



OHIO AUDITOR OF STATE  
KEITH FABER





CLINTON TOWNSHIP  
FULTON COUNTY  
DECEMBER 31, 2024 AND 2023

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## INDEPENDENT AUDITOR'S REPORT

Clinton Township  
Fulton County  
5736 County Road 15-1  
Wauseon, Ohio 43567

To the Board of Trustees:

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

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Clinton Township, Fulton County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, 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 as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2024 and 2023, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

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

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

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

***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 December 10, 2025, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 10, 2025

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

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$179,147	\$1,212,033		\$1,391,180
Licenses, Permits and Fees	6,060	10,950		17,010
Intergovernmental	52,513	220,799		273,312
Earnings on Investments	12,905	15,682		28,587
Miscellaneous	25,712	167,725		193,437
<i>Total Cash Receipts</i>	<u>276,337</u>	<u>1,627,189</u>		<u>1,903,526</u>
<b>Cash Disbursements</b>				
Current:				
General Government	234,018	508		234,526
Public Safety		548,933		548,933
Public Works	7,000	621,864		628,864
Health	9,530	127,440		136,970
Intergovernmental		11,973		11,973
Capital Outlay		80,350	\$47,000	127,350
Debt Service:				
Principal Retirement		87,898		87,898
Interest and Fiscal Charges		22,386		22,386
<i>Total Cash Disbursements</i>	<u>250,548</u>	<u>1,501,352</u>	<u>47,000</u>	<u>1,798,900</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>25,789</u>	<u>125,837</u>	<u>(47,000)</u>	<u>104,626</u>
<b>Other Financing Receipts</b>				
Sale of Capital Assets			\$47,000	47,000
<i>Net Change in Fund Cash Balances</i>	<u>25,789</u>	<u>125,837</u>		<u>151,626</u>
<i>Fund Cash Balances, January 1</i>	<u>90,543</u>	<u>1,040,439</u>		<u>1,130,982</u>
<i>Fund Cash Balances, December 31</i>	<u>\$116,332</u>	<u>\$1,166,276</u>		<u>\$1,282,608</u>

*See accompanying notes to the financial statements.*

**Clinton Township**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Clinton Township, Fulton 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 maintenance, cemetery maintenance, and fire protection services.

***Public Entity Risk Pool***

The Township participates in a public entity risk pool, Note 7 to the financial statements provides additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

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

***Basis of Presentation***

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

***Special Levy Road Service*** This fund receives property tax money for constructing, maintaining and repairing Township roads.

***Special Levy Fire Operating*** This fund receives property tax money for fire protection services.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project fund:

***Capital Projects Fund*** This fund accounts for sale of capital assets receipts restricted for use on permanent improvements within the Township.

**Clinton Township**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

***Encumbrances*** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2024 budgetary activity appears in Note 4.

***Deposits and Investments***

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

***Capital Assets***

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

***Accumulated Leave***

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

**Clinton Township**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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

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

***Unassigned*** Unassigned fund balance is the residual classification for the General fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

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

**Note 3 – Compliance**

Contrary to Ohio law, the Township failed to record receipts in the proper funds as required by Ohio Rev. Code § 5705.10(F).

**Note 4 – Budgetary Activity**

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

**Clinton Township**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**2024 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$232,325	\$276,337	\$44,012
Special Revenue	1,389,910	1,627,189	237,279
Capital Projects	47,000	47,000	
<b>Total</b>	<b>\$1,669,235</b>	<b>\$1,950,526</b>	<b>\$281,291</b>

**2024 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$321,541	\$251,683	\$69,858
Special Revenue	2,287,495	1,503,765	783,730
Capital Projects	47,000	47,000	
<b>Total</b>	<b>\$2,656,036</b>	<b>\$1,802,448</b>	<b>\$853,588</b>

**Note 5 – Deposits**

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 accounts are as follows:

<b>2024</b>	
<b><i>Cash Management Pool:</i></b>	
Demand deposits	<b><u>\$1,282,608</u></b>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Township is holding no unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**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.

