



OHIO AUDITOR OF STATE  
**KEITH FABER**





CLINTON TOWNSHIP  
FRANKLIN COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Clinton Township  
Franklin County  
3820 Cleveland Avenue  
Columbus, Ohio 43224

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Clinton Township, Franklin County, Ohio (the Township) as of and for the years ended December 31, 2019 and 2018.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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* paragraph, the financial statements referred to above 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, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Clinton Township, Franklin County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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  
Auditor of State  
Columbus, Ohio

August 31, 2021

CLINTON TOWNSHIP  
FRANKLIN COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGE IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$36,083	\$1,907,092	\$0	\$1,943,175
Charges for Services	-	836,070	-	836,070
Licenses, Permits and Fees	28,167	-	-	28,167
Fines and Forfeitures	-	24,726	-	24,726
Intergovernmental	2,949,367	389,779	-	3,339,146
Earnings on Investments	75,351	1,297	-	76,648
Miscellaneous	34,748	61,530	-	96,278
	<u>\$3,123,716</u>	<u>\$3,220,494</u>	<u>\$0</u>	<u>\$6,344,210</u>
<i>Total Cash Receipts</i>				
<b>Cash Disbursements</b>				
Current:				
General Government	\$854,060	\$0	\$0	\$854,060
Public Safety	87,949	3,990,707	-	4,078,656
Public Works	-	401,991	-	401,991
Health	5,873	-	-	5,873
Conservation-Recreation	39,339	-	-	39,339
Capital Outlay	47,931	62,065	162,541	272,537
Debt Service:				
Principal Retirement	199,499	-	-	199,499
Interest and Fiscal Charges	53,028	-	-	53,028
<i>Total Cash Disbursements</i>	<u>\$1,287,679</u>	<u>\$4,454,763</u>	<u>\$162,541</u>	<u>\$5,904,983</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>\$1,836,037</u>	<u>(\$1,234,269)</u>	<u>(\$162,541)</u>	<u>\$439,227</u>
<b>Other Financing Receipts (Disbursements)</b>				
Other Debt Proceeds	\$0	\$16,387	\$0	\$16,387
Sale of Capital Assets	0	4,500	0	4,500
Transfers In	0	600,000	0	600,000
Transfers Out	(600,000)	0	0	(600,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(\$600,000)</u>	<u>\$620,887</u>	<u>\$0</u>	<u>\$20,887</u>
<i>Net Change in Fund Cash Balances</i>	<u>1,236,037</u>	<u>(613,382)</u>	<u>(162,541)</u>	<u>460,114</u>
<i>Fund Cash Balances, January 1</i>	<u>1,823,194</u>	<u>2,842,655</u>	<u>247,769</u>	<u>4,913,618</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	2,229,273	85,228	2,314,501
Unassigned (Deficit)	3,059,231	0	0	3,059,231
<i>Fund Cash Balances, December 31</i>	<u>\$3,059,231</u>	<u>\$2,229,273</u>	<u>\$85,228</u>	<u>\$5,373,732</u>

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

CLINTON TOWNSHIP  
FRANKLIN COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Fiduciary Fund Type Agency</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Other Non-Operating Receipts	\$24,906
Other Non-Operating Disbursements	<u>(688)</u>
	-
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>24,218</u>
<i>Net Change in Fund Cash Balances</i>	24,218
<i>Fund Cash Balances, January 1</i>	<u>-</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$24,218</u></u>

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



**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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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, Franklin 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, police protection, fire protection and emergency medical services. The Township contracts with the City of Upper Arlington to provide fire services and emergency medical services to the western segment of the Township.

***Jointly Governed Organization***

The Township participates in the Clinton-Grandview Heights Joint Economic Development Zone (the JEDZ), a jointly governed organization. Note 12 to the financial statement presents additional information for this entity.

