



OHIO AUDITOR OF STATE  
**KEITH FABER**





**CLEAR CREEK TOWNSHIP  
ASHLAND COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Clear Creek Township  
Ashland County  
P.O. Box 82  
Savannah, Ohio 44874

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 Clear Creek Township, Ashland County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type and the combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

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

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023 and 2022, or the changes in financial position thereof for the 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 May 12, 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".

Keith Faber  
Auditor of State  
Columbus, Ohio

May 12, 2025

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

	General	Special Revenue	Permanent	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$47,240	\$134,564	\$0	\$181,804
Charges for Services	6,896	8,950	0	15,846
Intergovernmental	30,758	145,164	0	175,922
Earnings on Investments	3,342	0	0	3,342
Miscellaneous	17,029	5,750	0	22,779
<i>Total Cash Receipts</i>	<u>105,265</u>	<u>294,428</u>	<u>0</u>	<u>399,693</u>
<b>Cash Disbursements</b>				
Current:				
General Government	115,748	0	0	115,748
Public Works	0	348,776	0	348,776
Health	0	16,480	0	16,480
Human Services	0	10,055	0	10,055
Intergovernmental	0	0	0	0
Capital Outlay	0	61,530	0	61,530
<i>Total Cash Disbursements</i>	<u>115,748</u>	<u>436,841</u>	<u>0</u>	<u>552,589</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(10,483)</u>	<u>(142,413)</u>	<u>0</u>	<u>(152,896)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(10,483)</u>	<u>(142,413)</u>	<u>0</u>	<u>(152,896)</u>
<i>Fund Cash Balances, January 1</i>	<u>34,790</u>	<u>352,274</u>	<u>2,569</u>	<u>389,633</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$24,307</u></u>	<u><u>\$209,861</u></u>	<u><u>\$2,569</u></u>	<u><u>\$236,737</u></u>

*See accompanying notes to the basic financial statements*

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Clear Creek Township, Ashland County, Ohio (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 and cemetery maintenance.

***Public Entity Risk Pool***

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

***Road and Bridge Fund*** The road and bridge fund receives property tax money restricted for maintenance and repair of roads and bridges within the Township.

***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). The Township had the following significant Permanent Fund:

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Cemetery Bequest Fund*** The cemetery bequest fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

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

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2023 budgetary activity appears in Note 3.

***Deposits and Investments***

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

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

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

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

***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.

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

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

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

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund by \$23,628, the Road & Bridge fund by \$4,396 and the Permissive MVL Tax fund by \$5,897 for the year ended December 31, 2023.

**Note 4 – Budgetary Activity**

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$72,866	\$105,265	\$32,399
Special Revenue	298,769	294,428	(4,341)
Total	<u>\$371,635</u>	<u>\$399,693</u>	<u>\$28,058</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$92,120	\$115,748	(\$23,628)
Special Revenue	449,102	436,841	12,261
Total	<u>\$541,222</u>	<u>\$552,589</u>	<u>(\$11,367)</u>

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 5 – Deposits and Investments**

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

	<u>2023</u>
Demand deposits	<u>\$186,226</u>
Total deposits	186,226
STAR Ohio	<u>50,511</u>
Total investments	<u>50,511</u>
Total deposits and investments	<u>\$236,737</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, 2023, the Township does not have any unremitted employee payroll withholdings.

***Deposits***

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

**Note 6 – Property Taxes**

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

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

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

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 7 - Risk Management**

***Workers' Compensation***

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA). 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>2023</u>
Cash and Investments	\$ 33,494,457
Actuarial Liabilities	10,885,549

**Note 8 - Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

All 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 members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 9 – Postemployment Benefits**

OPERS offers 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. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

**Note 10 – Contingent Liabilities**

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

**Note 11 – Fund Balances**

Fund balances may include money that 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 Township did not have any encumbrances. The Township had the following nonspendable fund balances:

<u>Fund Balances</u>	<u>Permanent</u>
Nonspendable Corpus	\$ 2,569

The fund balance of special revenue funds is either restricted or committed. 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 and permanent funds would include the outstanding encumbrances.