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

**Clinton Township**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 7 – Risk Management**

***Risk Pool Membership***

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated, and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained the same through October 31, 2022. Effective November 1, 2022, the property loss corridor was eliminated. OPRM had 847 members as of December 31, 2024.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2024. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2024.

Assets	\$24,456,615
Liabilities	<u>(16,692,162)</u>
Members' Equity	<u>\$7,764,453</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 8 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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, 2024.

**Clinton Township**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 9 – Postemployment Benefits**

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 10 – Debt**

Debt outstanding at December 31, 2024, was as follows:

	Principal	Interest Rate
OPWC Loan #CE28T	\$11,913	0%
OPWC Loan #CE23V	21,026	0%
Fire Truck Lease-Purchase Agreement	301,222	6.26%
OPWC Loan through Fulton County	33,075	0%
<b>Total</b>	<b>\$367,236</b>	

The Ohio Public Works Commission (OPWC) loan #CE28T relates to the Road C Resurfacing from SR 108 to CR 19 project. The Township borrowed \$47,653 for this project in 2017. The Township will repay the loan in semiannual installments of \$2,383 over 10 years.

The Ohio Public Works Commission (OPWC) loan #CE23V relates to the Road AC Resurfacing project. The Township borrowed \$46,725 for this project in 2019. The Township will repay the loan in semiannual installments of \$2,336 over 10 years.

During 2023, the Township entered into a lease-purchase agreement with PNC Equipment Finance, LLC in the amount of \$422,315 for a refurbished fire truck. The Township will make semiannual payments of \$48,585, including interest, on this lease over 5 years.

During 2023, the Township entered into a joint road project for resurfacing County Road 16 with Fulton County. All loan information was filed with the Ohio Public Works Commission (OPWC) by Fulton County. However, the Township has agreed to fund 42% of the total loan amount of \$87,500. The Township's portion of \$36,750 will be paid to Fulton County in semiannual installments of \$1,838 over 10 years.

***Amortization***

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

**Clinton Township**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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Year Ending December 31:	OPWC Loan #CE28T	OPWC Loan #CE23V	Fire Truck Lease Purchase	OPWC Loan through Fulton County
2025	\$4,765	\$4,673	\$97,170	\$3,675
2026	4,765	4,672	97,170	3,675
2027	2,383	4,673	97,170	3,675
2028		4,672	45,585	3,675
2029		2,336		3,675
2030-2034				14,700
Total	<u><u>\$11,913</u></u>	<u><u>\$21,026</u></u>	<u><u>\$337,095</u></u>	<u><u>\$33,075</u></u>

**Note 11 – Fund Balances**

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

Fund Balances	Special Revenue		Total
General	Revenue		
Outstanding Encumbrances	<u><u>\$1,135</u></u>	<u><u>\$2,413</u></u>	<u><u>\$3,548</u></u>

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

**Note 12 – Miscellaneous Receipts**

Miscellaneous receipts consist primarily of refunds, reimbursements and insurance claim receipts.

