



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**MONCLOVA TOWNSHIP
LUCAS COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2024 - 2023**



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Columbus, Ohio 43215
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800-282-0370

Board of Trustees
Monclova Township
4335 Albon Rd
Monclova, OH 43542

We have reviewed the *Independent Auditor's Report* of the Monclova Township, Lucas County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

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

January 28, 2026

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MONCLOVA TOWNSHIP
LUCAS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2024	4
Notes to the Financial Statements For the Year Ended December 31, 2024	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2023	13
Notes to the Financial Statements For the Year Ended December 31, 2023	14
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	23
Schedule of Findings.....	25
Summary Schedule of Prior Audit Findings	27

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INDEPENDENT AUDITOR'S REPORT

Monclova Township
Lucas County
4335 Albon Road
Monclova, Ohio 43542

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 Monclova Township, Lucas 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 the financial audit standards in the Comptroller General of the United States' *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 September 30, 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 that reads "Perry & Associates CPAs A.C.".

Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

September 30, 2025

**MONCLOVA TOWNSHIP
LUCAS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$ 1,163,233	\$ 4,173,272	\$ -	\$ -	\$ 5,336,505
Charges for Services	-	382,808	-	-	382,808
Licenses, Permits and Fees	228,527	18,075	-	-	246,602
Intergovernmental	2,082,548	901,576	-	404,522	3,388,646
Special Assessments	-	1,227,418	-	-	1,227,418
Earnings on Investments	1,057,843	63,608	-	-	1,121,451
Miscellaneous	8,189	262,859	-	-	271,048
<i>Total Cash Receipts</i>	<u>4,540,340</u>	<u>7,029,616</u>	<u>-</u>	<u>404,522</u>	<u>11,974,478</u>
Cash Disbursements					
Current:					
General Government	1,078,511	590,000	-	-	1,668,511
Public Safety	757	4,398,374	-	-	4,399,131
Public Works	425,319	1,616,833	-	-	2,042,152
Health	-	40,140	-	-	40,140
Conservation-Recreation	73,513	-	-	-	73,513
Capital Outlay	938,019	1,291,440	-	452,261	2,681,720
Debt Service:					
Principal Retirement	-	118,364	-	-	118,364
<i>Total Cash Disbursements</i>	<u>2,516,119</u>	<u>8,055,151</u>	<u>-</u>	<u>452,261</u>	<u>11,023,531</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,024,221</u>	<u>(1,025,535)</u>	<u>-</u>	<u>(47,739)</u>	<u>950,947</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	880,000	-	-	880,000
Transfers Out	(880,000)	-	-	-	(880,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(880,000)</u>	<u>880,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>1,144,221</u>	<u>(145,535)</u>	<u>-</u>	<u>(47,739)</u>	<u>950,947</u>
<i>Fund Cash Balances, January 1</i>	<u>13,319,766</u>	<u>6,831,266</u>	<u>74,878</u>	<u>499,533</u>	<u>20,725,443</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 14,463,987</u>	<u>\$ 6,685,731</u>	<u>\$ 74,878</u>	<u>\$ 451,794</u>	<u>\$ 21,676,390</u>

The notes to the financial statements are an integral part of this statement.

MONCLOVA TOWNSHIP
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Monclova Township, Lucas County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Lucas County Sheriff's Office to provide police protection services to the Township.

Joint Ventures, Public Entity Risk Pool and Economic Development Contracts

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. The Township also participates in joint ventures and economic development contracts with neighboring municipalities, created pursuant to ORC 715. The legislative authorities of the contracting parties have formed districts or zones to develop land for the purpose of facilitating economic development to create jobs and employment opportunities and to improve the economic welfare of the people in those municipalities. These statutorily created entities are governed by independent appointed boards of directors. Notes 6, 11 and 12 to the financial statements provide additional information for these entities.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Road and Bridge Fund – The Road and Bridge Fund accounts for and reports property tax money restricted for construction, maintenance, and repair of roads within the Township.

