



Dave Yost • Auditor of State



CLINTON TOWNSHIP  
SHELBY COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Clinton Township  
Shelby County  
P.O. Box 603  
Sidney, Ohio 45365

To the Board of Trustees:

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

We have audited the accompanying financial statements and related notes of Clinton Township, Shelby County, (the Township) as of and for the years ended December 31, 2013 and 2012.

### ***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 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 opinion.

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

As described in Note 1 B 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, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***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, 2013 and 2012, or 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 combined cash balances of Clinton Township, Shelby County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements 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 1 B.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2014, 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.



**Dave Yost**  
Auditor of State

Columbus, Ohio

July 31, 2014

**CLINTON TOWNSHIP  
SHELBY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$34,954	\$68,445		\$103,399
Licenses, Permits and Fees	913			913
Intergovernmental	103,134	103,566		206,700
Special Assessments		2,593		2,593
Earnings on Investments	493	228		721
Miscellaneous	3,157			3,157
Total Cash Receipts	<u>142,651</u>	<u>174,832</u>		<u>317,483</u>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
General Government	156,391	1,400		157,791
Public Safety	9,186	46,129		55,315
Public Works	11,657	72,627		84,284
Capital Outlay	2,500			2,500
<b>Debt Service:</b>				
Principal Retirement			\$65,200	65,200
Interest and Fiscal Charges			5,187	5,187
Total Cash Disbursements	<u>179,734</u>	<u>120,156</u>	<u>70,387</u>	<u>370,277</u>
Excess of Receipts Over (Under) Disbursements	<u>(37,083)</u>	<u>54,676</u>	<u>(70,387)</u>	<u>(52,794)</u>
<b>Other Financing Receipts (Disbursements):</b>				
Sale of Capital Assets		2,000		2,000
Transfers In			36,000	36,000
Transfers Out	(36,000)			(36,000)
Advances In		50		50
Advances Out	(50)			(50)
Total Other Financing Receipts (Disbursements)	<u>(36,050)</u>	<u>2,050</u>	<u>36,000</u>	<u>2,000</u>
Net Change in Fund Cash Balances	(73,133)	56,726	(34,387)	(50,794)
Fund Cash Balances, January 1	<u>1,031,780</u>	<u>712,051</u>	<u>35,724</u>	<u>1,779,555</u>
<b>Fund Cash Balances, December 31:</b>				
Restricted		596,247		596,247
Committed		172,530		172,530
Assigned			1,337	1,337
Unassigned	958,647			958,647
Fund Cash Balances, December 31	<u>\$958,647</u>	<u>\$768,777</u>	<u>\$1,337</u>	<u>\$1,728,761</u>

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

**CLINTON TOWNSHIP  
SHELBY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$36,848	\$75,102		\$111,950
Licenses, Permits and Fees	710			710
Intergovernmental	379,085	98,835		477,920
Special Assessments		1,695		1,695
Earnings on Investments	1,104	326		1,430
Miscellaneous	97	1,960		2,057
Total Cash Receipts	<u>417,844</u>	<u>177,918</u>		<u>595,762</u>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
General Government	161,692	1,225		162,917
Public Safety	12,640	40,814		53,454
Public Works	10,537	113,554		124,091
Health	3,461			3,461
Capital Outlay	2,583			2,583
<b>Debt Service:</b>				
Principal Retirement			\$32,600	32,600
Interest and Fiscal Charges			4,247	4,247
Total Cash Disbursements	<u>190,913</u>	<u>155,593</u>	<u>36,847</u>	<u>383,353</u>
Excess of Receipts Over (Under) Disbursements	<u>226,931</u>	<u>22,325</u>	<u>(36,847)</u>	<u>212,409</u>
<b>Other Financing Receipts (Disbursements):</b>				
Transfers In		100	70,768	70,868
Transfers Out	(70,868)			(70,868)
Total Other Financing Receipts (Disbursements)	<u>(70,868)</u>	<u>100</u>	<u>70,768</u>	
Net Change in Fund Cash Balances	156,063	22,425	33,921	212,409
Fund Cash Balances, January 1	<u>875,717</u>	<u>689,626</u>	<u>1,803</u>	<u>1,567,146</u>
<b>Fund Cash Balances, December 31:</b>				
Restricted		580,190		580,190
Committed		131,861		131,861
Assigned			35,724	35,724
Unassigned	1,031,780			1,031,780
Fund Cash Balances, December 31	<u>\$1,031,780</u>	<u>\$712,051</u>	<u>\$35,724</u>	<u>\$1,779,555</u>

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



**CLINTON TOWNSHIP  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Clinton Township, Shelby 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, fire protection and emergency medical services. The Township contracts with the City of Sidney to provide fire services and ambulance services.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. 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 Auditor of State prescribes or permits.

**C. 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.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted 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** - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

**Gasoline Tax Fund** - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

**CLINTON TOWNSHIP  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. 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 the following significant Debt Service Fund:

**Millcreek Storm Sewer Debt Service Fund** – This fund receives transfers in from the General fund to make payments to Shelby County for the associated debt issued by Shelby County for the Millcreek Storm Sewer project.

**E. Budgetary Process**

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

**1. 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. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

**F. 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:

**1. Non-spendable**

The Township classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

**2. 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.

**CLINTON TOWNSHIP  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. 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.

**4. 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 Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**5. 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.