**Clinton Township**

*Fulton County*

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

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$153,153	\$1,125,916		\$1,279,069
Licenses, Permits and Fees	6,811	8,050		14,861
Intergovernmental	50,629	230,289		280,918
Earnings on Investments	11,869	17,679		29,548
Miscellaneous	5,401	29,484		34,885
<i>Total Cash Receipts</i>	<u>227,863</u>	<u>1,411,418</u>		<u>1,639,281</u>
<b>Cash Disbursements</b>				
Current:				
General Government	231,787	9,496		241,283
Public Safety		372,774		372,774
Public Works	2,208	636,648		638,856
Health	25,593	169,799		195,392
Intergovernmental		192,675		192,675
Capital Outlay		63,508	\$33,500	97,008
Debt Service:				
Principal Retirement		90,612		90,612
Interest and Fiscal Charges		3,017		3,017
<i>Total Cash Disbursements</i>	<u>259,588</u>	<u>1,538,529</u>	<u>33,500</u>	<u>1,831,617</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(31,725)</u>	<u>(127,111)</u>	<u>(33,500)</u>	<u>(192,336)</u>
<b>Other Financing Receipts</b>				
Loans Issued		36,750		36,750
Sale of Capital Assets			33,500	33,500
<i>Total Other Financing Receipts</i>	<u></u>	<u>36,750</u>	<u>\$33,500</u>	<u>70,250</u>
<i>Net Change in Fund Cash Balances</i>	<u>(31,725)</u>	<u>(90,361)</u>		<u>(122,086)</u>
<i>Fund Cash Balances, January 1</i>	<u>122,268</u>	<u>1,130,800</u>		<u>1,253,068</u>
<i>Fund Cash Balances, December 31</i>	<u>\$90,543</u>	<u>\$1,040,439</u>		<u>\$1,130,982</u>

*See accompanying notes to the financial statements.*

**Clinton Township**  
*Fulton 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 Clinton Township, Fulton 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 maintenance, cemetery maintenance, and fire protection services.

***Public Entity Risk Pool***

The Township participates in a public entity risk pool, Note 7 to the financial statements provides additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

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

***Basis of Presentation***

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

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***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:

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***Capital Projects Fund*** This fund accounts for sale of capital assets receipts restricted for use on permanent improvements within the Township.

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

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***Basis of Accounting***

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

***Budgetary Process***

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

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

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

***Encumbrances*** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 4.

***Deposits and Investments***

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

***Capital Assets***

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

***Accumulated Leave***

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

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

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

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

***Unassigned*** Unassigned fund balance is the residual classification for the General fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

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

### **Note 3 – Compliance**

Contrary to Ohio law, the Township failed to record receipts in the proper funds as required by Ohio Rev. Code § 5705.10(F).

### **Note 4 – Budgetary Activity**

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

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

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2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$205,900	\$227,863	\$21,963
Special Revenue	1,393,525	1,448,168	54,643
Capital Projects	33,500	33,500	
<b>Total</b>	<b>\$1,632,925</b>	<b>\$1,709,531</b>	<b>\$76,606</b>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$326,736	\$260,915	\$65,821
Special Revenue	2,521,881	1,681,383	840,498
Capital Projects	33,500	33,500	
<b>Total</b>	<b>\$2,882,117</b>	<b>\$1,975,798</b>	<b>\$906,319</b>

#### **Note 5 – Deposits**

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 accounts are as follows:

	2023
<b><i>Cash Management Pool:</i></b>	
Demand deposits	<b><u>\$1,130,982</u></b>

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 is holding no unremitted employee payroll withholdings.

#### ***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

#### **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.

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

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

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**Note 7 – Risk Management**

***Risk Pool Membership***

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated, and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remained unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets	\$23,113,696
Liabilities	<u>(16,078,587)</u>
Members' Equity	<u>\$7,035,109</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 8 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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, 2023.

**Clinton Township**  
*Fulton 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 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4 percent; however, a portion of the health care rate was funded with reserves.

**Note 10 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan #CE28T	\$16,679	0%
OPWC Loan #CE23V	25,699	0%
Fire Truck Lease-Purchase Agreement	376,006	6.26%
OPWC Loan through Fulton County	36,750	0%
<b>Total</b>	<b>\$455,134</b>	

The Ohio Public Works Commission (OPWC) loan #CE28T relates to the Road C Resurfacing from SR 108 to CR 19 project. The Township borrowed \$47,653 for this project in 2017. The Township will repay the loan in semiannual installments of \$2,383 over 10 years.

The Ohio Public Works Commission (OPWC) loan #CE23V relates to the Road AC Resurfacing project. The Township borrowed \$46,725 for this project in 2019. The Township will repay the loan in semiannual installments of \$2,336 over 10 years.