Fire Levy Fund – This fund receives property tax money restricted for fire department expenses.

Police Levy Fund – This fund received property tax money to pay for police service expenses.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had no receipt or disbursement activity in any of the Debt Service Funds in 2024.

MONCLOVA TOWNSHIP
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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 funds:

OPWC Fund – This fund received OPWC loan funds for the reconstruction of Crosscreek Woods and Waterside subdivisions.

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 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

MONCLOVA TOWNSHIP
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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.

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 14.

MONCLOVA TOWNSHIP
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 3 – Budgetary Activity

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

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 4,356,000	\$ 4,540,340	\$ 184,340
Special Revenue	7,834,000	7,909,616	75,616
Capital Projects	904,339	404,522	(499,817)
Total	<u>\$ 13,094,339</u>	<u>\$ 12,854,478</u>	<u>\$ (239,861)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 7,462,338	\$ 3,893,802	\$ 3,568,536
Special Revenue	10,412,850	8,631,183	1,781,667
Capital Projects	780,438	655,472	124,966
Total	<u>\$ 18,655,626</u>	<u>\$ 13,180,457</u>	<u>\$ 5,475,169</u>

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund 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:

	2024
Demand deposits	\$ 700,824
Total deposits	<u>700,824</u>
STAR Ohio	20,975,566
Total investments	<u>20,975,566</u>
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	<u><u>\$ 21,676,390</u></u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Township is holding \$15,449 in unremitted employee payroll withholdings.

Deposits

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

MONCLOVA TOWNSHIP
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 4 – Deposits and Investments (Continued)

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

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

Risk Pool Membership

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

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

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

	2024
Cash and investments	\$ 32,822,076
Actuarial liabilities	\$ 12,568,762

MONCLOVA TOWNSHIP
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2024.

Social Security

Several Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan.

For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

MONCLOVA TOWNSHIP
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loans	\$643,184	0%
Total	<u><u>\$643,184</u></u>	

The Ohio Public Works Commission (OPWC) loans are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal payments. The OPWC loans were received to finance improvements to various Township roads. The zero interest loans will be repaid semiannual installments over ten years.

Amortization

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

Year Ending December 31:	Ohio Public Works Commission Loans
2025	\$102,426
2026	94,577
2027	94,577
2028	94,577
2029	83,979
2030-2033	173,048
Total	<u><u>\$643,184</u></u>

Note 10 – Contingent Liabilities

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

Note 11 – Joint Ventures

Monclova/Whitehouse Joint Economic Development District (JEDD)

Created in 2010 it is a scattered parcel district with new parcels petitioning to enter the district yearly. The board is made up of five members. Whitehouse appoints one, Monclova Township appoints three and those four members appoint a fifth at large member. The purpose of this agreement is to facilitate economic development by creating and preserving employment opportunities within the respective JEDD territory. Per the JEDD contract Whitehouse collects all the income taxes associated with the zone and distributes Monclova Township's share directly which is 75%. The 2024 revenue to Monclova Township was \$532,159.

MONCLOVA TOWNSHIP
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 11 – Joint Ventures (Continued)

Toledo Express Airport Joint Economic Development District (JEDD)

This JEDD was created in 2014 between Monclova Township, Swanton Township, and the City of Toledo. The board is made up of five members. Monclova and Swanton jointly appoint two members, the City appoints two members, and those four members appoint fifth at large member. The purpose of this agreement is to facilitate economic development by creating and preserving employment opportunities within the respective JEDD territory. Per the JEDD contract the City of Toledo collects all the income taxes associated with the zone and distributes Monclova Township's share directly which is 1/3 of the quarterly distribution to the contracting parties. The 2024 revenue was \$71,316.

