April 16, 2007 for \$2,000,000 to finance the construction of a new fire house for the Township. Park National Bank purchased the entire bond and the Township is repaying the bank for the debt in the form of a loan. Principal and interest payments will be paid from the New Fire Station Debt Service Fund and are due semi-annually to Park National Bank.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

The Township entered into a Fire Truck loan on July 1, 2019 for \$280,000 to finance a new fire truck for the Township. Principal and interest payment will be paid from the Fire Special Levy Special Revenue Fund and are due annually to Park National Bank.

Amortization

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

Year Ending December 31:	Loans
2021	\$202,356
2022	202,352
2023	202,351
2024	202,350
2025	202,352
2026	165,465
Total	<u><u>\$1,177,226</u></u>

Note 10 - Contingent Liabilities

Litigation

The Township is not currently involved in litigation

Federal and State Grants

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 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpended corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Cemetery Bequest	\$0	\$0	\$18,450	\$18,450
Assigned:				
Outstanding Encumbrances	1,328	75,951	0	77,279
Total	\$1,328	\$75,951	\$18,450	\$95,729

The fund balance of special revenue funds are either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or State, cannot be estimated.

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Stonelick Township
Clermont 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, 2019

	General	Special Revenue	Debt Service	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$77,102	\$1,441,837	\$0	\$0	\$1,518,939
Charges for Services	0	225,547	0	0	225,547
Licenses, Permits and Fees	73,498	6,750	0	0	80,248
Intergovernmental	49,018	314,826	0	0	363,844
Earnings on Investments	9,324	4,336	0	163	13,823
Miscellaneous	2,791	40,207	0	0	42,998
<i>Total Cash Receipts</i>	<u>211,733</u>	<u>2,033,503</u>	<u>0</u>	<u>163</u>	<u>2,245,399</u>
Cash Disbursements					
Current:					
General Government	213,846	0	0	0	213,846
Public Safety	0	1,794,731	0	0	1,794,731
Public Works	0	363,879	0	0	363,879
Health	22,786	13,211	0	0	35,997
Capital Outlay	824	15,000	0	0	15,824
Debt Service:					
Principal Retirement	0	0	113,493	0	113,493
Interest and Fiscal Charges	0	0	43,099	0	43,099
<i>Total Cash Disbursements</i>	<u>237,456</u>	<u>2,186,821</u>	<u>156,592</u>	<u>0</u>	<u>2,580,869</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(25,723)</u>	<u>(153,318)</u>	<u>(156,592)</u>	<u>163</u>	<u>(335,470)</u>
Other Financing Receipts (Disbursements)					
Loans Issued	0	280,000	0	0	280,000
Transfers In	0	0	156,592	0	156,592
Transfers Out	0	(156,592)	0	0	(156,592)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>123,408</u>	<u>156,592</u>	<u>0</u>	<u>280,000</u>
<i>Net Change in Fund Cash Balances</i>	<u>(25,723)</u>	<u>(29,910)</u>	<u>0</u>	<u>163</u>	<u>(55,470)</u>
<i>Fund Cash Balances, January 1</i>	<u>319,986</u>	<u>1,528,728</u>	<u>0</u>	<u>18,450</u>	<u>1,867,164</u>
Fund Cash Balances, December 31					
Nonspendable	0	0	0	18,450	18,450
Restricted	0	1,247,355	0	163	1,247,518
Committed	0	251,463	0	0	251,463
Assigned	8,500	0	0	0	8,500
Unassigned	285,763	0	0	0	285,763
<i>Fund Cash Balances, December 31</i>	<u>\$294,263</u>	<u>\$1,498,818</u>	<u>\$0</u>	<u>\$18,613</u>	<u>\$1,811,694</u>

See accompanying notes to the basic financial statements

Stonelick Township
Clermont County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Stonelick 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, the regulation of zoning, fire protection and emergency medical services. Police protection is provided by the Clermont County Sheriff's office.

Public Entity Risk Pools

The Township participates in 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 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 Fund:

Fire District Fund This fund receives property taxes and intergovernmental money restricted for providing fire protection services to the Township residents.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry).

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2019 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 invests all available funds in an interest-bearing checking account or a certificate of deposit.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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 Township can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Board amends 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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a Township official delegated that authority by resolution, or by State Statute.