***Public Entity Risk Pool***

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 7 to the financial statement provides additional information for this entity

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

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

***Basis of Presentation***

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

***Fire District Fund*** The fire district fund accounts for and reports the receipts of property tax monies restricted for the purpose of providing fire protection services to the residents of the Township.

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

***Police District Fund*** The police district fund accounts for and reports the receipt of property tax money for the operation of Township police protection and law enforcement.

***Fire and Rescue, Ambulance and EMS Services Fund*** The fire and rescue, ambulance and EMS services fund accounts for and reports the receipts of charges for services provided for furnishing EMS services that are restricted for the purpose of fire and rescue 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:

***Bonds Fund*** The bonds fund accounts for and reports the receipt of bond proceeds for the purpose of the construction of a new building.

***Fiduciary Funds*** Fiduciary funds include agency funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency fund accounts for the Township's Police Custodial Account.

***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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

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

***Appropriations*** Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the object level for all funds 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.

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

A summary of 2019 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.

The Township values U.S. Treasury Notes and U.S. Agency securities at cost.

***Capital Assets***

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

***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.

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

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

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Trustees or a Township official delegated that authority by resolution, or by State Statute. The Board may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the general fund.

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

*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.

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Bonds Fund by \$167,281 for the year ended December 31, 2019.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ended December 31, 2019 is as follows:

20CY Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,807,449	\$3,123,716	\$316,267
Special Revenue	3,642,623	3,841,381	198,758
Capital Projects			0
Total	\$6,450,072	\$6,965,097	\$515,025

20CY Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,554,560	\$1,887,679	\$2,666,881
Special Revenue	5,889,985	4,565,435	1,324,550
Capital Projects	0	162,541	(162,541)
Total	\$10,444,545	\$6,615,655	\$3,828,890

**Note 5 – Deposits and Investments**

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

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

	2019
Demand deposits	\$1,944,067
Total deposits	1,944,067
Money market mutual fund	712,981
CDARS	1,193,075
U.S. government securities	1,448,663
U.S. Treasury Notes	99,164
Total investments	3,453,883
<i>Total deposits and investments</i>	<i>\$5,397,950</i>

***Deposits***

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

***Investments***

The Federal Reserve holds the Township’s U.S. Treasury Notes & U.S Government Securities in book-entry form in the name of the Township’s financial institution. The financial institution maintains records identifying the Township as owner of these securities.

**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 homestead and rollback deductions. The financial statements include homestead and rollback 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.

**Note 7 - Risk Management**

***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

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 7 - Risk Management (continued)**

- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	10,519,942

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The full-time police officers contributed 13% of their gross salaries and the Township contributed an amount equaling 18.1% of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

***Ohio Police and Fire Pension Fund***

The Township's full-time firefighters 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 healthcare and survivor and disability benefits.

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

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

***Social Security***

The Township’s part-time firefighters contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2019.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2019, and OP&F contributed 0.5% to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

**Note 10 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
Construction Bond	\$ 2,475,000	1.99%
Police Radios	16,387	8.81%
Total	<u>\$ 2,491,387</u>	

On June 17, 2016 the Township issued general obligation construction bonds in the amount of \$3,250,000 to finance the construction of a Township facility building for use by the police, fire, EMS, and general government services of the Township. The bonds were issued at a 1.99% interest rate. The bonds will mature in December 2030. The bond covenant requires the Township to establish and fund a debt service reserve fund, included as a debt service fund.

In 2019 the Township issued debt for two Police Department radios. The amount of the lease is \$16,387 and it will be paid back in two years.