**Clear Creek Township**  
*Ashland 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	Permanent	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$42,994	\$128,536	\$0	\$171,530
Charges for Services	3,067	10,599	0	13,666
Intergovernmental	32,723	235,224	0	267,947
Earnings on Investments	1,053	97	0	1,150
Miscellaneous	20,097	6,000	0	26,097
<i>Total Cash Receipts</i>	<u>99,934</u>	<u>380,456</u>	<u>0</u>	<u>480,390</u>
<b>Cash Disbursements</b>				
Current:				
General Government	103,356	0	0	103,356
Public Works	0	181,618	0	181,618
Health	0	12,137	0	12,137
Capital Outlay	0	90,000	0	90,000
<i>Total Cash Disbursements</i>	<u>103,356</u>	<u>283,755</u>	<u>0</u>	<u>387,111</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(3,422)</u>	<u>96,701</u>	<u>0</u>	<u>93,279</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets		21,375		21,375
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>21,375</u>	<u>0</u>	<u>21,375</u>
<i>Net Change in Fund Cash Balances</i>	<u>(3,422)</u>	<u>118,076</u>	<u>0</u>	<u>114,654</u>
<i>Fund Cash Balances, January 1</i>	<u>38,212</u>	<u>234,198</u>	<u>2,569</u>	<u>274,979</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$34,790</u></u>	<u><u>\$352,274</u></u>	<u><u>\$2,569</u></u>	<u><u>\$389,633</u></u>

*See accompanying notes to the basic financial statements*

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

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**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***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). The Township had the following significant Permanent Fund:

***Cemetery Bequest Fund*** The cemetery bequest fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery

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

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

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

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

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

***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 10.

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 3 – Budgetary Activity**

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$121,787	\$99,934	(\$21,853)
Special Revenue	422,576	401,831	(20,745)
Total	<u>\$544,363</u>	<u>\$501,765</u>	<u>(\$42,598)</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$127,120	\$103,356	\$23,764
Special Revenue	429,103	283,755	145,348
Total	<u>\$556,223</u>	<u>\$387,111</u>	<u>\$169,112</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	<u>\$341,690</u>
Total deposits	<u>341,690</u>
STAR Ohio	<u>47,943</u>
Total investments	<u>47,943</u>
Total deposits and investments	<u>\$389,633</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, 2022, the Township does not have any unremitted employee payroll withholdings.

***Deposits***

Deposits are 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.

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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***Investments***

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

**Note 5 – Property Taxes**

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

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

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

**Note 6 - Risk Management**

***Workers' Compensation***

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA). 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

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 7 - Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

All 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 members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0% during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4% during calendar year 2022.

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

**Note 9 – Contingent Liabilities**

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

**Note 10 – Fund Balances**

Fund balances may include money that 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 Township did not have any encumbrances.

**Clear Creek Township**  
*Ashland County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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The Township had the following nonspendable fund balances:

<b>Fund Balances</b>	<b>Permanent</b>	
Nonspendable:		
Corpus	2,569	
Total	<u>\$2,569</u>	

The fund balance of special revenue funds is either restricted or committed. 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 and permanent funds would include the outstanding encumbrances.

**Note 11 – COVID-19**

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



# 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

Clear Creek Township  
Ashland County  
P.O. Box 82  
Savannah, Ohio 44874

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 of the Clear Creek Township, Ashland County, (the Township) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated May 12, 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 that we consider to be a material weakness.

***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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings as items 2023-002 through 2023-003.

***Township's Response to Findings***

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

May 12, 2025

**CLEAR CREEK TOWNSHIP  
ASHLAND COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 and 2022**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2023-001**

**Financial Reporting – Material Weakness**

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.

In general, an accounting and information system and processes should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made. The Township's current processes lacks fiscal oversight and fails to meet the responsibilities noted above.

The following reclassifications were made to the Township's 2022 & 2023 financial statements:

- In 2022, the Fiscal Officer recorded a \$225 receipt as \$2,250 in the general fund. To correct this he posted an expense to general government in the amount of \$2,025. As a result, charges for services and general government were both overstated by this amount.
- In 2022, \$6,209 of intergovernmental revenue was improperly posted as tax revenue in the general fund.
- In 2022, \$82,253 of intergovernmental receipts was improperly posted as other financing sources in the American rescue plan fund.
- In 2022, \$21,375 of sale of assets receipts was improperly posted as miscellaneous revenue in the gasoline tax fund.
- In 2022, \$32,000 of capital outlay expenditures was improperly posted as conservation-recreation expenditures in the gasoline tax fund.
- Miscellaneous Revenues for hall rentals was improperly posted as charges for services in the general fund in the amounts of \$1,665 and \$1,750 for fiscal year 2022 and 2023 respectively.
- In 2023, \$26,630 of capital outlay expenditures and \$45,000 of public works expenditures was improperly posted as human services in the American Rescue Plan fund.
- In 2023, \$3,145 and \$3,144 of intergovernmental revenue were improperly posted as tax revenue and miscellaneous revenue in the general fund, respectively.