Note 12 – Economic Development Contracts

Maumee/Monclova/Toledo Joint Economic Development Zone (JEDZ)

This JEDZ was created in 2003 with 550 acres all within Monclova Township. Each member appoints three board members with equal voting rights. Per the JEDZ contract Maumee collects all the income taxes associated with the zone and distributes them to Monclova and Toledo. The revenue split is 1/3 each. The 2024 revenue to Monclova was \$1,292,274.

Note 13 – Public Entity Risk Pool

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgements, settlements and other expenses resulting from covered claims exceeding the member's deductible.

Note 14 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Nonspendable:				
Outstanding Encumbrances	\$ 497,683	\$ 576,032	\$ 203,211	\$ 1,276,926
Total	<u>\$ 497,683</u>	<u>\$ 576,032</u>	<u>\$ 203,211</u>	<u>\$ 1,276,926</u>

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

**MONCLOVA TOWNSHIP
LUCAS 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	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$ 1,023,645	\$ 4,158,263	\$ -	\$ -	\$ 5,181,908
Charges for Services	-	341,286	-	-	341,286
Licenses, Permits and Fees	253,821	19,700	-	-	273,521
Intergovernmental	2,724,088	803,333	-	467,379	3,994,800
Special Assessments	-	1,146,683	-	-	1,146,683
Earnings on Investments	915,778	49,554	-	-	965,332
Miscellaneous	74,653	83,942	-	-	158,595
<i>Total Cash Receipts</i>	<u>4,991,985</u>	<u>6,602,761</u>	<u>-</u>	<u>467,379</u>	<u>12,062,125</u>
Cash Disbursements					
Current:					
General Government	1,085,886	533,930	-	-	1,619,816
Public Safety	1,598	2,624,633	-	-	2,626,231
Public Works	438,801	1,348,731	-	-	1,787,532
Health	-	54,333	-	-	54,333
Conservation-Recreation	117,339	-	-	-	117,339
Capital Outlay	728,034	597,913	-	552,428	1,878,375
Debt Service:					
Principal Retirement	-	106,030	-	-	106,030
<i>Total Cash Disbursements</i>	<u>2,371,658</u>	<u>5,265,570</u>	<u>-</u>	<u>552,428</u>	<u>8,189,656</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,620,327</u>	<u>1,337,191</u>	<u>-</u>	<u>(85,049)</u>	<u>3,872,469</u>
Other Financing Receipts (Disbursements)					
Other Debt Proceeds	-	-	-	85,049	85,049
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,049</u>	<u>85,049</u>
<i>Net Change in Fund Cash Balances</i>	<u>2,620,327</u>	<u>1,337,191</u>	<u>-</u>	<u>-</u>	<u>3,957,518</u>
<i>Fund Cash Balances, January 1 (Restated - See Note 15)</i>	<u>10,699,439</u>	<u>5,494,075</u>	<u>74,878</u>	<u>499,533</u>	<u>16,767,925</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 13,319,766</u>	<u>\$ 6,831,266</u>	<u>\$ 74,878</u>	<u>\$ 499,533</u>	<u>\$ 20,725,443</u>

The notes to the financial statements are an integral part of this statement.

Monclova Township
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Monclova Township, Lucas County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Lucas County Sheriff's Office to provide police protection services to the Township.

Joint Ventures, Public Entity Risk Pool and Economic Development Contracts

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. The Township also participates in joint ventures and economic development contracts with neighboring municipalities, created pursuant to ORC 715. The legislative authorities of the contracting parties have formed districts or zones to develop land for the purpose of facilitating economic development to create jobs and employment opportunities and to improve the economic welfare of the people in those municipalities. These statutorily created entities are governed by independent appointed boards of directors. Notes 6, 11, and 12 to the financial statements provide additional information for these entities.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Road and Bridge Fund – The Road and Bridge Fund accounts for and reports property tax money restricted for construction, maintenance, and repair of roads within the Township.