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

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$211,475	\$211,733	\$258
Special Revenue	2,280,165	2,313,503	33,338
Debt Service	156,592	156,592	0
Permanent	0	163	163
Total	\$2,648,232	\$2,681,991	\$33,759

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$293,008	\$245,956	\$47,052
Special Revenue	2,942,362	2,382,337	560,025
Debt Service	156,592	156,592	0
Permanent	18,450	0	18,450
Total	\$3,410,412	\$2,784,885	\$625,527

Note 4 - Deposits and Investments

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

	2019
Demand Deposits	\$1,793,081
Certificates of Deposit	18,613
Total	1,811,694

Deposits

Deposits are insured by the Federal Depository 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.

Stonelick Township
Clermont County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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.

Note 6 - Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the 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>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	10,519,942

The Township participates in the Ohio Township Association Care Works Comp Group Rating Plan (GRP) for worker's compensation. Each year the participants pay an enrollment fee to the program to cover the costs of administrating the program.

Note 7 - Defined Benefit Pension Plan

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 health care and survivor and disability benefits.

Stonelick Township
Clermont County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2019.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

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

Note 9 - Debt

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Station Construction Loan	\$873,488	4.50%
Fire Truck Loan	280,000	3.48
Total	<u>\$1,153,488</u>	

The Township issued Fire and EMS Protection Bonds on April 16, 2007 for \$2,000,000 to finance the construction of a new fire house for the Township. Park National Bank purchased the entire bond and the Township is repaying the bank for the debt in the form of a loan. Principal and interest payments will be paid from the New Fire Station Debt Service Fund and are due semi-annually to Park National Bank.

Stonelick Township
Clermont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The Township entered into a Fire Truck loan on July 1, 2019 for \$280,000 to finance a new fire truck for the Township. Principal and interest payment will be paid from the Fire Special Levy Special Revenue Fund and are due annually to Park National Bank.

Amortization

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

Year Ending December 31:	Loans
2020	\$201,577
2021	202,356
2022	202,352
2023	202,351
2024	202,350
2025-2026	374,601
Total	<u>\$1,385,587</u>

Note 10 - Contingent Liabilities

Litigation

The Township is not currently involved in litigation

**STONELICK TOWNSHIP
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022, 2021, 2020, AND 2019**

FINDING NUMBER 2022-001

Noncompliance

Ohio Rev. Code § 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year.

We noted the following:

- Fiscal Year 2019 report was due on 5/1/2020 and filed on 4/3/2023.
- Fiscal Year 2020 report was due on 3/1/2021 and filed on 4/3/2023.
- Fiscal Year 2021 report was due on 3/1/2022 and filed on 4/3/2023.
- Fiscal Year 2022 report was due on 3/1/2023 and filed on 8/23/2023.

Pursuant to Ohio Rev. Code § 117.38 the Township may be fined and subject to various other administrative remedies for its failure to file the required financial report. The Township should file its annual financial statements within sixty days after the close of the fiscal year as required by Ohio law.

Officials' Response:

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-002

Noncompliance

Ohio Rev. Code § 135.22(B) states that to enhance the background and working knowledge of treasurers in investments, cash management, ethics, and in any other subject area that the treasurer of state determines is reasonably related to the duties of a treasurer, the treasurer of state shall provide annual continuing education programs for treasurers. A treasurer annually shall complete the continuing education programs described, unless the treasurer annually provides a notice of exemption.

The Fiscal Officer did not attend the annual continuing education programs provided by the Auditor of State or complete the annual exemption to the Auditor of State's office in fiscal years 2019, 2020, 2021 or 2022. In order to maintain and/or enhance the working knowledge and prevent future occurrences of noncompliance, the Fiscal Officer shall attend the annual training or complete an annual exemption and submit to the Auditor of State's office.

Officials' Response:

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-003

Noncompliance

Ohio Rev. Code §507.09 requires the payment of salaries to township fiscal officers to be based on the annual budget of the Township. In 2020, 2021, and 2022 the Fiscal Officer was underpaid by \$827, \$1,231, and \$431 respectively for a total underpayment of \$2,489.

FINDING NUMBER 2022-003
(Continued)

The underpayments in 2020 and 2021 resulted from the salary not being adjusted for the cost of living adjustment (COLA) increase adopted through Senate Bill 296 which provided for a COLA increase of 1.75% for those fiscal officers elected after December 27, 2018. The Fiscal Officer was re-elected on November 5, 2019, and therefore her 2020 and 2021 salary should have included the COLA increase. The fiscal officer salary for 2022 was paid at the 2021 rate based on the Fiscal Officer Compensation Annual Salary Chart.