In addition to the adjustments listed above, we also identified additional misstatements ranging from \$364 to \$2,500 that we have brought to the Township's attention, which were not posted to the financial statements.

**CLEAR CREEK TOWNSHIP  
ASHLAND COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 and 2022 (Continued)**

**FINDING NUMBER 2023-001 (Continued)**

**Financial Reporting – Material Weakness (Continued)**

Inaccuracies in posting receipts and disbursements to the ledgers may not only result in the financial statements requiring audit reclassifications but also could make it difficult for the Township Trustees to effectively monitor the Township's activities or identify misstatements or errors in a timely manner. The Township should establish monthly financial monitoring procedures to help identify inaccuracies in the township's ledgers in a timely manner.

**Officials' Response:** There has been a change in the fiscal officer since these financials were completed. Going forward, the fiscal officer consults the following resources when there are questions regarding the classification of transactions: Ohio Township Association's Uniform Accounting Network Accounting and General Manual, Ohio Township Handbook, or requests guidance from Ashland County Auditor and Ohio Auditor of State.

**FINDING NUMBER 2023-002**

**Noncompliance/ Finding for Recovery – Repaid Under Audit**

Ohio Rev. Code § 117.24 requires the Auditor of State to determine whether "public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . . ." Those determinations in an audit report constitute "findings for recovery." Ohio Rev. Code § 9.24(H)(3).

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

The law requires that employers withhold income and wage taxes from employees' paychecks and remit those taxes to the government. The United States Internal Revenue Code, for example, requires employers to deduct from wages paid to employees the employees' share of FICA taxes and individual income taxes. See 26 U.S.C. §§ 3102(a) and 3402(a). Those withholdings are considered to be held in "a special fund in trust for the United States." 26 U.S.C. § 7501(a). The employer is liable for the withheld portion of the employee's wages and must pay over the full amount to the government each quarter. See *United States v. Farr*, 536 F.3d 1174, 1176 (10th Circ. 2008) (citing 26 U.S.C. § 3403).

Nicholas Stuart was the Township Fiscal Officer from April 1, 2020 through March 31, 2024. During his time in office he failed to file timely the 2nd Quarter 2021 941 form which resulted in penalties and interest in the amount of \$506.39. Additionally, the Township was assessed penalties and interest for late filing and payment of 3rd Quarter 2020 in the amount of \$100.09.

The failure to pay federal tax withholding payments timely is considered gross negligence. Late payment fees and related charges incurred through gross negligence are illegal expenditures which do not serve a public purpose. These charges would have been avoided had the funds been remitted by the required due dates.

**CLEAR CREEK TOWNSHIP  
ASHLAND COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 and 2022 (Continued)**

**FINDING NUMBER 2023-002 (Continued)**

**Non-Compliance/Finding for Recovery - Repaid Under Audit (Continued)**

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued, against Nicholas Stuart in the amount of \$606.48 in favor of Clear Creek Township's General Fund.

In response to the findings above, Nicholas Stuart made payment to the Township in the amount of \$606.48 on May 1, 2025.

**Officials' Response:** We did not receive a response from officials regarding this finding.

**FINDING NUMBER 2023-003**

**Non-Compliance**

**Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Township's General Fund (1000), Road & Bridge Fund (2031), and Permissive MVL Tax Fund (2231) had expenditures in excess of appropriations of \$23,628, \$4,396, and \$5,897, respectively, as of December 31, 2023.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Board of Trustees should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

**Officials' Response:** We are now timing entering items into the UAN system so there are real time appropriation reports to review at each meeting. This allows the Fiscal office and Trustees to be notified before spending beyond the appropriations authorized.

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# Clear Creek Township

– Ashland County –

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P.O. Box 82 · Savannah, Ohio 44874

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

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Statement Presentation – Material Weakness	Not Corrected	See Finding 2023-001
2021-002	Bank Reconciliation Errors – Material Weakness	Corrected	
2021-003	Finding For Recovery Partially Repaid Under Audit	Not Corrected	There is a Finding for Recovery in the current audit. See Finding 2023-002
2021-004	Classification of Revenues & Expenditures – Material Weakness and Noncompliance	Partially Corrected	See Management Letter

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# OHIO AUDITOR OF STATE KEITH FABER



**CLEAR CREEK TOWNSHIP**

**ASHLAND 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 6/17/2025**

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](http://www.ohioauditor.gov)