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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***Amortization***

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

Year ending December 31:	Construction Bonds	Police Radio Loan
2020	\$ 252,753	\$ 9,337
2021	252,803	9,337
2022	252,672	-
2023	252,761	-
2024	252,764	-
2025-2029	1,263,724	-
2030-2034	252,731	-
Total	<u>\$ 2,780,208</u>	<u>\$ 18,674</u>

**Note 11 - Contingent Liabilities**

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

**Note 12 – Jointly Governed Organization**

Clinton Township and the City of Grandview Heights (the City), entered into a contract to establish the Clinton-Grandview Heights Joint Economic Development Zone (JEDZ), to facilitate new and expanded growth for commercial and economic development within the JEDZ and the State. The agreement became effective November 5, 2013, and will terminate on December 31, 2043. The JEDZ is administered by a six member Board consisting of three members appointed by the Township and three members appointed by the City for a term of two years. The JEDZ may sue and be sued, and has the power to enter into contracts for the provision of services within the JEDZ. The Board is allocated 2% of the net revenues for services and obligations each calendar year and may not spend more than the accumulated balance of 2% of the allocated net revenues for services and obligations. Upon the termination or nonrenewal of this contract, the JEDZ Board shall continue to exist for the sole purpose of winding up the business affairs of the JEDZ, collecting outstanding JEDZ income tax, and liquidating any property and assets of the JEDZ. Upon dissolution, funds and assets remaining will be divided 80% to the Township and 20% to the City.



**CLINTON TOWNSHIP  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGE IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$49,561	\$2,381,029	\$0	\$2,430,590
Charges for Services	-	709,644	-	709,644
Licenses, Permits and Fees	27,409	2,483	-	29,892
Fines and Forfeitures	-	26,167	-	26,167
Intergovernmental	2,650,765	458,016	-	3,108,781
Earnings on Investments	48,275	486	-	48,761
Miscellaneous	54,065	65,680	-	119,745
<i>Total Cash Receipts</i>	<u>2,830,075</u>	<u>\$3,643,505</u>	<u>\$0</u>	<u>\$6,473,580</u>
<b>Cash Disbursements</b>				
Current:				
General Government	\$1,091,586	0	\$231,494	\$1,323,080
Public Safety	529,044	3,360,169	\$0	3,889,213
Public Works	325,039	641,637	\$0	966,676
Health	11,820	0	\$0	11,820
Conservation-Recreation	4,258	0	\$0	4,258
Capital Outlay	3,398,559	0	\$0	3,398,559
Debt Service:				
Principal Retirement	195,600	0	\$0	195,600
Interest and Fiscal Charges	56,839	0	\$0	56,839
<i>Total Cash Disbursements</i>	<u>\$5,612,745</u>	<u>\$4,001,806</u>	<u>\$231,494</u>	<u>\$9,846,045</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(\$2,782,670)</u>	<u>(\$358,301)</u>	<u>(\$231,494)</u>	<u>(\$3,372,465)</u>
<i>Fund Cash Balances, January 1</i>	<u>\$4,605,864</u>	<u>\$3,200,956</u>	<u>\$479,263</u>	<u>\$8,286,083</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	2,842,655	247,769	3,090,424
Assigned	1,026,467	0	0	1,026,467
Unassigned (Deficit)	796,727	0	0	796,727
<i>Fund Cash Balances, December 31</i>	<u>\$1,823,194</u>	<u>\$2,842,655</u>	<u>\$247,769</u>	<u>\$4,913,618</u>

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

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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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, Franklin 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, police protection, fire protection and emergency medical services. The Township contracts with the City of Upper Arlington to provide fire services and emergency medical services to the western segment of the Township.

***Jointly Governed Organization***

The Township participates in the Clinton-Grandview Heights Joint Economic Development Zone (the JEDZ), a jointly governed organization. Note 11 to the financial statement presents additional information for this entity.

***Public Entity Risk Pool***

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

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

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

***Basis of Presentation***

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

***Fire District Fund*** The fire district fund accounts for and reports the receipts of property tax monies restricted for the purpose of providing fire protection services to the residents of the Township.

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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

***Police District Fund*** The police district fund accounts for and reports the receipt of property tax money for the operation of Township police protection and law enforcement.

***Fire and Rescue, Ambulance and EMS Services Fund*** The fire and rescue, ambulance and EMS services fund accounts for and reports the receipts of charges for services provided for furnishing EMS services that are restricted for the purpose of fire and rescue 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:

***Bonds Fund*** The bonds fund accounts for and reports the receipt of bond proceeds for the purpose of completing capital projects.