During 2023, the Township entered into a lease-purchase agreement with PNC Equipment Finance, LLC in the amount of \$422,315 for a refurbished fire truck. The Township will make semiannual payments of \$48,585, including interest, on this lease over 5 years.

During 2023, the Township entered into a joint road project for resurfacing County Road 16 with Fulton County. All loan information was filed with the Ohio Public Works Commission (OPWC) by Fulton County. However, the Township has agreed to fund 42% of the total loan amount of \$87,500. The Township's portion of \$36,750 will be paid to Fulton County in semiannual installments of \$1,838 over 10 years.

***Amortization***

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

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

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Year Ending December 31:	OPWC Loan #CE28T	OPWC Loan #CE23V	Fire Truck Lease Purchase	OPWC Loan through Fulton County
2024	\$4,765	\$4,673	\$97,170	\$3,675
2025	4,765	4,672	97,170	3,675
2026	4,765	4,673	97,170	3,675
2027	2,384	4,672	97,170	3,675
2028		4,673	45,585	3,675
2029-2033		2,336		18,375
Total	<u>\$16,679</u>	<u>\$25,699</u>	<u>\$434,265</u>	<u>\$36,750</u>

**Note 11 – Fund Balances**

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	<u>\$1,327</u>	<u>\$142,854</u>	<u>\$144,181</u>

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



65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

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

Clinton Township  
Fulton County  
5736 County Road 15-1  
Wauseon, Ohio 43567

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*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements of Clinton Township, Fulton County, Ohio (the Township) and have issued our report thereon dated December 10, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Clinton Township  
Fulton County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required By *Government Auditing Standards*  
Page 2

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2024-002.

***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  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 10, 2025

CLINTON TOWNSHIP  
FULTON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2024 AND 2023

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

**FINDING NUMBER 2024-001**

**Material Weakness**

**Financial Reporting**

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

The following errors were identified in the accompanying notes to the financial statements:

- The carrying amount of demand deposits in the Deposits note to the financial statements did not agree to the financial statements in the amounts of \$667,917 and \$507,829 in 2024 and 2023, respectively.
- Budgetary expenditures in the Budgetary Activity note to the financial statements did not properly include outstanding encumbrances in the amount of \$142,854 for Special Revenue funds in 2023.

These errors were not identified and corrected prior to the Township preparing its financial statements and notes to the financial statements due to deficiencies in the Township's internal controls over financial statement monitoring. Failure to complete accurate financial statements could lead to the Board of Trustees making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these and other errors. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$1,135 to \$36,750 that we have brought to the Township's attention.

The Township should adopt policies and procedures, including final review of the financial statements and notes to the financial statements by the Fiscal Officer and Board of Trustees, to help identify and correct errors and omissions.

**FINDING NUMBER 2024-002**

**Noncompliance and Material Weakness**

**Ohio Rev. Code § 5705.10(F)** requires revenue received from the sale of a permanent improvement to be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements. **Ohio Rev. Code § 5705.01(E)** defines "permanent improvement" or "improvement" to mean "any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more."

Due to a deficiency in the implementation of controls over the sale of assets and recording of assets, in 2024 and 2023, the Township inappropriately recorded \$47,000 and \$33,500, respectively, from the sale of tractors in the Gasoline Tax fund. Given the sources of these receipts, the amounts and the related budgeted receipts should have been recorded in a Permanent Improvement Fund. Audit adjustments are reflected in the financial statements and notes to the financial statements correcting the misstatement. Because the proceeds were subsequently disbursed within the Gasoline Tax fund, there was no impact on ending cash fund balances required to be recorded in the Township's accounting records.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Township should implement controls to help ensure all transactions are reviewed to help ensure and posting to the proper funds.

**Officials' Response:**

We did not receive a response from Officials to the findings reported above.

# OHIO AUDITOR OF STATE KEITH FABER



CLINTON TOWNSHIP

FULTON 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 1/15/2026

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)