The Township should review the Ohio Revised Code Compensation Chart for fiscal officers carefully to ensure that the Township officials are paid accurately.

Officials' Response:

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-004

Noncompliance

Ohio Rev. Code § 507.12(A) states, "To enhance the background and working knowledge of township fiscal officers in government accounting, budgeting and financing, financial report preparation, cybersecurity, and the rules adopted by the Auditor of State, the Auditor of State shall conduct education programs and continuing education courses for individuals elected or appointed for the first time to the office of township fiscal officer, and shall conduct continuing education courses for individuals who continue to hold the office in a subsequent term. The Ohio Township Association also may conduct such initial education programs and continuing education courses if approved by the Auditor of State. The Auditor of State, in conjunction with the Ohio Township Association, shall determine the manner and content of the initial education programs and continuing education courses."

Ohio Rev. Code § 507.12 further states, "A township fiscal officer who is elected to a subsequent term of office shall complete twelve hours of continuing education courses in each subsequent term of office...At least two hours of ethics instruction shall be included in the continuing education hours required by this section.

The Township's fiscal officer has not completed any of the education requirements.

Failure to complete the required education could result in these officials being unaware of current issues and increases the risk of that errors or noncompliance may occur.

The Fiscal Officer should attend training for each term in office including two hours of ethical instruction.

Officials' Response:

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-005

Internal Control Deficiency – Reconciliations

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection. The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board is responsible for reviewing the reconciliations and related support.

Complete and accurate monthly bank to book reconciliations were not prepared or reviewed each month of the audit period. The Township contracted with Local Government Services to prepare the monthly book to bank reconciliations from 2019 through 2022. Failure to reconcile monthly increases the possibility that the Township will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. Outstanding checks older than six months should be investigated. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Officials' Response:

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-006

Internal Control Deficiency – Financial Reporting

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

Due to deficiencies in the Township's internal controls over financial reporting, we noted the following discrepancies:

- In 2019 General Fund, \$3,829 in Local Government funding from the County was posted to Fees and reported as License Permits and Fees and should have been posted and reported as Intergovernmental.
- In 2020 Special Revenue Funds, a Trauma & EMS Grant of \$2,609 from the State was posted to the Ambulance and Emergency Services Fund as Charges for Services and should have been posted and reported as Intergovernmental.
- In 2021 Special Revenue Funds, a State Fire Marshall Grant and two Trauma & EMS Grants totaling \$8,806 were posted to the Ambulance and Emergency Services Fund as Charges for Services and should have been posted and reported as Intergovernmental.

FINDING NUMBER 2022-006
(Continued)

- In 2022 General Fund, \$4,614 in Local Government funding from the County was posted to Fees and reported as License Permits and Fees and should have been posted and reported as Intergovernmental.
- In 2022 Special Revenue Funds, a State Fire Marshall Grant of \$700 was posted and reported as Miscellaneous and should have been Intergovernmental Revenue.
- In 2022 Special Revenue Funds, \$850 in EMS course fees was posted and reported as Charges for Services and should have been Licenses, Permits & Fees.
- In 2020 and 2021 General Fund, Cable Franchise Fees and Zoning Fees totaling \$76,037 and \$79,167, respectively, were reported as Fines & Forfeitures and should have been reported as Licenses, Permits & Fees. OTAS properly mapped these fees to Licenses Permits & Fees, the amounts were changed to Fines & Forfeitures during the preparation of the financial statements for the HINKLE filing.
- In the 2019 Budgetary Footnote, Appropriation Authority for the Special Revenue Funds was understated by \$280,063.
- In the 2022 Deposits and Investments Footnote, Demand Deposits were overstated by \$3,000.

The financial statements have not been adjusted for all these errors.

The Township did not have procedures in place for effective monitoring of the Township's financial activity, and the accuracy of accounting and financial reporting. Failure to accurately post and monitor financial activity increases the risk that errors, theft, and fraud could occur and not be detected in a timely manner.

Due care should be exercised when posting entries to the financial records and financial statement preparation. The Township should update control procedures for review of financial activity so that errors can be detected and corrected in a timely manner.

Officials' Response:

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-007

Internal Control Deficiency

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

FINDING NUMBER 2022-007
(Continued)

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations approved by Board were not properly posted to the accounting system. Additionally, the estimated resources per the approved Certificate of Estimated Resources were not properly posted to the accounting system.