***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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

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

***Appropriations*** Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the object level for all funds 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 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 2018 budgetary activity appears in Note 3.

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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

***Deposits and Investments***

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

The Township values U.S. Treasury Notes and U.S. Agency securities at cost.

***Capital Assets***

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

***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.

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

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

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Trustees or a Township official delegated that authority by resolution, or by State Statute. The Board may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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

*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.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ended December 31, 2018 is as follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,106,958	\$ 2,830,075	\$ 276,883
Special Revenue	3,642,919	3,643,505	(586)
Capital Projects	-	-	-
Total	6,749,877	6,473,580	276,297

2018 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 7,670,460	\$ 5,613,005	\$ 2,057,455
Special Revenue	5,889,882	4,150,761	1,739,121
Capital Projects	231,494	231,494	-
Total	13,791,836	9,995,260	3,796,576

**Note 4 – Deposits and Investments**

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

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 4 – Deposits and Investments**

	2018
Demand deposits	<u>\$ 1,537,057</u>
Total deposits	1,537,057
Money market mutual fund	20,473
CDARS	1,093,550
U.S government securities	1,666,804
U.S Treasury Notes	<u>595,734</u>
Total investments	<u>3,376,561</u>
Total deposits and investments	<u>\$ 4,913,618</u>

***Deposits***

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

***Investments***

The Federal Reserve holds the Township’s U.S. Treasury Notes & U.S Government Securities in book-entry form in the name of the Township’s financial institution. The financial institution maintains records identifying the Township as owner of these securities.

**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 homestead and rollback deductions. The financial statements include homestead and rollback 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.

**Note 6 - Risk Management**

***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:

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 6 - Risk Management (continued)**

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

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

	<u>2019</u>
Cash and investments	\$33,097,416
Actuarial liabilities	7,874,610

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

***Ohio Police and Fire Pension Fund***

The Township's full-time Firefighters 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 % of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2018.

**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Social Security**

The Township’s part-time Firefighters contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2018.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2018, and OP&F contributed 0.5% to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

**Note 9 – Debt**

Debt outstanding at December 31, 2018, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Construction Bond	\$ 2,674,500	1.99%

On June 17, 2016 the Township issued general obligation construction bonds in the amount of \$3,250,000 to finance the construction of a Township facility building for use by the police, fire, EMS, and general government services of the Township. The bonds were issued at a 1.99% interest rate. The bonds will mature in December 2030. The Township intends to repay these bonds from the General Fund.

**Amortization**

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

Year ending December 31:	Constructio n <u>Bond</u>
2019	\$ 252,723
2020	252,753
2021	252,803
2022	252,672
2023	252,761
2024-2028	1,263,722
2029-2033	<u>505,498</u>
Total	<u>\$ 3,032,932</u>



**Clinton Township**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 10 - Contingent Liabilities**

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

**Note 11 – Jointly Governed Organization**

Clinton Township and the City of Grandview Heights (the City), entered into a contract to establish the Clinton-Grandview Heights Joint Economic Development Zone (JEDZ), to facilitate new and expanded growth for commercial and economic development within the JEDZ and the State. The agreement became effective November 5, 2013, and will terminate on December 31, 2043. The JEDZ is administered by a six member Board consisting of three members appointed by the Township and three members appointed by the City for a term of two years. The JEDZ may sue and be sued, and has the power to enter into contracts for the provision of services within the JEDZ. The Board is allocated 2% of the net revenues for services and obligations each calendar year and may not spend more than the accumulated balance of 2% of the allocated net revenues for services and obligations. Upon the termination or nonrenewal of this contract, the JEDZ Board shall continue to exist for the sole purpose of winding up the business affairs of the JEDZ, collecting outstanding JEDZ income tax, and liquidating any property and assets of the JEDZ. Upon dissolution, funds and assets remaining will be divided 80% to the Township and 20% to the City.