Special Fire Levy Fund – The Special Fire Levy Fund accounts for and reports property tax money restricted for fire department expenses.

Police Levy Fund – This fund received property tax money to pay for police service expenses.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had no receipt or disbursement activity in any of the Debt Service funds in 2023.

Monclova Township
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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 funds:

OPWC Fund – This fund The township received a OPWC loan funds for the reconstruction of Coder Road, Olde Far, Subdivision, and Dutch Road improvements.

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 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.

Monclova Township
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 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 14.

Monclova Township
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 4,572,094	\$ 4,991,985	\$ 419,891
Special Revenue	6,492,860	6,602,761	109,901
Capital Projects	723,901	552,428	(171,473)
Total	<u>\$ 11,788,855</u>	<u>\$ 12,147,174</u>	<u>\$ 358,319</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,997,605	\$ 3,665,487	\$ 332,118
Special Revenue	7,658,025	5,617,364	2,040,661
Capital Projects	600,000	655,108	(55,108)
Total	<u>\$ 12,255,630</u>	<u>\$ 9,937,959</u>	<u>\$ 2,317,671</u>

Note 4 – Deposits and Investments

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

	2023
Demand deposits	\$ 261,933
Total deposits	<u>261,933</u>
STAR Ohio	<u>20,463,510</u>
Total investments	<u>20,463,510</u>
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	<u><u>\$ 20,725,443</u></u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$11,214 in unremitted employee payroll withholdings.

Deposits

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

Monclova Township
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (Continued)

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

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

Risk Pool Membership

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

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

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

	2023
Cash and investments	\$ 33,494,457
Actuarial liabilities	\$ 10,885,549

Monclova Township
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2023.

Social Security

Several Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 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 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Monclova Township
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loans	\$ 761,547	0%
Total	<u>\$ 761,547</u>	

The Ohio Public Works Commission (OPWC) loans are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal payments. The OPWC loans were received to finance improvements to various township roads. The zero interest loans will be repaid in semiannual installments over ten years.

Amortization

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

Year Ending December 31:	Ohio Public Works Commission Loans
2024	\$ 118,364
2025	102,426
2026	94,577
2027	94,577
2028	94,577
2029-2033	257,026
Total	<u>\$ 761,547</u>

Note 10 – Contingent Liabilities

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

Note 11 – Joint Ventures

Monclova/Whitehouse Joint Economic Development District (JEDD)

Created in 2010 it is a scattered parcel district with new parcels petitioning to enter the district yearly. The board is made up of five members. Whitehouse appoints one, Monclova Township appoints three and those four members appoint a fifth at large member. The purpose of this agreement is to facilitate economic development by creating and preserving employment opportunities within the respective JEDD territory. Per the JEDD contract Whitehouse collects all the income taxes associated with the zone and distributes Monclova Township's share directly which is 75%. The 2023 revenue to Monclova Township was \$1,355,957.

Monclova Township
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Joint Ventures (Continued)

Toledo Express Airport Joint Economic Development District (JEDD)

This JEDD was created in 2014 between Monclova Township, Swanton Township, and the City of Toledo. The board is made up of five members. Monclova and Swanton jointly appoint two members, the City appoints two members, and those four members appoint fifth at large member. The purpose of this agreement is to facilitate economic development by creating and preserving employment opportunities within the respective JEDD territory. Per the JEDD contract the City of Toledo collects all the income taxes associated with the zone and distributes Monclova Township's share directly which is 1/3 of the quarterly distribution to the contracting parties. The 2023 revenue was \$38,647.

Note 12 – Economic Development Contracts

Maumee/Monclova/Toledo Joint Economic Development Zone (JEDZ)

This JEDZ was created in 2003 with 550 acres all within Monclova Township. Each member appoints three board members with equal voting rights. Per the JEDZ contract Maumee collects all the income taxes associated with the zone and distributes them to Monclova and Toledo. The revenue split is 1/3 each. The 2024 revenue to Monclova was \$1,160,063.