Fund	Year	Final Appropriations	OTAS System Appropriations	Variance
06 Cemetery Bequest Fund	2019	\$18,450	\$0	(\$18,450)
06 Cemetery Bequest Fund	2020	18,450	0	(18,450)
06 Cemetery Bequest Fund	2021	18,450	0	(18,450)
06 Cemetery Bequest Fund	2022	18,450	0	(18,450)
Fund	Year	Final Estimated Resources	OTAS System Budgeted Receipts	Variance
01 General Fund	2019	\$211,475	\$213,065	(\$1,590)
02 Motor Vehicle License Tax Fund	2019	11,920	11,817	103
03 Gasoline Tax Fund	2019	90,000	111,249	(21,249)
04 Road & Bridge Fund	2019	228,460	231,550	(3,090)
05 Cemetery Fund	2019	12,550	13,050	(500)
20 Fire Special Levy Fund	2019	1,666,260	1,667,622	(1,362)
23 Township MVL Tax Fund	2019	57,725	56,752	973
28 Ambulance & EMS Fund	2019	213,250	225,547	(12,297)
Fund	Year	Final Estimated Resources	OTAS System Budgeted Receipts	Variance
01 General Fund	2020	\$215,000	\$231,316	(\$16,316)
02 Motor Vehicle License Tax Fund	2020	10,500	11,189	(689)
03 Gasoline Tax Fund	2020	130,000	134,566	(4,566)
04 Road & Bridge Fund	2020	233,235	241,832	(8,597)
05 Cemetery Fund	2020	15,021	15,122	(101)
16 CARES Corona Relief Fund	2020	0	247,773	(247,773)
20 Fire Special Levy Fund	2020	1,417,789	1,503,748	(85,959)
23 Township MVL Tax Fund	2020	54,750	54,771	(21)
15 New Fire Station DS Fund	2020	156,592	0	156,592

FINDING NUMBER 2022-007
(Continued)

Fund	Year	Final Estimated Resources	OTAS System Budgeted Receipts	Variance
01 General Fund	2021	\$214,450	\$234,870	(\$20,420)
02 Motor Vehicle License Tax Fund	2021	12,300	12,056	244
03 Gasoline Tax Fund	2021	130,000	138,951	(8,951)
04 Road & Bridge Fund	2021	250,000	252,539	(2,539)
05 Cemetery Fund	2021	21,000	21,681	(681)
20 Fire Special Levy Fund	2021	1,450,000	1,402,546	47,454
23 Township MVL Tax Fund	2021	58,000	57,795	205
28 Ambulance & EMS Fund	2021	<u>220,000</u>	<u>262,340</u>	<u>(42,340)</u>
Total Special Revenue Funds		2,141,300	2,147,908	(6,608)
15 New Fire Station DS Fund	2021	156,592	0	156,592
Fund	Year	Final Estimated Resources	OTAS System Budgeted Receipts	Variance
01 General Fund	2022	\$214,450	\$230,125	(\$15,675)
02 Motor Vehicle License Tax Fund	2022	12,000	11,912	88
03 Gasoline Tax Fund	2022	130,000	137,826	(7,826)
04 Road & Bridge Fund	2022	235,000	240,200	(5,200)
05 Cemetery Fund	2022	15,000	15,024	(24)
14 Miscellaneous FEMA Fund	2022	268,800	0	268,800
17 Coronavirus LFR Fund	2022	279,487	280,599	(1,112)
20 Fire Special Levy Fund	2022	1,510,000	1,515,342	(5,342)
23 Township MVL Tax Fund	2022	55,000	57,418	(2,418)
28 Ambulance & EMS Fund	2022	<u>235,000</u>	<u>237,960</u>	<u>(2,960)</u>
15 New Fire Station DS Fund	2020	156,592	78,292	78,300

Failure to accurately post appropriations and estimated resources to the accounting system could result in overspending and negative cash balances.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should post to the accounting system, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the accounting system.

Officials' Response:

We did not receive a response from Officials for this finding.

**STONELICK TOWNSHIP
CLERMONT COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022, 2021, 2020 AND 2019**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2018-001	Financial Reporting	No	Not Corrected – Reissued as Finding Number 2022-006
2018-002	Ohio Revised Code Section 505.24(C) – Trustee Salary Allocation	Yes	Finding No Longer Valid

OHIO AUDITOR OF STATE KEITH FABER



STONELICK 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 5/23/2024

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