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

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

Clinton Township  
Franklin County  
3820 Cleveland Avenue  
Columbus, Ohio 43224

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Clinton Township, Franklin County, (the Township) as of and for the years ended December 2019 and 2018, and the related notes to the financial statements, and have issued our report thereon dated August 31, 2021, we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. We consider findings 2019-002 and 2019-004 described in the accompanying schedule of findings to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2019-003 described in the accompanying schedule of findings to be a significant deficiency.

***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2019-001 and 2019-004.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 31, 2021

**CLINTON TOWNSHIP  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 and 2018**

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

**FINDING NUMBER 2019-001**

**Expenditures Exceeding Appropriations - Noncompliance**

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

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Township's Capital Projects Fund had expenditures in excess of appropriations of \$162,541 as of December 31, 2019.

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

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

**FINDING NUMBER 2019-002**

**Financial Reporting - Material Weakness**

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

Due to the lack of internal controls in place to ensure receipts, expenditures, and fund balances are properly classified on the financial statements, the following adjustments were material to the Township's financial statements and were posted to the financial statements, accounting records where applicable, and applicable footnote disclosures for the years ended December 31, 2019 and 2018:

**CLINTON TOWNSHIP  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018  
(Continued)**

**FINDING NUMBER 2019-002 (CONTINUED)**

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

<b>Error Description</b>	<b>2018</b>	<b>2019</b>
General Fund expenditures that were incorrectly posted to the Capital Projects Fund		\$4,740
The Township opened a bank account in the police department in 2019 that was not reflected as an agency fund on the financial statements. The ending fund balance was \$24,218.		\$24,218
Reclassification of Property Tax Receipts to Intergovernmental Receipts in Special Revenue funds	\$358,908	\$264,696
Posting of Municipal Lease proceeds in the Special Revenue Fund		\$16,387
Reclassification of Charges for Services Receipts to Miscellaneous Receipts in Special Revenue funds	\$50,207	\$48,681
Reclassification of Charges for Services Receipts to Intergovernmental Receipts in Special Revenue funds	\$1,500	\$1,000
Reclassification of Charges for Services Receipts to Licenses, Permits, and Fees in the Special Revenue funds.	\$2,483	
Reclassification of Charges for Services Receipts to Other Financing Receipts – Sale of Capital Assets in Special Revenue funds		\$4,500
Reclassification of Unassigned Fund Balance to Assigned Fund Balance in the General Fund to properly reflect the amount of outstanding encumbrances at year end as assigned fund balance.	\$230,373	
Reclassification of Committed Fund Balance to Restricted Fund Balance in the Special Revenue Fund		\$127,060

Lack or failure of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the Fiscal Officer takes steps to ensure the accurate posting of all transactions to the ledgers. By exercising accuracy in recording financial activity, the Township can reduce posting errors and increase the reliability of the financial data throughout the year.

**CLINTON TOWNSHIP  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018  
(Continued)**

**FINDING NUMBER 2019-003**

**Accounting System Integration of Budgetary Information – Significant Deficiency**

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.

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

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

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The approved Certificate of Estimated Resources (and/or amendments thereof) was not properly posted to the accounting system. The Township’s budgetary information (estimated receipts) did not agree to the final Amended Certificate of Estimated Resources as follows:

**2018**

<b>Fund</b>	<b>Estimated Receipts Filed with the County</b>	<b>Estimated Receipts from UAN</b>	<b>Variance</b>
General Fund	\$3,106,958	\$2,597,950	\$509,008
MVLT	\$5,800	\$5,100	\$700
Road and Bridge Fund	\$336,509	\$333,500	\$3,009
Police District	\$1,490,010	\$1,713,000	\$(222,990)
Fire District Fund	\$959,130	\$958,000	\$1,130
Permissive MVLT	\$41,320	\$30,000	\$11,320
JEDZ	\$350,000	\$325,000	\$25,000