**G. Property, Plant, and Equipment**

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

**H. 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.

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

The Township maintains a deposit and investments 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:

	<u>2013</u>	<u>2012</u>
Demand deposits	\$1,059,817	\$1,110,872
STAR Ohio	668,944	668,683
Total deposits and investments	<u>\$1,728,761</u>	<u>\$1,779,555</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**CLINTON TOWNSHIP  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

<b>2013 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$70,714	\$142,651	\$71,937
Special Revenue	174,575	176,882	2,307
Debt Service	71,358	36,000	(35,358)
Total	\$316,647	\$355,533	\$38,886

<b>2013 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$1,102,495	\$215,784	\$886,711
Special Revenue	886,626	120,156	766,470
Debt Service	71,400	70,387	1,013
Total	\$2,060,521	\$406,327	\$1,654,194

<b>2012 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$76,438	\$417,844	\$341,406
Special Revenue	162,722	178,018	15,296
Debt Service	70,768	70,768	
Total	\$309,928	\$666,630	\$356,702

<b>2012 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$956,313	\$261,781	\$694,532
Special Revenue	848,190	155,593	692,597
Debt Service	1,804	36,847	(35,043)
Total	\$1,806,307	\$454,221	\$1,352,086

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Debt Service fund by \$35,043 for the year ended December 31, 2012.

**4. PROPERTY TAX**

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.

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.

**CLINTON TOWNSHIP  
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2013 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Millcreek Storm Sewer MOU Agreement	\$123,747	3%

The Township entered into a Memorandum of Understanding as of January 2010, where the Shelby County Commissioners issued a debt obligation for the benefit of Clinton Township for the Millcreek Storm Sewer project. Clinton Township has agreed to reimburse Shelby County for all the principal and interest payments for this obligation, over a period of five years, in accordance with the amortization schedule from US Bank.

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

<b>Year ending December 31:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2014	\$65,200	\$3,031	\$68,231
2015	58,547	979	\$59,526
Total	\$123,747	\$4,010	\$127,757

**6. RETIREMENT SYSTEMS**

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

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, 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, 2013.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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

Clinton Township  
Shelby County  
P.O. Box 603  
Sidney, Ohio 45365

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 Clinton Township, Shelby County, (the Township) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated July 31, 2014 wherein we noted the District 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 opinion 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 a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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. 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. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

***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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-002.

***Entity's Response to Findings***

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion them.

***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 communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

July 31, 2014



CLINTON TOWNSHIP  
SHELBY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012

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

FINDING NUMBER 2013-001

**Material Weakness – Financial Statement Errors**

The Township prepared its annual financial statements in accordance with accounting practices the Auditor of State prescribes or permits. The Township's annual financial report for the years ended 2012 and 2013 contained the following errors which were adjusted on the accompanying financial statement;

- In 2013, the Township reported the entire fund balance in the General Fund amounting to \$958,647 as restricted fund balance, rather than as unassigned fund balance.
- In 2013, the Township posted the second half property tax settlement twice resulting in revenues and cash fund balance being overstated by \$11,721 in the General Fund and by \$29,944 in the Special Revenue Fund type. This was carried as an adjusting item on the bank reconciliation until March 2014 when the fiscal officer adjusted the fund balances in the UAN accounting system to correct this error.
- In 2013 and 2012, the Township reported \$172,530 and \$131,861 respectively, of fund balance in the Special Revenue Fund type as restricted, rather than as committed fund balance. **Auditor of State Bulletin 2011-004** states that the committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Since the funding for fund 2031 Road and Bridge fund is derived from inside millage, the source of the constraint is considered to be imposed by trustees and not externally restricted by the voters. Therefore the fund balance should be classified as committed.
- In 2012, the Township reported the entire balance of \$35,724 of the debt service fund as restricted, rather than as assigned fund balance.

Additionally in 2012 and 2013, the Township misclassified intergovernmental receipts as property tax receipts in the General and Special Revenue funds in amounts ranging from \$1,035 to \$10,008. These misclassifications were not adjusted on the accompanying financial statements.

The Township should review revenue and expenditure activity to determine which account code best represents the transaction. The UAN Chart of Accounts should be utilized to determine the appropriate classifications. In addition, the Township should review Auditor of State Bulletin 2011-004 and implement procedures to provide that all ending fund balances comply and are reported with its requirements.

**Officials' Response:** Posting error has been corrected and will work on correcting this kind of error in coming years.

FINDING NUMBER 2013-002

**Noncompliance**

**Ohio Rev. Code Section 5705.41(B)** states, in part, that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated. Contrary to this requirement at December 31, 2012 the Township expended \$36,847 from its Millcreek Storm Sewer Debt Service Fund and appropriated only \$1,804.

**FINDING NUMBER 2013-002**  
**(Continued)**

The Township should develop and implement procedures to properly develop and monitor its budgetary expectations relating to appropriations and actual expenditures. Doing so would enable the Township to comply with budgetary requirements while limiting the risk of spending more than is appropriated.

**Officials' Response:** This was an oversight and we are working on correcting this kind of error in the coming years.

**CLINTON TOWNSHIP  
SHELBY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2011-01	Material Weakness – Classifying Revenues and Expenditures	No	Repeated as Finding 2013-001
2011-02	Finding for Recovery- Payroll Overpayment – Repaid Under Audit	Yes	

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# Dave Yost • Auditor of State

**CLINTON TOWNSHIP**

**SHELBY COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 28, 2014**