Note 13 – Public Entity Risk Pool

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgements, settlements and other expenses resulting from covered claims exceeding the member's deductible.

Note 14 – Fund Balances

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

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 1,293,829	\$ 351,794	\$ 102,680	\$ 1,748,303
Total	<u>\$ 1,293,829</u>	<u>\$ 351,794</u>	<u>\$ 102,680</u>	<u>\$ 1,748,303</u>

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

Monclova Township
Lucas County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 15 – Restatement of Fund Cash Balance

The Township increased their beginning fund cash position at January 1, 2023 in the fire special levy special revenue fund due to \$1,464 in outstanding checks for payroll that had already cleared and should not have been outstanding at year end. The effect of the adjustment on beginning fund cash balance is reflected in the chart below.

	12/31/2022 As Previously Reported	Error Correction Outstanding Check Correction	1/1/2023 As Restated
Governmental Funds			
Special Revenue Funds	\$ 5,492,611	\$ 1,464	\$ 5,494,075
Total Governmental Funds	<u>\$ 5,492,611</u>	<u>\$ 1,464</u>	<u>\$ 5,494,075</u>

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

Monclova Township
Lucas County
4335 Albon Road
Monclova, Ohio 45750

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 as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of Monclova Township, Lucas County, Ohio (the Township) and have issued our report thereon dated September 30, 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 a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 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 an instance 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 item 2024-002.

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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

September 30, 2025

**MONCLOVA TOWNSHIP
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2024-001

Material Weakness

Financial Reporting

The Township is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting.

During 2024 and 2023, receipts and disbursements were not always posted or classified correctly. The following posting errors were noted:

- Ohio Public Works Commission Grant funds were recorded as Other Financing Sources instead of Intergovernmental receipts in the Capital Projects Fund in 2024 and 2023;
- Debt proceeds and corresponding Capital Outlay were not posted for a new loan in the Capital Projects Fund in 2023;
- Receipt 26-2024 for Payments in Lieu of Property Taxes were posted to Property Taxes in the Fire Levy Fund and were not correctly split per agreement between the Fire Levy and Police District Funds in 2024.
- Permissive Motor Vehicle License Taxes were posted to intergovernmental receipts in 2024 and 2023.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassification and adjusting entries. The Financial Statements reflect all reclassifications and adjustments. The Township has made these adjustments to their accounting system.

The following reclassifications were immaterial to the overall financial statements of the Township for December 31, 2024 and 2023 and were not posted to the financial statements or accounting system:

- Hotel lodging sales tax was recorded as property tax receipts in 2024 and 2023 in the General Fund.
- Fire Contract receipts were posted to property tax receipts instead of fire contracts in 2024 and 2023.
- Intergovernmental receipts were posted to other miscellaneous receipts in 2024 and 2023.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Officials' Response – Will follow recommendation.

MONCLOVA TOWNSHIP
LUCAS COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>
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FINDING NUMBER 2024-002

Noncompliance

Ohio Revised Code, § 5705.41(B), provides no subdivision shall make any expenditure of money unless it has been lawfully appropriated.

At December 31, 2023, expenditures exceeded appropriations by \$55,108 in the Capital Projects Fund. This was due to the Township not budgeting for OPWC debt proceeds and corresponding capital outlay.

The budgeting process is an essential monitoring control that, when properly used, reduces the possibility of the Township encountering deficit spending.

The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Township to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

Officials' Response – Will follow ORC 5705.41.

**MONCLOVA TOWNSHIP
LUCAS COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	Financial Reporting	Not Corrected	Repeated as Finding 2024-001
2022-002	Ohio Revised Code Section 5705.41(B)	Not Corrected	Repeated as Finding 2024-002

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OHIO AUDITOR OF STATE KEITH FABER



MONCLOVA TOWNSHIP

LUCAS 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 2/10/2026

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