**2019**

<b>Fund</b>	<b>Estimated Receipts Filed with the County</b>	<b>Estimated Receipts from UAN</b>	<b>Variance</b>
General Fund	\$2,807,449	\$2,429,330	\$378,119
Motor Vehicle License Tax Fund	\$5,150	\$4,950	\$200
Gas Tax Fund	\$88,175	\$85,100	\$3,075
Road & Bridge Fund	\$332,612	\$329,900	\$2,712
Police District Fund	\$1,502,782	\$1,588,500	\$(85,718)
Fire District Fund	\$985,903	\$948,222	\$37,681
Permissive MVLT Fund	\$28,000	\$27,000	\$1,000
Ambulance & Emergency Medical Fund	\$700,000	\$650,000	\$50,000

**CLINTON TOWNSHIP  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018  
(Continued)**

**FINDING NUMBER 2019-003 (CONTINUED)**

**Accounting System Integration of Budgetary Information – Significant Deficiency (continued)**

Failure to accurately post the estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this lead to inaccurate reporting of the Township's budgetary information in the Township's note disclosures.

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

**FINDING NUMBER 2019-004**

**Recording in Incorrect Fund- Noncompliance and Material Weakness**

**Ohio Rev. Code § 5705.10(D)** provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. Except as otherwise provided by resolution adopted pursuant to section 3315.01 of the Revised Code or as otherwise provided by section 3315.40 of the Revised Code, all revenue derived from a source other than the general property tax, for which the law does not prescribe use for a particular purpose, including interest earned on the principal of any special fund, regardless of the source or purpose of the principal, shall be paid into the general fund.

The Township receives payments from the Clinton-Grandview Heights Joint Economic Development Zone (JEDZ) per an agreement that is place between the JEDZ, the Township, and the City of Grandview Heights. The Township accounts for these monies in a separate fund on the Township's accounting ledgers. However, the monies are not restricted by external parties or enabling legislature, so the financial transactions related to this receipt source should be reported as part of the Township's General Fund on the year-end financial statements. On the December 31, 2018 financial statements the General Fund January 1, 2018 fund balance and receipts were increased and the Special Revenue fund balance and receipts were decreased by \$1,122,245 and \$339,050, respectively to properly report the JEDZ financial activity. On the December 31, 2019 financial statements the General Fund receipts and disbursements were increase and the Special Revenue Fund receipts and disbursements were decreased by \$354,905 and \$47,833, respectively to properly report the JEDZ financial activity.

The Township entered into an Annexation Agreement and the receipts received related to that agreement should have been reported as intergovernmental revenue within the General Fund. The Township had allocated \$37,412 receipts among various Special Revenue Funds that should have been reported in the General Fund.

Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatements noted above.



**CLINTON TOWNSHIP  
FRANKLIN COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018  
(Continued)**

**FINDING NUMBER 2019-004 (CONTINUED)**

**Recording in Incorrect Fund- Noncompliance and Material Weakness (continued)**

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 posting to the proper funds and proper reporting of activity on the year-end financial statements.

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

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3820 Cleveland Avenue, Columbus, Ohio 43224

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2019 AND 2018**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-001	Incorrect Fund Posting of Transactions – Noncompliance and Material Weakness	Not Corrected	Repeated as Finding 2019-004
2017-002	Financial Reporting – Material Weakness	Not Corrected	Repeated as Finding 2019-002
2017-003	Accounting System Integration of Budgetary Information – Material Weakness	Partially Corrected	Repeated as Finding 2019-003
2017-004	Bank to Book Reconciliation – Material Weakness	Partially Corrected	Issued as a Management Letter comment
2017-005	Interfund Transfers – Noncompliance and Significant Deficiency	Fully Corrected	

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# OHIO AUDITOR OF STATE KEITH FABER



**CLINTON TOWNSHIP**

**FRANKLIN 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 12/14/2021**

88 East Broad 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)